



**BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER DISTRICT
AGENDA
DECEMBER 5, 2019**

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 meeting of the Board of Directors of the San Lorenzo Valley Water District will be held on **Thursday, December 5, 2019 at 5:30 p.m.**, SLVWD, 13057 Highway 9, Boulder Creek, CA 95006.

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 Closed Session 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. Oral Communications Regarding Items in Closed Session:

This portion of the agenda is reserved for Oral Communications by the public for items which are on the Closed Session portion of the Agenda. Any person may address the Board of Directors at this time, on Closed Session items. Normally, presentations must not exceed five (5) 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.

4. 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. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: APN 078-233-05, located along Scenic Way in Ben Lomond
Agency negotiator: Rick Rogers, District Manager and Gina Nicholls, District Counsel
Negotiating party: Nick Naccari
Under negotiation: Price and terms of payment
- b. PUBLIC EMPLOYEE ANNUAL PERFORMANCE EVALUATION
Government Code Section 54957
Title: District Manager

Closed Session Note:

The Brown Act prohibits the disclosure of confidential information acquired in a closed session by any person present and offers various remedies to address willful breaches of confidentiality. These include injunctive relief, disciplinary action against an employee, and referral of a member of the legislative body to the grand jury. It is incumbent upon all those attending lawful closed sessions to protect the confidentiality of those discussions. Only the legislative body acting as a body may agree to divulge confidential closed session information; regarding attorney/client privileged communications, the entire body is the holder of the privilege and only a majority vote of the entire body can authorize the waive of the privilege.

5. Convene to Open Session at 6:30 p.m.

6. Report of Actions Taken in Closed Session

7. Roll Call (Open Session):

8. Additions and Deletions to Open Session 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).

9. 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 Board of Directors at this time, on any subject that lies within the jurisdiction of the District. Normally, communication must not exceed five (5) minutes in length, and individuals may only speak once during Oral Communications.

Any Director may request that a matter raised during Oral Communication be placed on a future agenda.

10. Unfinished Business:

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

- a. NOTICE OF INTENT TO ADOPT A MITIGATED NEGATIVE DECLARATION LOMPICO TANKS - PUBLIC HEARING
Discussion and possible action by the Board regarding the CEQA Project at Lompico Tanks.
- b. STRATEGIC PLAN
Discussion and possible action by the Board regarding the Strategic Plan proposal and plan for the process.
- c. PUBLIC ADVISORY COMMITTEE ON FACILITIES - UPDATE
Discussion and possible action by the Board regarding applications for the Public Advisory Committee on Facilities.
- d. RESPONSE TO MATT JOHNSTON ARTICLE ON GLYPHOSATE
Discussion and possible action by the Board regarding written response to Matt Johnston's e-mail.

11. New Business:

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

- a. ANNUAL FINANCIAL REPORT FOR FISCAL YEAR 2018-19
Discussion and possible action by the Board to adopt the FY 18/19 Audit.
- b. ELECTION OF OFFICERS FOR 2020
Discussion and possible action by the Board regarding the election of President and Vice President of the Board of Directors for 2020.
- c. BOARD OF DIRECTORS MEETING DATES AND TIMES FOR 2020
Discussion and possible action by the Board regarding the dates and time for regularly scheduled BoD meetings.
- d. BOARD MEMBER COMMITTEE APPOINTMENTS FOR 2020
Discussion and possible action by the Board regarding the committee appointments of Board members for 2020.

- e. UTILITY BILLING POLICY - SB998 COMPLIANT
Discussion and possible action by the Board regarding updating the Rules & Regulations with a Utility Billing policy
- f. RATES AND CHARGES
Discussion and possible action by the Board regarding a resolution to update the District Rates & Charges.
- g. DISTRICT LOGO
Discussion and possible action by the Board regarding the possible change of the District Logo.
- h. PERSONNEL SYSTEM RULES & REGULATIONS FOR 2020
Discussion and possible action by the Board regarding the Personnel System Rules & Regulations for 2020.
- i. SEXUAL HARASSMENT POLICY FOR 2020
Discussion and possible action by the Board regarding the Sexual Harassment Policy for 2020.
- j. RESPECTFUL WORKPLACE POLICY FOR 2020
Discussion and possible action by the Board regarding the Respectful Workplace Policy for 2020.

12. 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 item on the consent agenda will be moved to the regular agenda upon request from individual Directors or a member of the public.

- a. MINUTES FROM BOARD OF DIRECTORS MEETING NOVEMBER 7, 2019
- b. MINUTES FROM SPECIAL BOARD OF DIRECTORS MEETING NOVEMBER 13, 2019

13. District Reports:

No action will be taken and discussion may be limited at the President's discretion. The District encourages that questions be submitted in writing (bod@slvwd.com) on items listed in the District Reports. Questions submitted, if any, will be posted in the next available District Reports, along with a reply.

- DEPARTMENT STATUS REPORTS
Receipt and consideration by the Board of Department Status Reports regarding ongoing projects and other activities.
 - Engineering
 - Finance & Business
 - Legal
 - Operations

- COMMITTEE REPORTS
 - Future Committee Agenda Items
 - Committee Meeting Notes/Minutes
 - Engineering Meeting - 11.7.19

14. Written Communication:

- Email from C. Finnie 11.12.19
- Email from K. Holl 11.18.19
- Email from D. Loewen 11.19.19
- Email from L. Ford 11.19.19
- Email from B. Sprenger 11.20.19
- Email from P. Machlis 11.20.19
- Email from L. Summers 11.22.19
- Email from L. Henry 11.23.19
- Email from M. Dolson 11.23.19
- Email from L. Watson 11.23.19
- Email from C. Dzendzel 11.23.19
- Email from J. Mosher 11.26.19
- Email from E. Fresco 11.27.19

15. Adjournment

Certification of Posting

I hereby certify that on December 2, 2019 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 2, 2019.

Holly Hossack, District Secretary

MEMO

TO: Board of Directors

FROM: District Manager

SUBJECT: Discussion and Possible Action Regarding Approval of the Final Initial Study Mitigated Negative Declaration for the Lompico Water Tanks Replacement Project

DATE: December 5, 2019

RECOMMENDATION

It is recommended that the Board of Directors review this memo and adopt the attached resolution approving the Initial Study for the Lompico Water Tanks Replacement Project.

BACKGROUND

As part of the Lompico/SLVWD consolidation the District is moving forward with replacing several water tanks in Lompico. The project is the replacement of six water tanks. The Kaski, Madrone, and Lewis tank sites are located in the Lompico community in Santa Cruz County, California. The Kaski tank site is located approximately 750 feet northwest of the terminus of Tromba Road, the Madrone tank site is located approximately 650 feet northwest of the intersection of Madrone Avenue and Whilaway Avenue, and the Lewis tank site is located approximately 1,200 feet southwest of the intersection of Vera Avenue and West Drive. The project is part of the Lompico Annexation and is being funded by the Lompico Assessment District

Project Description:

The District proposes to replace aging water storage tanks at three distinct locations (Kaski, Madrone, and Lewis) with modern water storage tanks. Site improvements include the installation of two (2) 42,000-gallon steel tanks at the Kaski tank site and two (2) 60,000-gallon tanks at the Madrone tank site, to replace the existing redwood water storage tanks. At the Lewis tank site, improvements include installation of two (2) 114,000 gallon steel bolted water storage tanks to replace an existing 100,000-gallon redwood water storage tank. All tanks would be constructed within the existing disturbed area. Additional site improvements include installation

of chain link security fences and pavement within the project areas. Construction is anticipated to begin in the spring of 2020, and is expected to take eight months

The attached document, together with the Draft Initial Study/Mitigated Negative Declaration (Draft IS/MND), constitutes the Final Initial Study/Mitigated Negative Declaration (Final IS/MND) for the Lompico Water Tanks Replacement Project (project). The San Lorenzo Valley Water District (District) is the lead agency for the project. The Final IS/MND consists of an introduction, comment letters received during the 30-day public review period, responses to comments, and revisions to the Draft IS/MND, if deemed applicable. The Draft IS/MND was prepared to inform the public of the potential environmental effects of the project and identify possible ways to minimize potential project-related impacts.

Public Participation

Pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15073(a), the Draft IS/MND was circulated for a 30-day review period during which comments could be submitted. On October 25, 2019, the Draft IS/MND was distributed for the public review period to responsible and trustee agencies, interested groups, and individuals. The review period ended on November 25, 2019. A SLVWD Board of Directors meeting is scheduled for December 5, 2019, to consider the adoption of the Final IS/MND and approval of the proposed project.

Summary:

The Final Initial Study/Mitigated Negative Declaration for the Lompico Water Tanks Replacement Project has been completed. It is recommended that the Board of Directors adopt the attached resolution approving the Initial Study for the Lompico Water Tanks Replacement Project.

Here is the link to the Final IS:

<https://www.slvwd.com/agendas/Full/2019/12-5-2019/SLVWD%20Lompico%20Tanks%20Replacement%20Project%20%20Final%20IS-MND.pdf>

SAN LORENZO VALLEY WATER DISTRICT

BOARD OF DIRECTORS TO ADOPT A MITIGATED NEGATIVE DECLARATION, AND ADOPT A MITIGATION MONITORING AND REPORTING PROGRAM (EXHIBIT A)

RESOLUTION NO. 14 (19-20)

WHEREAS, the Lompico Tanks Replacement Project (the Project) consists of replacing the existing redwood storage tanks, located at Kaski, Madrone and Lewis, with 6 bolted steel storage tanks (the Project); and

WHEREAS, in accordance with the California Environmental Quality Act (CEQA) and State CEQA Guidelines, the San Lorenzo Valley Water District (District) prepared an Initial Study for the Project, which concluded that a Mitigated Negative Declaration should be prepared; and

WHEREAS, based on this Initial Study, the District prepared a Draft Mitigated Negative Declaration and circulated the document, along with the Initial Study, for agency and public review and comment for a review period that started on October 25, 2019 and ended on November 25, 2019; and

WHEREAS, no public comments were received on the Initial Study and Mitigated Negative Declaration; and

WHEREAS, a letter was sent the California State Clearinghouse to indicate that the District had complied with the State's environmental review process; and

WHEREAS, the Initial Study and Mitigated Negative Declaration have been completed in compliance with the California Environmental Quality Act (CEQA), Public Resources Code Section 21000 et seq, the Guidelines for Implementation of the California Environmental Quality Act (14 Cal. Code Regs. Section 15000 et seq.) (the "State CEQA Guidelines") and local procedures adopted pursuant thereto; and

WHEREAS, the District Board of Directors considered the Initial Study and Mitigated Negative Declaration at a public meeting held on October 17, 2019; and

WHEREAS, the District Board of Directors recognizes the District's obligation, pursuant to Public Resources Code section 21081.6, subdivision (a), to ensure the monitoring of all adopted mitigation measures necessary to substantially lessen or avoid the significant effects of the project; and

WHEREAS, Exhibit A to this Resolution is the Mitigation Monitoring and Reporting Plan prepared in order to comply with § 21081.6, subdivision (a);

NOW, THEREFORE, BE IT RESOLVED by the San Lorenzo Valley Water District as follows:

- The Board of Directors hereby finds that it has considered the Mitigated Negative Declaration together with the Initial Study and finds that the Mitigated Negative Declaration (dated December 2019) and supporting documents reflects the District’s independent judgment and analysis, as required by Public Resources Code Section 21082.1.
- The Board of Directors finds on the basis of the whole record before it (including the Initial Study and comments received at the public meeting) that there is no substantial evidence that the project will have a significant effect on the environment.
- The Board of Directors hereby adopts the Mitigated Negative Declaration and finds that the Initial Study has been completed in compliance with CEQA, the State CEQA Guidelines and local procedures adopted pursuant thereto.
- The Board of Directors hereby adopts the Mitigation Monitoring and Reporting Program attached hereto as Exhibit “A”.
- All environmental documents and other materials that constitute the record of proceedings upon which this decision is based, are located at San Lorenzo Valley Water District, 13060 Highway 9, Boulder Creek, CA 95006-9119.

PASSED AND ADOPTED by the Board of Directors of the San Lorenzo Valley Water District, County of Santa Cruz, State of California, on the 5th day of December 2019, by the following vote of the members thereof:

ROLL CALL:

AYES:

NOES:

ABSTAIN:

ABSENT:

Holly B. Hossack
District Secretary

EXHIBIT A

MITIGATION MONITORING AND REPORTING PROGRAM

Lompico Water Tanks Replacement Project

December 2019

The Mitigation Monitoring and Reporting Program (MMRP) is a CEQA required component of the Mitigated Negative Declaration (MND) process for the project (CEQA Guidelines §15074). Specifically, CEQA requires that lead agencies adopting MNDs take affirmative steps to determine that approved mitigation measures are implemented subsequent to project approval (CEQA Guidelines §15074(d)).

As part of the CEQA environmental review procedures, Public Resources Code §21081.6 requires a public agency to adopt a monitoring and reporting program to ensure efficacy and enforceability of any mitigation measures applied to a proposed project. The lead agency must adopt an MMRP for mitigation measures incorporated into the project or proposed as conditions of approval. The MMRP must be designed to ensure compliance during project implementation. As stated in §21081.6(a)(1):

“The public agency shall adopt a reporting or monitoring program for the changes made to the project or conditions of project approval, adopted in order to mitigate or avoid significant effects on the environment. The reporting or monitoring program shall be designed to ensure compliance during project implementation. For those changes which have been required or incorporated into the project at the request of a responsible agency or a public agency having jurisdiction by law over natural resources affected by the project, that agency shall, if so requested by the lead agency or a responsible agency, prepare and submit a proposed reporting or monitoring program.”

Table 1 is the final MMRP matrix. The table lists each of the mitigation measures and specifies the agency responsible for implementation of the mitigation measure and the time period for implementing the mitigation measure.

Lead Agency: _____
Approval by: _____ Date: _____

Table 1 Mitigation Monitoring and Reporting Plan Lompico Water Tanks Replacement Project				
Environmental Impact	Mitigation Measures	Responsible Party	Timing	Verification (name/date)
4.4 Biological Resources				
Impacts to special-status species & habitat, Santa Cruz Kangaroo Rat	MM BIO 1A.: The District shall ensure that a qualified biologist conducts an education program for all persons employed on the project prior to performing construction activities. Instruction shall consist of a presentation by the qualified biologist that includes a discussion of the biology and general behavior of any special-status species that may be in the area, how they may be encountered within the work area, and procedures to follow when they are encountered. The status of ESA/CESA-listed species including legal protection, penalties for violations and project-specific protective management measures shall be discussed. The District shall prepare and distribute wallet-sized cards or a factsheet handout containing this information for workers to carry on-site. Upon completion of the program, employees shall sign an affidavit stating they attended the program and understand all protection measures.	SLVWD, Qualified Biologist	Prior to project construction	
	MM BIO 1B: To prevent the inadvertent entrapment of Santa Cruz kangaroo rats during construction, all excavated, steep-walled holes or trenches more than 2 feet deep shall be covered with plywood or similar materials at the close of each working day, or escape ramps constructed of earth fill or wooden planks shall be positioned within the excavations to allow special-status wildlife to escape on their own. Before such holes or trenches are filled, they shall be thoroughly inspected for trapped animals. Inspections shall be conducted by qualified biologist or construction personnel that have been specifically identified and trained by the qualified biologist. If trapped animals are observed, escape ramps or structures shall be installed immediately to allow escape. Trapped wildlife shall only be handled by a qualified biologist, if necessary.	SLVWD, Qualified Biologist	During construction	

Table 1
Mitigation Monitoring and Reporting Plan
Lompico Water Tanks Replacement Project

Environmental Impact	Mitigation Measures	Responsible Party	Timing	Verification (name/date)
Impacts to special-status species & habitat - San Francisco Dusky-Footed Woodrat (SFDW)	MM BIO-2: A qualified biologist will conduct preconstruction surveys of all ground disturbance areas to determine if SFDW are present prior to the start of construction. The biologist will conduct these surveys no more than 2 weeks prior to the beginning of construction. If SFDW nests are found, nests shall be mapped/flagged and documented in pre-construction report.	SLVWD, Qualified Biologist	Two weeks or less prior to construction	
	<p>MM BIO 3: In the event that a SFDW nest is found, and assuming the nest is of the SFDW sub-species, one of the following measures will be implemented. These measures are listed in order of priority, where the first measure is the preferred measure to be implemented as it provides the least amount of impact to the woodrat. If the first measure cannot be implemented due to extenuating site conditions, the second shall be implemented and so forth down the list.</p> <ol style="list-style-type: none"> 1. The development will be rerouted/re-sited if possible, to avoid the woodrat nest by at least 50 feet. 2. Safety and/or silt fencing will be erected around all nests within 25 feet of the grading and construction activities to avoid impacts during site work. 3. In the event that the project footprint must go directly through a nest, the District shall trap SFDW, dismantle, and relocate nests using the following methodology: <ul style="list-style-type: none"> • Prior to nest disturbance, the biologist shall obtain from CDFW a scientific collection permit for the trapping of the SFDW. • Nests shall be disturbed/dismantled during the non-breeding season, between October 1 and December 31, if possible. • At least two weeks prior to construction, the qualified biologist shall survey the project disturbance area to confirm the SFDW nest location and locate any other nests that may have been built in the project vicinity that may be affected by the proposed development. • Prior to nest disturbance, SFDW shall be trapped at dusk of the night set for relocation of the nest(s). • Any existing nest that may be disturbed by construction activities shall be mostly dismantled and the material spread in the vicinity of identified nest relocation site(s). • In order to avoid the potential health effects associated with handling rodents and their milieu, all workers involved in the handling of the woodrats or the nest materials should wear protective gear to prevent 	SLVWD, Qualified Biologist	During construction	

**Table 1
Mitigation Monitoring and Reporting Plan
Lompico Water Tanks Replacement Project**

Environmental Impact	Mitigation Measures	Responsible Party	Timing	Verification (name/date)
	<p>inhalation of contaminant particulates, contact with conjunctiva (eyes), and protection against flea bites; a respirator, eye protection and skin protection should all be used.</p> <ul style="list-style-type: none"> • Dismantling shall be done by hand, allowing any animals not trapped to escape either along existing SFDW trails or toward other available habitat. • If a litter of young is found or suspected, nest material shall be replaced, and the nest left alone for 2-3 weeks before a recheck to verify that young are capable of independent survival before proceeding with nest dismantling. • Woody debris shall be collected from the area and relocated nests shall be partially constructed in an area determined by the qualified biologist to be both suitable for the SFDW and far enough away from the construction activities that they will not be impacted. • SFDW that were collected at dusk shall be released hours before dawn near the newly constructed nests to allow time for SFDW to find refuge. 			
Impacts to special-status species & habitat - Raptors and Other Migratory Bird Species	<p>MM BIO-4: A biological monitor shall be on site for all vegetation removal and initial ground disturbing activities. Following ground disturbance, the biological monitor shall train a construction crew-member to act as the biological monitor for the remainder of the construction.</p> <p>MM BIO-5: If equipment staging, site preparation, grading, excavation or other Project-related construction work is scheduled during the nesting season of protected raptors and other avian species, a qualified biologist shall conduct two surveys for active nests within 14 days prior to the beginning of Project construction. The final survey shall be conducted within 48 hours prior to construction. Surveys shall be conducted in all suitable habitat located at Project work sites, in staging, storage and soil stockpile areas. Nesting seasons are typically defined as March 15 to August 30 for small bird species such as passerines and February 15 to September 15 for other raptors. The minimum survey radii surrounding the work area shall be 300 feet. If an active nest is found during surveys, the qualified biologist shall designate a protected area (while occupied) during Project construction by demarking a “No Work Zone” around each nest site. The qualified biologist shall monitor the behavior of the birds (adults and young, when present) at the nest site to ensure that they are not disturbed by Project</p>	SLVWD, Qualified Biologist	During construction	

**Table 1
Mitigation Monitoring and Reporting Plan
Lompico Water Tanks Replacement Project**

Environmental Impact	Mitigation Measures	Responsible Party	Timing	Verification (name/date)
	construction work. Nest monitoring shall continue during construction until the young have fully fledged (have completely left the nest site and are no longer being fed by the parents), as determined by the qualified biologist.			
Impacts to special-status species & habitat - Mount Hermon June Beetle (MHJB)	MM BIO-6: Prior to construction, implement a construction fencing plan that demarcates construction access routes and staging areas such that inadvertent impacts to suitable habitat for MHJB are avoided. Install construction fencing prior to work and maintain fencing throughout the construction period.	SLVWD, Qualified Biologist	Prior to construction	
	MM BIO-7: The District will salvage the soil within the approximately 0.11-acre area proposed for use by the temporary tanks that has not already been salvaged for Ben Lomond spineflower restoration (A&MM 3). Topsoil (top 6-8 inches) will be carefully removed by an experienced operator using a dragline, excavator, scraper, or dozer and will be stockpiled in uncompacted piles less than 4 feet tall. Stockpiled soils will be placed on top of an impervious surface, such as a tarp, within temporary disturbance areas. Topsoil stockpiles will be stabilized by spraying with a tackifier (soil stabilizer) or covered with a permeable natural material, such as jute or coconut fiber blankets, as consistent with SWPPP requirements. To minimize compaction, no equipment will be allowed to travel over or park on the salvaged soil stockpiles (see MM BIO-13).	SLVWD	Prior to and during construction	
	MM BIO-8: Implement Worker Environmental Awareness Training: A qualified biologist will conduct training sessions to familiarize all construction personnel with the following: identification of MHJB, other protected wildlife and plants, as well as their habitat, general provisions and protections afforded by the Endangered Species Act (ESA), measures implemented to protect the species, penalties for violation of the ESA, reporting requirements, and a review of project footprint boundaries. the District and/or their contractor(s) will require all construction employees to participate in the training prior to working on-site.	SLVWD, Qualified Biologist	Prior to construction	
	MM BIO-9: If ground disturbing activities are conducted during the flight season of the MHJB, cover exposed soil nightly to avoid impacts to dispersing males. Adult male Mount Hermon June beetles actively search for mates and breed during the evenings for approximately 12-14 weeks between May 1 and August 30. During this period, males and females may burrow into duff and soils at relatively shallow depths for protection during the daytime hours. Every attempt	SLVWD	During construction	

Table 1
Mitigation Monitoring and Reporting Plan
Lompico Water Tanks Replacement Project

Environmental Impact	Mitigation Measures	Responsible Party	Timing	Verification (name/date)
	will be made to conduct soil disturbing aspects of the project outside of the adult flight season (May to August). If construction occurs during any part of the flight season, tarps or other impervious material will be used to cover open soil each night by 7:00 p.m. This will prevent adult males from burrowing into the exposed area and then being impacted by subsequent soil disturbance (digging, grading, or covering).			
	MM BIO-10: A qualified biologist will be on site during all ground-disturbing activities to capture any MHJB observed in the construction areas and relocate them outside to intact sandhills habitat that supports appropriate soils and vegetation.	SLVWD, Qualified Biologist	During construction	
	MM BIO-11: To quantify the incidental take at the end of the project, a qualified biologist will calculate the area of soil disturbance (and thus incidental take) and count the number of MHJB that were observed during tank installation.	SLVWD, Qualified Biologist	During construction	
	MM BIO-12: To compensate for impacts to MHJB habitat impacts at the Lewis Tank site the District will set aside 28,850.64 ft ² (0.67-acre) of habitat within the 6.7-acre conservation area at the Olympia Wellfield. Setting aside 21,788.94 ft ² (0.51-acre) of habitat within the conservation area will offset the permanent habitat loss at a 3:1 ratio, which is appropriate given the moderate quality of habitat at the site. The temporary impacts of this project will be compensated for at a 1:1 ratio, which reflects the fact that the habitat to be impacted on site will be restored following the project. Prior to initiation of ground-disturbing activities associated with the project, the District will contribute \$94,918.61 to the endowment that it will use to manage and monitor the 6.7-acre conservation area.	SLVWD	Prior to grading activities	
	MM BIO-13: Following completion of the project, the District will restore the estimated 0.08-acre area of temporary disturbance that is outside of the existing fence line and access road, at the Lewis Tank site. Restoration activities will occur for three years, to enable native plant regeneration to occur. The restoration is anticipated to include dispersal of any site-collected Ben Lomond spineflower seed and salvaged topsoil (A&MM 3 and 5) into the non-road portions of the temporary disturbance area.	SLVWD, Qualified Biologist	After construction	

**Table 1
Mitigation Monitoring and Reporting Plan
Lompico Water Tanks Replacement Project**

Environmental Impact	Mitigation Measures	Responsible Party	Timing	Verification (name/date)
	The District will work with a qualified biologist to develop a more detailed proposal for review by the Service that outlines the specific habitat restoration and monitoring activities. The proposal will also include updating the Sandhills Projects database that the District created to help the Service and others track Sandhills conservation and mitigation projects, to include this and other sandhills conservation and mitigation projects that have been conducted since the database was created and submitted to the Service in 2014.			
4.5 Cultural Resources				
Impacts to unknown or subsurface archaeological resources	MM CUL-1: If archaeological resources or human remains are accidentally discovered during construction, work shall be halted within 50 meters (150 feet) of the find until it can be evaluated by a qualified professional archaeologist. If the find is determined to be significant, appropriate mitigation measures shall be formulated and implemented (Ref: Health and Safety Code 7050.5).	SLVWD, Qualified Archaeologist	During construction	
Impacts to unknown human remains	MM CUL-2: If human remains are found at any time, work must be stopped and the County Coroner must be notified immediately. If the Coroner determines that the remains are Native American, the Native American Heritage Commission will be notified as required by law. The Commission will designate a Most Likely Descendant who will be authorized to provide recommendations for management of the Native American human remains. (Ref: California Public Resources Code Section 5097.98; and Health and Safety Code Section 7050.5).	SLVWD, County Coroner, NAHC (as needed)	During construction	
4.13 Noise				
Impacts related to temporary or permanent ambient noise increases	MM N-I: During construction, the SLVWD shall implement the following measures to minimize construction noise impacts: <ul style="list-style-type: none"> ▪ Limit construction to 7 AM-7 PM, Monday through Friday. ▪ Utilize ‘quiet’ models of air compressors and other stationary noise sources where technology exists; ▪ Equip all internal combustion engine-driven equipment with mufflers, which are in good condition and appropriate for the equipment; 	SLVWD	During construction	

**Table 1
Mitigation Monitoring and Reporting Plan
Lompico Water Tanks Replacement Project**

Environmental Impact	Mitigation Measures	Responsible Party	Timing	Verification (name/date)
	<ul style="list-style-type: none"> ▪ Locate all stationary noise-generating equipment, such as air compressors and portable power generators, as far away as possible from adjacent land uses; ▪ Locate staging areas and construction material areas as far away as possible from adjacent land uses; ▪ Prohibit all unnecessary idling of internal combustion engines; ▪ Notify all abutting land uses of the construction schedule in writing; and ▪ Designate a "disturbance coordinator" (e.g., contractor foreman or authorized representative) who would be responsible for responding to any local complaints about construction noise. The disturbance coordinator would determine the cause of the noise complaint (e.g., starting too early, bad muffler, etc.) and would require that reasonable measures warranted to correct the problem be implemented. Conspicuously post a telephone number for the disturbance coordinator at the construction site and include it in the notice sent to neighbors regarding the construction schedule. 			

**SAN LORENZO VALLEY WATER DISTRICT
NOTICE OF INTENT TO ADOPT A
MITIGATED NEGATIVE DECLARATION
LOMPICO WATER TANKS REPLACEMENT PROJECT**

Title: San Lorenzo Valley Water District's Lompico Water Tanks Replacement Project

Location: The project is the replacement of three water tanks. The Kaski, Madrone, and Lewis tank sites are located in the Lompico community in Santa Cruz County, California. The Kaski tank site is located approximately 750 feet northwest of the terminus of Tromba Road, the Madrone tank site is located approximately 650 feet northwest of the intersection of Madrone Avenue and Whilaway Avenue, and the Lewis tank site is located approximately 1,200 feet southwest of the intersection of Vera Avenue and West Drive.

Project Description: The SLVWD proposes to replace aging water storage tanks at three locations (Kaski, Madrone, and Lewis) with modern water storage tanks. Site improvements include the installation of two 60,000-gallon steel tanks at the Kaski tank site and two 60,000-gallon tanks at the Madrone tank site, to replace the existing redwood water storage tanks. At the Lewis tank site, improvements include installation of two 60,000-gallon steel bolted water storage tanks to replace an existing 100,000-gallon redwood water storage tank. All tanks would be constructed within the existing disturbed area. Additional site improvements include installation of chain link security fences and pavement within the boundaries of the fencing.

Applicant: San Lorenzo Valley Water District

Lead Agency: San Lorenzo Valley Water District

Agency Contact Person: Rick Rogers, District Manager (831) 430-4624 rrogers@slvwd.com

Document Type: CEQA – Initial Study/Mitigated Negative Declaration

Location Where Document Can Be Obtained: SLVWD Offices: 13060 Highway 9, Boulder Creek

Notice is hereby given that the project described above has been reviewed in accordance with the State of California Public Resources Code and the California Environmental Quality Act. Based on this review, a Mitigated Negative Declaration is hereby made on this project. This determination was established based on evidence that the project would not result in significant adverse impacts to the environment. Public comments regarding the correctness, completeness, or adequacy of this Mitigated Negative Declaration can be forwarded to the SLVWD at the address provided below. Written comments can be submitted on or before the close of the 30-day public review period to the following:

Rick Rogers, District Manager
San Lorenzo Valley Water District
13060 Highway 9
Boulder Creek, CA 95006

Public Review Period: Start Date: October 25, 2019

Ending Date: November 23, 2019



Rick Rogers, District Manager

10/24/2019

Date

Notice of Completion & Environmental Document Transmittal

Mail to: State Clearinghouse, P.O. Box 3044, Sacramento, CA 95812-3044 (916) 445-0613

For Hand Delivery/Street Address: 1400 Tenth Street, Sacramento, CA 95814

SCH #

Project Title: Lompico Water Tanks Replacement Project

Lead Agency: San Lorenzo Valley Water District Contact Person: Rick Rogers

Mailing Address: 13060 Highway 9 Phone: (831) 430-4624

City: Boulder Creek Zip: 95006 County: Santa Cruz County

Project Location: County: Santa Cruz County City/Nearest Community: Lompico

Cross Streets: Terminus of Tromba Rd; Vera Ave and West Dr; Madrone Ave and Whilaway Ave Zip Code: 95018

Longitude/Latitude (degrees, minutes and seconds): _____ ° _____ ' _____ " N / _____ ° _____ ' _____ " W Total Acres: 2.25

Assessor's Parcel No.: See attached Section: _____ Twp.: _____ Range: _____ Base: _____

Within 2 Miles: State Hwy #: Hwy 9 Waterways: Loch Lomond

Airports: None Railways: None Schools: None

Document Type:

- | | | | |
|---|--|------------------------------------|--|
| CEQA: <input type="checkbox"/> NOP | <input type="checkbox"/> Draft EIR | NEPA: <input type="checkbox"/> NOI | Other: <input type="checkbox"/> Joint Document |
| <input type="checkbox"/> Early Cons | <input type="checkbox"/> Supplement/Subsequent EIR | <input type="checkbox"/> EA | <input type="checkbox"/> Final Document |
| <input type="checkbox"/> Neg Dec | (Prior SCH No.) _____ | <input type="checkbox"/> Draft EIS | <input type="checkbox"/> Other: _____ |
| <input checked="" type="checkbox"/> Mit Neg Dec | Other: _____ | <input type="checkbox"/> FONSI | |

Local Action Type:

- | | | | |
|---|---|--|--|
| <input type="checkbox"/> General Plan Update | <input type="checkbox"/> Specific Plan | <input type="checkbox"/> Rezone | <input type="checkbox"/> Annexation |
| <input type="checkbox"/> General Plan Amendment | <input type="checkbox"/> Master Plan | <input type="checkbox"/> Prezone | <input type="checkbox"/> Redevelopment |
| <input type="checkbox"/> General Plan Element | <input type="checkbox"/> Planned Unit Development | <input type="checkbox"/> Use Permit | <input type="checkbox"/> Coastal Permit |
| <input type="checkbox"/> Community Plan | <input type="checkbox"/> Site Plan | <input type="checkbox"/> Land Division (Subdivision, etc.) | <input checked="" type="checkbox"/> Other: _____ |

Development Type:

- | | |
|--|--|
| <input type="checkbox"/> Residential: Units _____ Acres _____ | <input type="checkbox"/> Transportation: Type _____ |
| <input type="checkbox"/> Office: Sq.ft. _____ Acres _____ Employees _____ | <input type="checkbox"/> Mining: Mineral _____ |
| <input type="checkbox"/> Commercial: Sq.ft. _____ Acres _____ Employees _____ | <input type="checkbox"/> Power: Type _____ MW _____ |
| <input type="checkbox"/> Industrial: Sq.ft. _____ Acres _____ Employees _____ | <input type="checkbox"/> Waste Treatment: Type _____ MGD _____ |
| <input type="checkbox"/> Educational: _____ | <input type="checkbox"/> Hazardous Waste: Type _____ |
| <input type="checkbox"/> Recreational: _____ | <input type="checkbox"/> Other: _____ |
| <input checked="" type="checkbox"/> Water Facilities: Type <u>Water Tank</u> MGD _____ | |

Project Issues Discussed in Document:

- | | | | |
|--|--|---|--|
| <input checked="" type="checkbox"/> Aesthetic/Visual | <input type="checkbox"/> Fiscal | <input type="checkbox"/> Recreation/Parks | <input checked="" type="checkbox"/> Vegetation |
| <input checked="" type="checkbox"/> Agricultural Land | <input checked="" type="checkbox"/> Flood Plain/Flooding | <input checked="" type="checkbox"/> Schools/Universities | <input checked="" type="checkbox"/> Water Quality |
| <input checked="" type="checkbox"/> Air Quality | <input checked="" type="checkbox"/> Forest Land/Fire Hazard | <input type="checkbox"/> Septic Systems | <input checked="" type="checkbox"/> Water Supply/Groundwater |
| <input checked="" type="checkbox"/> Archeological/Historical | <input checked="" type="checkbox"/> Geologic/Seismic | <input type="checkbox"/> Sewer Capacity | <input checked="" type="checkbox"/> Wetland/Riparian |
| <input checked="" type="checkbox"/> Biological Resources | <input type="checkbox"/> Minerals | <input checked="" type="checkbox"/> Soil Erosion/Compaction/Grading | <input type="checkbox"/> Growth Inducement |
| <input type="checkbox"/> Coastal Zone | <input checked="" type="checkbox"/> Noise | <input type="checkbox"/> Solid Waste | <input checked="" type="checkbox"/> Land Use |
| <input checked="" type="checkbox"/> Drainage/Absorption | <input type="checkbox"/> Population/Housing Balance | <input checked="" type="checkbox"/> Toxic/Hazardous | <input checked="" type="checkbox"/> Cumulative Effects |
| <input type="checkbox"/> Economic/Jobs | <input checked="" type="checkbox"/> Public Services/Facilities | <input checked="" type="checkbox"/> Traffic/Circulation | <input type="checkbox"/> Other: _____ |

Present Land Use/Zoning/General Plan Designation:

See attached

Project Description: *(please use a separate page if necessary)*

The project consists of the replacement of aging water storage tanks (Kaski, Madrone, and Lewis) at three locations with modern water storage tanks. Site improvements include the installation of two 60,000-gallon steel tanks at the Kaski tank site and two 60,000-gallon tanks at the Madrone tank site, to replace the existing redwood water storage tanks. At the Lewis tank site, improvements include installation of two 60,000-gallon steel bolted water storage tanks to replace an existing 100,000-gallon redwood water storage tank. All tanks would be constructed within the existing disturbed area. Additional improvements include installation of chain link security fences and pavement within the boundaries of the fences.

Note: The State Clearinghouse will assign identification numbers for all new projects. If a SCH number already exists for a project (e.g. Notice of Preparation or previous draft document) please fill in.

Reviewing Agencies Checklist

Lead Agencies may recommend State Clearinghouse distribution by marking agencies below with and "X".
If you have already sent your document to the agency please denote that with an "S".

- | | |
|---|--|
| <input type="checkbox"/> Air Resources Board | <input type="checkbox"/> Office of Historic Preservation |
| <input type="checkbox"/> Boating & Waterways, Department of | <input type="checkbox"/> Office of Public School Construction |
| <input type="checkbox"/> California Emergency Management Agency | <input type="checkbox"/> Parks & Recreation, Department of |
| <input type="checkbox"/> California Highway Patrol | <input type="checkbox"/> Pesticide Regulation, Department of |
| <input type="checkbox"/> Caltrans District # _____ | <input type="checkbox"/> Public Utilities Commission |
| <input type="checkbox"/> Caltrans Division of Aeronautics | <input checked="" type="checkbox"/> Regional WQCB #5 _____ |
| <input type="checkbox"/> Caltrans Planning | <input type="checkbox"/> Resources Agency |
| <input type="checkbox"/> Central Valley Flood Protection Board | <input type="checkbox"/> Resources Recycling and Recovery, Department of |
| <input type="checkbox"/> Coachella Valley Mtns. Conservancy | <input type="checkbox"/> S.F. Bay Conservation & Development Comm. |
| <input type="checkbox"/> Coastal Commission | <input type="checkbox"/> San Gabriel & Lower L.A. Rivers & Mtns. Conservancy |
| <input type="checkbox"/> Colorado River Board | <input type="checkbox"/> San Joaquin River Conservancy |
| <input checked="" type="checkbox"/> Conservation, Department of | <input type="checkbox"/> Santa Monica Mtns. Conservancy |
| <input type="checkbox"/> Corrections, Department of | <input type="checkbox"/> State Lands Commission |
| <input type="checkbox"/> Delta Protection Commission | <input type="checkbox"/> SWRCB: Clean Water Grants |
| <input type="checkbox"/> Education, Department of | <input checked="" type="checkbox"/> SWRCB: Water Quality |
| <input type="checkbox"/> Energy Commission | <input checked="" type="checkbox"/> SWRCB: Water Rights |
| <input checked="" type="checkbox"/> Fish & Game Region #4 _____ | <input type="checkbox"/> Tahoe Regional Planning Agency |
| <input type="checkbox"/> Food & Agriculture, Department of | <input checked="" type="checkbox"/> Toxic Substances Control, Department of |
| <input type="checkbox"/> Forestry and Fire Protection, Department of | <input checked="" type="checkbox"/> Water Resources, Department of |
| <input type="checkbox"/> General Services, Department of | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Health Services, Department of | <input type="checkbox"/> Other: _____ |
| <input type="checkbox"/> Housing & Community Development | |
| <input checked="" type="checkbox"/> Native American Heritage Commission | |

Local Public Review Period (to be filled in by lead agency)

Starting Date October 25th 2019 Ending Date November 23rd 2019

Lead Agency (Complete if applicable):

Consulting Firm: <u>Denise Duffy & Associates</u>	Applicant: <u>Rick Rogers, San Lorenzo Valley Water District</u>
Address: <u>947 Cass Street Suite 5</u>	Address: <u>13060 Highway 9</u>
City/State/Zip: <u>Monterey, CA 93940</u>	City/State/Zip: <u>Boulder Creek, CA 95006</u>
Contact: <u>Denise Duffy</u>	Phone: <u>(831) 430-4624</u>
Phone: <u>(831) 373-4341</u>	

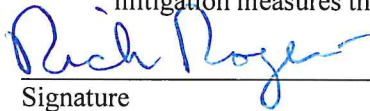
Signature of Lead Agency Representative:  Date: 10/23/2019

Authority cited: Section 21083, Public Resources Code. Reference: Section 21161, Public Resources Code.

Chapter 3 Determination

On the basis of this initial evaluation:

- I find that the proposed project COULD NOT have a significant effect on the environment, and a NEGATIVE DECLARATION will be prepared.
- I find that although the proposed project could have a significant effect on the environment there will not be a significant effect in this case because revisions in the project have been made by or agreed to by the project proponent. A MITIGATED NEGATIVE DECLARATION will be prepared.
- I find that the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
- I find that the proposed project MAY have a “potentially significant impact” or “potentially significant unless mitigated” impact on the environment, but at least one effect 1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and 2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
- I find that although the proposed project could have a significant effect on the environment, because all potentially significant effects (a) have been analyzed adequately in an earlier EIR or NEGATIVE DECLARATION pursuant to applicable standards, and (b) have been avoided or mitigated pursuant to that earlier EIR or NEGATIVE DECLARATION, including revisions or mitigation measures that are imposed upon the proposed project, nothing further is required.



Signature

10/23/2019

date

RICK ROGERS

Printed Name

San Lorenzo Valley Water Dist.

for



Gavin Newsom
Governor

STATE OF CALIFORNIA
Governor's Office of Planning and Research
State Clearinghouse and Planning Unit

Agenda: 12.5.19



Kate Gordon
Director

November 26, 2019

RECEIVED

DEC 02 2019

SAN LORENZO VALLEY
WATER DISTRICT

Rick Rogers
San Lorenzo Valley Water District
13060 Highway 9
Boulder Creek, CA 95006

Subject: Lompico Water Tanks Replacement Project
SCH#: 2019109074

Dear Rick Rogers

The State Clearinghouse submitted the above named MND to selected state agencies for review. The review period closed on 11/25/2019, and no state agencies submitted comments by that date. This letter acknowledges that you have complied with the State Clearinghouse review requirements for draft environmental documents, pursuant to the California Environmental Quality Act, <https://ceqanet.opr.ca.gov/2019109074/2>.

Please call the State Clearinghouse at (916) 445-0613 if you have any questions regarding the environmental review process. If you have a question about the above-named project, please refer to the ten-digit State Clearinghouse number when contacting this office.

Sincerely,

Scott Morgan
Director, State Clearinghouse

1400 TENTH STREET P.O. BOX 3044 SACRAMENTO, CALIFORNIA 95812-3044
TEL 1-916-445-0613 state.clearinghouse@opr.ca.gov www.opr.ca.gov

MEMO

TO: Board of Directors
FROM: District Manager
SUBJECT: Strategic Plan Update
DATE: December 5, 2019

RECOMMENDATION:

It is recommended that the Board of Director review this memo and attached proposal from Management Partners and take action regarding updating of the Districts Strategic Plan.

BACKGROUND:

On September 5, 2019, Director Fultz submitted a draft Strategic Plan for consideration. The plan intended to provide a draft, for Board discussion and consideration. After discussion, the Board requested that the Strategic Plan be sent to the Administration Committee to discuss and recommend a process for moving forward and recommend section topics.

On October 2, 2019 the Administration Committee met and discussed moving forward and developed process points for Board consideration see attached October 17, 2019 memo.

At the October 17, 2019 Board of Directors meeting the Board directed staff to move forward and select a facilitator for assisting with updating the District Strategic Plan.

On November 13, 2019 the Board of Directors held a Special Meeting to hear a proposal from Greg Larson, of Management Partners a professional management consulting firm specializing in helping local government leaders improve their operations for over 20 years. The intent of the meeting was to discuss the process of moving forward with the Strategic Plan and propose alternatives and cost estimates moving forward with updating the Districts Strategic Plan.

Attached for Board discussion and consideration is a proposal from Management Partners to facilitate a strategic planning process. The plan includes review of background material, conduct interviews and meetings, prepare a board workshop, coordinate logistics and prepare a strategic plan. As part of the proposal there are optional activities services available for the Board's review such as facilitating a community form and online survey.

It is recommended that the Board of Directors review the attached proposal from Management Partners and take action regarding updating of the Districts Strategic Plan.



December 2, 2019

Mr. Rick Rogers
District Manager
San Lorenzo Valley Water District
13060 Highway 9
Boulder Creek, CA, 95006

Dear Mr. Rogers:

We are pleased to provide this proposal to facilitate a strategic planning process for the San Lorenzo Valley Water District based on the Board's discussion and direction. We understand that the District has a well-established practice of strategic planning and you want to update those past efforts based on changing Board direction and community concerns. Management Partners understands the value to the District of allocating time for such discussions and has the skills to facilitate such a workshop. Greg Larson, Partner, will serve as our lead consultant on this project.

As you may know, Management Partners is a professional management consulting firm specializing in helping local government leaders. Management Partners is staffed with 100 professionals who are experienced public service managers as well as qualified management consultants. Our consultants carry out a full range of projects for local government leaders including teambuilding, strategic planning, organization reviews, executive coaching, performance management, and development process reviews. Each assignment we undertake receives careful, professional attention and we take pride in the quality of our work.

Plan of Work

To make the best use of Board members' time during the workshop, careful advance planning will be done. The following describes the plan of work anticipated for the engagement. We are amenable to modifying it as necessary to meet the needs of the Board and the entire organization.

Activity 1 – Prepare for Workshop

Preparation will involve several steps, as described below.

1. ***Review background materials.*** We will review a variety of materials that will familiarize us with the San Lorenzo Valley Water District and provide a solid background for the strategic planning process. Such materials will include status reports on existing priorities, results of prior Board workshops, budget documents, general information about the District organization, and other documents you may suggest to help us understand the context for this work. Following Greg’s review of these and other materials, he will conduct a teleconference with you to discuss the desired outcomes for the process and understand what will likely work best with this organization.
2. ***Conduct interviews and meetings.*** Greg will travel to the San Lorenzo Valley Water District to conduct individual meetings with the members of the Board, you, and other key staff and stakeholders.

Examples of questions Greg will ask in his interviews are:

- What are some key accomplishments of the San Lorenzo Valley Water District over the past several years?
- What are the District’s strengths, weaknesses, opportunities and threats?
- What are your long-term goals for the San Lorenzo Valley Water District?
- What are the key issues facing the District right now?
- What are your top priorities for the coming two years?
- Are there any other items you would like to discuss during the workshop?

We would request that the District schedule these meetings back-to-back so they can all occur on one day, requiring Greg to make only one trip for interviews. After the interviews, Greg will identify the various topics and areas of interest that have been expressed as well as common themes.

3. ***Prepare Board workshop agenda and materials.*** We will prepare a variety of materials, as follows.
 - ***Agenda.*** Greg will prepare an agenda for the Board workshop for your review. We also prepare a detailed facilitator’s version of the agenda, which is a process agenda, as well as a one-page handout version for public distribution.
 - ***PowerPoint.*** We will create a PowerPoint presentation to guide the discussions during the workshop.
 - ***Other Items.*** Greg will also identify and prepare other materials that will be helpful during the workshop, depending on the topics that are suggested for discussion during the interviews.
4. ***Coordinate logistics.*** Greg will coordinate logistics with District staff. Logistics will include the location of the workshop, room set up, supplies needed, and other aspects



that will help make the workshop successful. Any materials to be copied by the District will be provided in advance.

Activity 2 – Facilitate Workshop and Prepare Strategic Plan

Greg will facilitate the Board workshop in a way that is engaging and interactive, using methods to encourage Board members and staff to have an open dialogue. Key outcomes will be a set of goals and strategies for the coming years and agreement on next steps. Other desired outcomes will be determined as part of the interviews.

Examples of agenda topics for the workshop include:

- Identify recent accomplishments;
- Appreciate communication style differences and preferences;
- Review the District’s vision, mission, and values;
- Agree on the District’s top goals for the next five years;
- Identify the strategies necessary to achieve each goal;
- Understand the District’s resource and other constraints;
- Consider best practices from other jurisdictions; and
- Agree to next steps for Board consideration and action.

Greg will be assisted by a Management Partners analyst who will help prepare the workshop materials and record salient comments on flip charts.

Following the workshop, we will prepare a strategic plan containing the District’s vision, mission, and values as well as the goals and strategies identified by the District Board. Greg will review a draft with you and finalize the strategic plan following that review. Management Partners will also prepare a draft Implementation Action Plan (IAP) based on the District’s adopted Strategic Plan. The IAP serves to establish clear tasks, priorities, timelines and resource needs to achieve the Strategic Plan, and becomes a tool that the District can use for regular monitoring and reporting.

Optional Activity 1 – Facilitate a Community Forum

The District could also engage Management Partners to prepare for and facilitate one or more community forums to obtain public input on the strategic plan. Greg would work with you to develop the appropriate focus for each forum and prepare an agenda, PowerPoint presentation and other materials needed for an engaging and productive session. He will be assisted by a management analyst to ensure a quality forum. A separate report summarizing the results of each forum would be prepared and then incorporated into the Board workshop and strategic plan materials.

Optional Activity 2 – Conduct an Online Survey

The District could also engage Management Partners to prepare an online survey as an additional means to obtain public input on the strategic planning process. We would prepare a draft survey for your review and approval and then provide an online link for distribution to



District residents and businesses. Following the close of the survey, we would summarize the results and incorporate them into the Board workshop and strategic plan materials.

Facilitation

Greg Larson will serve as facilitator. He has facilitated numerous elected official meetings and is well qualified to assist the San Lorenzo Valley Water District. Examples of past clients include the cities of Half Moon Bay, East Palo Alto, Los Gatos, Milpitas, Sonoma, Novato, Sand City, Emeryville, Roseville and Puyallup (Washington) as well as several special districts including the Hayward Area Recreation and Park District, East Contra Costa Fire Protection District, and the Coastside County Water District. His qualifications are provided below.

Greg Larson, Partner

Greg has 30 years of experience in leading, managing and supporting public, non-profit and educational organizations. Most of his career was spent as a turnaround specialist, taking on troubled organizations and issues, and then helping to restore them operationally, financially and structurally. More recently he has been working with healthy organizations to meet emerging challenges and new opportunities. Greg's diverse experience includes rising from a legislative analyst to department head and deputy city manager for the city of San José, twice serving as city manager (Milpitas and Los Gatos), twice serving as director of Planning and Community Development (Scottsdale and Santa Cruz), president & CEO of United Way Silicon Valley, and chief deputy controller for the State of California. He has also been active professionally as past president of Cal-ICMA, a member of several conference planning and evaluation committees, supporting emerging young professionals through the Municipal Management Association of Northern California (MMANC), and providing the opening invocation at the 2010 International City/County Management Association annual conference. Greg is a graduate of Stanford University.

Project Hours and Cost

Management Partners estimates 100 hours will be required for preparation of the strategic plan. We will complete the plan of work described above for a fixed fee of \$15,900, which includes our travel and other expenses. The optional community forum would require 26 hours and would be provided for an additional fixed fee of \$3,800 per forum. The optional online community survey would require 16 hours and would be provided for an additional fixed fee of \$2,100.



Conclusion

We would enjoy working with the San Lorenzo Valley Water District on this important undertaking. Please feel free to contact Greg Larson at (408) 761-1326 if you have any questions.

Sincerely,



Andrew S. Belknap
Regional Vice President

Accepted for the San Lorenzo Valley Water District by:

Name: _____

Title: _____

Date: _____

Is an optional community forum for \$3,800 included? Yes [] No []

Is the optional online community survey for \$2,100 included? Yes [] No []



MEMO

To: Board of Directors
From: District Manager
Prepared by: Consensus of Administration Committee
Subject: Strategic Plan Process
Date: October 17, 2019

Recommendation:

The Administration Committee recommends that the Board of Directors incorporate the items below into its process to review and, ultimately, approve a strategic plan for the San Lorenzo Valley Water District.

Background:

On September 5, 2019, as quoted in the agenda: “Director Fultz submitted a draft Strategic Plan for consideration. The attached plan is intended to provide a draft, and only a draft, for Board discussion and consideration. Also attached for your review is the Districts current plan.”

After discussion, the Board requested that the Strategic Plan be sent to the Administration Committee to (a) discuss and recommend a process for moving forward and (b) recommend section topics.

The Administration Committee met on October 2, 2019 and developed the following:

Process points for Board Consideration:

- The Committee agreed that the strategic plan is a board document.
- The Committee had no recommendation for the base document from which the review will proceed but agrees that the board must select one.
- The Committee recommended that the Board appoint two people to take the input and edit/prepare drafts for subsequent meetings. The Committee did not identify specific people for those roles.
- The Committee recommended that the Board schedule two Board meetings for community input, afternoon of November 9th and December 7th, subject to facility availability.
 - Both meetings will review the strategic plan in full to ensure that people who can't make both meetings can provide input on all topics.
 - Both meetings will be supported by a facilitator to ensure that the process moves along and doesn't get stuck on one topic. The Committee agreed that Staff should identify candidates for Board selection.

- The Committee recommended that the Board continue its discussion of the Strategic Plan at its regularly scheduled meetings in January, with a goal of adopting the plan by the end of January.
 - With a recommendation that the Strategic Plan agenda item be supported by a facilitator.
- Concurrently, the Committee agreed that the Board should send to the various Standing Committees those pages associated with their area of concern.
- Concurrently, the Committee agreed that the Board should ask Staff to provide comments by early December.
- The goal is to have all input—community, committees and staff—ready to be incorporated into an updated draft by late December in time to place it on the agenda for the first meeting in January.
- The Committee discussed the notion of an additional Steering Committee for the Strategic Plan review process but ultimately decided that that would be redundant given the recommendations.

Topic Review for Board Consideration:

In addition, the Administration Committee also examined the topics as requested by the Board using the table below as a guide. The Committee reached a consensus that the topics in the “Proposed 2019” column were acceptable with the following changes:

5.0 Water Stewardship → 5.0 Water and Watershed Stewardship

Add: 9.0 Agency Relationships

Supporting table as distributed during the Committee meeting:

Current 4/16/2015	Proposed 12/1/2016	Proposed 2019
Introduction	Mission Statement	Mission Statement
Strategic Elements	Introduction	What is Strategic Plan?
Mission Statement	What is Strategic Plan?	SWOT Assessment
Vision Statement	Strategic Elements	Strategic Plan Theme
	Board Vision Statement	Long Term Vision
	Accomplishments	Strategic Goals
1.0 Water Supply Management	1.0 Water Supply Management	
2.0 Watershed Stewardship	2.0 Watershed Stewardship	2.0 Finances
3.0 Capital Facilities	3.0 Capital Facilities	3.0 Infrastructure
4.0 Wastewater Management	4.0 Wastewater Management	4.0 Operations
5.0 Fiscal Planning	5.0 Fiscal Planning	5.0 Water Stewardship
6.0 Public Affairs	6.0 Public Affairs	6.0 Civic Engagement
7.0 Strategic Partners	7.0 Strategic Partners	7.0 Organization and Staffing

8.0 Organizational Health/Personnel	8.0 Organizational Health/Personnel	8.0 Bear Creek Estates Wastewater
9.0 Administrative Management	9.0 Administrative Management	
Sections 1 - 9 had summary list of goal followed by more detail per goal	Same as 2015 with the addition of schedule and status	Sections 2 - 8 divided into overview and goals, except section 3 also had background of state policy
23 pages	50 pages	13 pages

Therefore, the new topic structure is as follows (changes recommended by the Committee are **bolded**):

1.0 Introduction

- Mission Statement
- What is Strategic Plan?
- SWOT Assessment
- Strategic Plan Theme
- Long Term Vision
- Strategic Goals

2.0 Finances

3.0 Infrastructure

4.0 Operations

5.0 Water **and Watershed** Stewardship

6.0 Civic Engagement

7.0 Organization and Staffing

8.0 Bear Creek Estates Wastewater

9.0 Agency Relationships

MEMO

TO: BOARD OF DIRECTORS
FROM: DISTRICT MANAGER
SUBJECT: SPECIAL BOARD OF DIRECTORS MEETING NOVEMBER 13, 2019
DATE: November 7, 2019

Recommendation:

It is recommended that the Board of Directors review this memo and approve a Special Board of Directors Meeting, November 13, 2019 for the purpose of discussion of the Strategic Plan with Management Partners Facilitator Greg Larson.

Background:

At the October 17, 2019 Board of Directors meeting the Board directed staff to move forward and select a facilitator for assisting with updating the District Strategic Plan.

Management Partners is a professional management consulting firm specializing in helping local government leaders improve their operations for over 20 years. Greg Larson is scheduled to meet with the Board and discuss the process of moving forward with the Strategic Plan on November 13, 2019.

In preparation of this meeting Mr. Larson has been provided with the following documents:

- Approved Strategic Plan 2015
- 2016 Strategic Plan
- 2019 Draft Strategic Plan
- Memo to BoD - Consensus of Administration Committee



Greg Larson

Partner

Phone: [408-437-5400](tel:408-437-5400)

Email: glarson@managementpartners.com

Greg Larson has 30 years of experience in leading, managing and supporting public, non-profit and educational organizations. Most of his career was spent as a turnaround specialist, taking on troubled organizations and issues, and then helping to restore them operationally, financially and structurally. More recently he has been working with healthy organizations to meet emerging challenges and new opportunities.

Greg's diverse experience includes rising from a legislative analyst to department head and deputy city manager for the City of San Jose, twice serving as city manager (Milpitas and Los Gatos), twice serving as director of Planning and Community Development (Scottsdale and Santa Cruz), president & CEO of United Way Silicon Valley, and chief deputy controller for the State of California. He has also been active professionally as past president of Cal-ICMA, a member of several conference planning and evaluation committees, supporting MMANC, and providing the Opening Invocation at the 2010 ICMA international conference.

MEMO

TO: Board of Directors
FROM: District Manager
SUBJECT: Public Advisory Committee-Facilities
DATE: December 5, 2019

Recommendation:

It is recommended that the Board of Directors review this memo and discuss options for the Public Advisory Committee on Facilities.

Background

On August 28, 2019 the Board of Directors agreed to form a Public Advisory Committee of 5 to 7 members of the public, for the sole purpose of evaluating the District's Administration/Operations facility's needs. Staff was directed to solicit applications from the public to serve on the Committee.

Staff posted the announcement and application for the Committee on the website and the announcement was posted on Facebook and the Press Banner. The closing date to accept applications was October 30, 2019. Two applications were received by the closing date and time.

On November 7, 2019 the Board extended the closing date to 12:00 p.m. on December 2, 2019 for applications and expanded outreach to the community to solicit more applications. Three additional applications were received for a total of 5 applicants (see applications attached).

OCT 22 2019

**SAN LORENZO VALLEY
WATER DISTRICT**



Public Advisory Committee on Facilities Committee Application Form

Thank you for your interest in participating in a SLVWD Committee.

Members of the public play a vital role in shaping the District and your willingness to contribute time and effort is greatly appreciated.

Please send your completed application to the District Secretary, 13060 Hwy. 9, Boulder Creek, CA 95006 or to hossack@slvwd.com by October 30, 2019 at 4:00 p.m.

Personal Details

Name: Barbara Sprenger Mr. Mrs. Miss Ms.

Postal Address: 330 Orchard Rd., Felton, CA 95018

Telephone: (Home) - (Mobile) 831.345.6529

E-Mail: sprenger@cruzio.com

The Committee

This Committee shall provide advice to the District regarding the District's administration and operations facility needs, including making recommendations in the form of one or more concise written reports to the Board. This Committee will expire 1-year from the date the first Committee member is appointed.

Why You Want to Participate

Please use the back of this form to add more information and/or attach a resume

I have been very interested and involved in both water delivery in the San Lorenzo Valley and facilities design, development, construction and provision in California.

I co-founded and currently run a business, Satellite Workplaces, providing flexible facilities for all different types of workers, from people who just need a place to drop in with a laptop or collaboration, to people who need full time workspace and storage, to people who need presentation space for their clients. We have spent a lot of time analyzing the workspace of the future and the kinds of spaces that help people enhance productivity while being comfortable, engaged and connected.

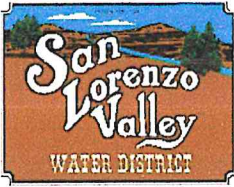
I have further been involved in all facets of building, from building out Satellites to building several houses, some for family and some for sale. I intimately know the process, time and costs involved in construction, design and permitting, having worked in this area for over 30 years.

I also care deeply about the water system of our valley and worked with our community to bring the Felton system within SLVWD. I would like to offer my skills, knowledge and talents to our water district by serving on the Facilities Committee of SLVWD, in order to assist with increasing the efficiency and productivity of District spaces, the happiness of District workers and ease of use for District customers.

RECEIVED

OCT 30 2019

SAN LORENZO VALLEY
WATER DISTRICT



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Please send your completed application to the District Secretary, 13060 Hwy. 9, Boulder Creek, CA 95006 or to hossack@slvwd.com by October 30, 2019 at 4:00 p.m.

Personal Details

Name: BETH THOMAS Mr. Mrs. Miss Ms.

Postal Address: 435 LARITA DR. BEN LOMOND, CA 95005

Telephone: (Home) (831) 336-2954 (Mobile) (831) 588-2640

E-Mail: beth55.thomas@gmail.com

The Committee

This Committee shall provide advice to the District regarding the District's administration and operations facility needs, including making recommendations in the form of one or more concise written reports to the Board. This Committee will expire 1-year from the date the first Committee member is appointed.

Why You Want to Participate

Please use the back of this form to add more information and/or attach a resume

SEE ATTACHED

SLVWD – Facilities Committee Application – Beth Thomas

My interest in serving on the District's Facilities Committee is in being able to actively contribute, as a member of the community, to planning for the present and future needs of the district while helping to oversee the planning for building of needed facilities.

I have experience in monitoring publicly funded budgets, first as President and Chief Negotiator of the SLV Unified School District Classified Union - SEIU Local 521, and subsequently for that union local's \$40M annual budget as interim Chief of Staff. I have a strong commitment to the proper use of the District's resources to adequately and responsibly assess and plan for facilities needs that will carry us into the future and will not overextend the District's current and future resources.

I am a resident of Ben Lomond and have lived in the San Lorenzo Valley since 1979.

RECEIVED

DEC 01 2019

SAN LORENZO VALLEY
WATER DISTRICT



Public Advisory Committee on Facilities Committee Application Form

Thank you for your interest in participating in a SLVWD Committee.

Members of the public play a vital role in shaping the District and your willingness to contribute time and effort is greatly appreciated.

Please send your completed application to the District Secretary, 13060 Hwy. 9, Boulder Creek, CA 95006 or to hossack@slvwd.com by December 2, 2019 at 12:00 p.m.

Personal Details

Name: KEN LANDE Mr. Mrs. Miss Ms.

Postal Address: P.O. Box 1611 FELTON CA 95018

Telephone: (Home) 831-335-9311 (Mobile) 831-332-7028
(When on)

E-Mail: 280tubeguy@att.net

The Committee

This Committee shall provide advice to the District regarding the District's administration and operations facility needs, including making recommendations in the form of one or more concise written reports to the Board. This Committee will expire 1-year from the date the first Committee member is appointed.

Why You Want to Participate

Please use the back of this form to add more information and/or attach a resume

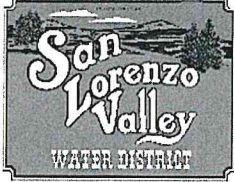
I am a retired Engineering Manager who has lived in Felton for over 34 years. My background includes electronics, mechanics and some hydraulics.

I plan on living here for many more years and am very interested and concerned about the state of the infrastructure of our water system

Therefore, I believe I can be a valuable addition to this volunteer group and look forward to being able to assist in its endeavors.

DEC 01 2019

SAN LORENZO VALLEY
WATER DISTRICT



Public Advisory Committee on Committee Application Form

Thank you for your interest in participating in a SLWWD Committee.

Members of the public play a vital role in shaping the District and your willingness to contribute time and effort is greatly appreciated.

Please send your completed application to the District Secretary, 13060 Hwy. 9, Boulder Creek, CA 95006 or to hossack@slwvd.com by December 2, 2019 at 12:00 p.m.

Personal Details

Name: Sandra Rintoul Mr. Mrs. x Miss Ms.

Postal Address: 345 Riverview Drive Boulder Creek

Telephone: (Home) 831-246-1639 (Mobile) same

E-Mail: swrintoul@gmail.com

The Committee

This Committee shall provide advice to the District regarding the District's administration and operations facility needs, including making recommendations in the form of one or more concise written reports to the Board. This Committee will expire 1-year from the date the first Committee member is appointed.

Why You Want to Participate

Please use the back of this form to add more information and/or attach a resume

I have lived in Boulder Creek for 35 years without much contribution to my community. I recently sold a business and am currently retired. I feel it is now time to give back and water is key issue for our community. My business designed and manufactured scientific test equipment. Our largest product line was for testing oil content in water for the oil industry as well as some wastewater treatment facilities. It was a relatively small company and as President I had my hand in all aspects from manufacturing, engineering and product development to sales, marketing, and website optimization. I am also currently Secretary on a Board of Directors for a 392 unit condominium in Florida. The condominium complex is over 40 years old and we are currently facing major facility updating.

My only challenge with this position is I travel a fair amount so I am wondering if the monthly meetings are call in or require personal attendance. If it must be personal attendance, I may not be available for every meeting.



Public Advisory Committee on Facilities Committee Application Form

DEC 01 2019

SAN LORENZO VALLEY
WATER DISTRICT

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Please send your completed application to the District Secretary, 13060 Hwy. 9, Boulder Creek, CA 95006 or to hossack@slvwd.com by December 2, 2019 at 12:00 p.m.

Personal Details

Name: Steven Guiney Mr. Mrs. Miss Ms.

Postal Address: 9715 Brookside Avenue, Ben Lomond 95005

Telephone: (Home) (831) 336-4560 (Mobile) (831) 419-4501

E-Mail: stevenguiney@sbcglobal.net

The Committee

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Why You Want to Participate

Please use the back of this form to add more information and/or attach a resume

I have lived in the San Lorenzo Valley for over 30 years. I recently retired from the Santa Cruz County Planning Department and I am looking for volunteer opportunities.

When I was a young boy, my father served on the board of the local water provider, the Paso Robles Beach Water Company, in Cayucos (San Luis Obispo County). One of my favorite things was to go with him to the well site where he would check the water level by lowering a weighted string down a small hole near the pump motor. To my 8 year old mind, this was intriguing (it still is!). What was it like down there in the well and how did all the associated pumps and tanks work?

Serving on the Public Advisory Committee on Facilities will allow me to both give back to the community by understanding the administrative and operational needs of the District water system and recommending appropriate actions to the District Board to better administer and operate the system and to satisfy my curiosity about how all the pumps and tanks and other water production and purveyance features work here in the San Lorenzo Valley.

9715 Brookside Avenue • Ben Lomond CA 95005 • phone/voice mail: (831) 419-4501 • email: stevenguiney@sbcglobal.net

RÉSUMÉ

Professional Work Experience

NAME OF EMPLOYER: County of Santa Cruz Planning Department

ADDRESS: 701 Ocean Street 4th Floor
Santa Cruz CA 95060

FROM: July 2012 to June 2019 (7 years)

JOB TITLE: Principal Planner

In this position, I managed and/or co-managed the Development Review Section (varying from 4 to 11 staff members), which includes zoning counter operation and permit processing. This assignment required me to review and edit all of the staff reports for various permit applications, to ensure adequate staffing of all section functions, and to serve as the zoning ordinance technical expert.

NAME OF EMPLOYER: County of Santa Cruz Planning Department

ADDRESS: 701 Ocean Street 4th Floor
Santa Cruz CA 95060

FROM: September 2000 to July 2012 (11 years, 10 months)

JOB TITLE: Planner IV

Assignments:

1. Deputy Zoning Administrator. In this assignment, I conducted public hearings and was the decision maker for applications for various types of permits including Coastal Development Permits for various kinds of development in the County’s portion of the coastal zone, Commercial Development Permits for commercial uses up to 20,000 square feet, Residential Development Permits (including over-height fences, residential buildings exceeding 28 feet in height, and single family dwellings exceeding 7,000 square feet in size), Variances for reduced setbacks, and Conditional Certificates of Compliance (certifying that a parcel will be considered a legal lot of record once certain conditions are fulfilled, which vary with the particular circumstances). This assignment also required me to review all of the staff reports for the various applications and to meet with staff planners to review the proposals and the staff reports for any corrections and modifications. I was also charged with interpreting the zoning ordinance.

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- 2. Policy Planner. In this assignment I worked on drafting new land use ordinances and policies and drafting amendments to existing land use ordinances and policies. This involved research, drafting ordinance language, writing environmental review documents and presenting the proposed new and amended ordinances to the Planning Commission and Board of Supervisors. My work included creating an ordinance regulating vacation rentals and writing amendments to the ordinance regulating fences. I also worked on revisions to the county's coastal regulations and farm working housing ordinance.
- 3. Staff to the County's Historic Resources Commission. Maintained Historic Resources Inventory, coordinated Commission meetings, advised on historic building modification rules, managed grants, managed consultant contracts.
- 4. Collected Planning Department policy memos, researched current ordinances and policy for applicability, created standard memo format, re-wrote and modified memos, provided staff with applicable memos, established protocol for new policy memos.
- 5. Processed residential and commercial development permits, lot line adjustments, parcel legality determinations, and agriculture-related permits.
- 6. Staffed the Agricultural Policy Advisory Commission.
- 7. Mentored junior staff and reviewed staff reports prepared by them.
- 8. Liaison to the County Redevelopment Agency. In this position I monitored and reviewed development applications in the Redevelopment Agency area (Live Oak) and provided written comments to the project planner. I researched ordinances, permit history, and other land use and zoning issues for Redevelopment Agency staff and management. I assisted in the planning of Redevelopment Agency's 5 year Implementation Plan community meeting process and facilitated group discussion of issues and ideas.

NAME OF EMPLOYER: California Coastal Commission

ADDRESS: 725 Front Street
Santa Cruz CA 95060

FROM: January 1992 to August 2000 (8 years, 7 months)

JOB TITLE: Coastal Program Analyst II

Responsible for oversight of land use and development in the coastal zone in the County of San Luis Obispo and the cities of Morro Bay, Pismo Beach, and Grover Beach; and in the cities of Marina, Sand City, Seaside, Monterey, Pacific Grover and Carmel. Researched, analysed, and processed Local Coastal Program amendments and coastal development permits and made

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presentations to the California Coastal Commission. Met with and made presentations to city and county governing bodies and agencies to discuss Coastal Commission policy positions.

NAME OF EMPLOYER: County of Santa Cruz Planning Department

ADDRESS: 701 Ocean Street 4th Floor
Santa Cruz CA 95060

FROM: September 1987 to January 1992 (4 years, 3 months)

JOB TITLE: Planner II

Processed coastal development and use permits, provided zoning information and assisted applicatns at the Zoning Counter, performed zoning plan checks for residential developments, analysed development potential of rural parcels using the County's Rural Matrix, determined parcel legality.

Education

NAME OF SCHOOL: California State University East Bay

ADDRESS: 25800 Carlos Bee Boulevard
Hayward, CA 94542

DEGREE: Master of Arts in Geography, 1990

NAME OF SCHOOL: California Polytechnic State University

ADDRESS: One Grand Avenue
San Luis Obispo, CA 93407

DEGREE: Bachelor of Arts in History, 1980

References

Wanda Williams
wjwmeissen@yahoo.com

(831) 458-0214
glendahill@msn.com

Glenda Hill

Paia Levine, Assistant Director
Santa Cruz County Planning Department

STEVEN GUINEY

9715 Brookside Avenue • Ben Lomond CA 95005 • phone/voice mail: (831) 419-4501 • email:
stevenguiney@sbcglobal.net

701 Ocean Street, Room 400
Santa Cruz CA 95060
(831) 454-5317
pln456@co.santa-cruz.ca.us

MEMO

TO: Board of Directors
FROM: District Manager
SUBJECT: District Response, Email to The Board of Directors from Matt Johnston Urging the Board to Read Linked Article On Glyphosate
DATE: December 5, 2019

RECOMMENDATION:

It is recommended that the Board of Director review this memo and proposed District response attached regarding email received October 24, 2019 from Matt Johnston, Environmental Coordinator, and Principal Planner for Code Compliance, County of Santa Cruz urging the board to read a linked article on glyphosate and provide direction.

BACKGROUND:

On October 24, 2019 the Board of Directors received an email from Matt Johnston, Environmental Coordinator, Principal Planner for Code Compliance, County of Santa Cruz urging the board to read a linked article on glyphosate.

The November 07, 2019 agenda presented the email and full article to the board as Written Communications.

Director Moran has written a formal response (attached) expressing incensement to the email and article for the Boards review and approval.

Holly Hossack

From: Matt Johnston <Matt.Johnston@santacruzcounty.us>
Sent: Thursday, October 24, 2019 11:02 AM
To: Board of Directors
Subject: New article on Glyphosate

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Board members,
I urge you to read the linked article on Glyphosate.

<https://slate.com/technology/2019/10/glyphosate-does-not-cause-cancer-saves-native-plants.html>

Matt Johnston
Environmental Coordinator
Principal Planner for Code Compliance
County of Santa Cruz
(831) 454-5357

SCIENCE

Roundup Hysteria

Misinformation about one of the safest herbicides ever produced has created a lucrative business for ambulance-chasing lawyers and NGOs—at the expense of native species.

By TED WILLIAMS

OCT 14, 2019 9:00 AM

You’ve seen the ads flooding television and social media: “Have you been exposed to weed killer Roundup? If you have cancer, you may be eligible for compensation. Call our law offices ...”

In 2018 and 2019, California juries ordered Roundup’s producer, Monsanto, to pay multimillion-dollar compensations to four non-Hodgkin lymphoma patients who claimed to have been sickened by Roundup (one of dozens of formulations with herbicide glyphosate as the active ingredient). As a result, there are now close to 20,000 lawsuits against the company from people who also allege that exposure to Roundup gave them cancer.

The California verdicts will almost certainly be overturned on appeal because they were based on the alleged failings of Monsanto, not on any scientific evidence that Roundup causes cancer. Follow-up suits that aren’t settled are likely to fail, too.

All scientific bodies that have seriously studied glyphosate report no link to cancer. These include the World Health Organization. But WHO’s loosely connected appendage—the International Agency for Research on Cancer—postulates a “probable” link. Instead of studying glyphosate, it reviewed existing studies of the herbicide. Based on this 2015 review, IARC placed glyphosate on its “2A List” of substances with “limited evidence of carcinogenicity in humans and sufficient evidence of carcinogenicity in experimental animals” or, in IARC’s abbreviated translation, “probably carcinogenic.” That list also includes “very hot beverages” and “red meat.”

Lee Van Wychen, executive director of science policy for the National and Regional Weed Science Societies, offers this: “IARC’s review was such a crooked scam! I’ve never seen anything like it. ... IARC cherry-picked a couple studies and on top of that fudged the results of those studies. They did these odds-ratio calculations—a correlation, not even a mechanistic cause—of how glyphosate *might* cause cancer. Now there are people on the conservation side who are afraid to use glyphosate.”

Van Wychen assesses the studies IARC reviewed that supposedly indicate “sufficient evidence of carcinogenicity in experimental animals” as follows: “They dosed rats with glyphosate to the point they couldn’t even stand up straight.” On Oct. 19, 2017, Reuters reported that IARC

“dismissed and edited findings from a draft of its review of the weed killer glyphosate that were at odds with its final conclusion.”

The California verdicts, the lawyer feeding frenzy, and Roundup hysteria all issued from IARC’s speculation.

The week IARC published its minority opinion the review’s leader, Christopher Portier, who served as a special adviser on the review, signed on as a litigation consultant for counsel suing Monsanto on behalf of alleged glyphosate cancer victims. He reportedly received \$450 per hour.

California responded to the IARC review by ordering that all glyphosate products carry a cancer warning. On Feb. 26, 2018, a federal judge struck down the requirement, ruling it “inherently misleading ... when apparently all other regulatory and governmental bodies have found the opposite.”

When I inform people that glyphosate doesn’t cause cancer, I tend to get responses like: “OK, drink a glass.” I could, with impunity. It’s a plant poison that passes harmlessly through human digestive tracts. “LD50” stands for the lethal dose that kills half the test animals when given to them in doses per unit of body mass. Higher is safer. For rats, caffeine’s LD50 is 192 mg/kg. Glyphosate’s is 5,600 mg/kg.

Yet, some environmental groups are calling for a total ban on glyphosate, and many are recycling the untruth that it’s carcinogenic. These include the Environmental Working Group, Center for Biological Diversity, Natural Resources Defense Council, EcoWatch, Greenpeace, U.S. Public Interest Research Group, Sierra Club, and Friends of the Earth.

That they hate Monsanto is understandable. Monsanto’s parent company, Bayer, produces and promotes truly dangerous products like neonicotinoid insecticides (which poison pollinators). Monsanto has also created genetically modified crops that are immune to Roundup and allow agribusiness to blitz entire plantations, weeds and all.* When Roundup (or any chemical) is overused like this there can be environmental damage.

“When you apply the same herbicide on 200 million acres multiple times a year, a few weeds are gonna get lucky and then pass on their resistance,” says Van Wychen.

These “super weeds” then require more dangerous herbicides like Monsanto’s Dicamba, which can drift long distances. In 2018, it killed crops on hundreds of Midwest farms. There’s also evidence that massive doses of glyphosate applied to ag land can limit amphibians and such insects as milkweed-dependent monarch butterflies.

And the blast-everything approach to ag-land weed management enabled by Monsanto’s GMOs has resulted in trace amounts of glyphosate showing up in cereal, wine and beer. They’re small amounts that don’t affect human health, but I don’t blame consumers for objecting.

“I get pissed off at Monsanto myself,” says Van Wychen. But none of this makes glyphosate a carcinogen.

Here’s why protecting the proper, responsible uses of glyphosate matters so much (and should matter to the very organizations that want the herbicide off the market): A total ban on all glyphosate use would be an unmitigated disaster for fish and wildlife. Glyphosate is the most effective tool, often the only tool, wildland and aquatic managers have for restoring fish and wildlife habitats destroyed by alien plants. Even when they spray glyphosate, they use minuscule amounts and frequently they merely inject it into individual plants or paint it onto cut stems.

“Sure, it’s always better to use no-toxic alternatives, if they’re practicable,” says Dan Ashe, who directed the U.S. Fish and Wildlife Service under Barack Obama. “Often, however, they’re simply not. For instance, it would have been possible to hand-pull the head-high invasive verbesina from the ground at Midway Atoll National Wildlife Refuge, but it would have taken time and personnel that were simply not available. Use of herbicides like Roundup can accelerate the work, creating urgently needed nesting space for thousands of albatrosses.”

One boots-on-the ground NGO that gets it about glyphosate is the Nature Conservancy (for whom, full disclosure, I contribute a column to its online magazine). It applies glyphosate more

In August I toured TNC’s floodplain-forest restoration project at the Silvio Conte National Wildlife Refuge along the Connecticut River in Massachusetts. Guiding me was TNC’s floodplain ecologist, Christian Marks.

Floodplain forests are endangered habitats. American elm, the oldest and most abundant floodplain species, has been devastated by Dutch elm disease. But TNC and its partners have developed disease-resistant elms. Marks and his team are planting these and other vanishing floodplain species in the refuge’s abandoned hayfields.

But first they must eradicate alien vegetation that would otherwise shade out seedlings. Their *only* option is glyphosate.

The results I saw were stunning and uplifting: fields bright with native forbs and wildflowers; bees, hummingbirds and butterflies nectaring on blooms; goldfinches gorging on thistle seed; kingbirds hawking insects. Inside deer-proof electric fences planted saplings thrived.

Floodplain trees produce seeds in spring, refueling countless species of birds exhausted from migration. That’s why migratory birds follow river corridors north.

Elms, highest in the floodplain, drop seeds first because that’s where the spring freshet first recedes, then silver maples, then cottonwoods, then willows, each feeding different bird species as they arrive.

Recently, representatives of an environmental group (Marks can’t remember which) knocked on his door, asking that he sign a petition to ban glyphosate on all public lands. “A ban would have blocked this restoration,” he told us.

America's three coasts and inland lakes and rivers are blighted by phragmites, an alien grass. It's crowding out native plants and evicting mammals, birds, reptiles, amphibians, fish, and invertebrates—which, given that surviving habitats are fully occupied, is often a death sentence.

In Utah, for example, phragmites has wiped out gamefish and waterfowl and pushed a federally endangered fish—the June sucker—closer to extinction.

Phragmites roots run so deep that it in most cases the only management option is herbicide, usually glyphosate.

Aaron Eagar, the state's noxious-weed program manager, explains: "Utah Lake has 7,000 acres of phragmites around its shoreline. In the 1950s it wasn't there. For the last seven years we've treated it with Rodeo [a glyphosate formulation labeled for water], and we've brought back lots of natives and opened up areas for fish and fishing."

In the Everglades, Old World climbing fern smothers critical wildlife habitat called "tree islands," evicting (therefore killing) raptors, ducks, wading birds, marsh rabbits, deer, raccoons, opossums, otters, reptiles and amphibians.

Wherever the South Florida Water Management District treats infested tree islands with glyphosate, it reports "amazing results, speedy resurgence of native ferns and forb-type understory plants."

"We thought all the native canopy growth was dead," says district invasive species biologist LeRoy Rodgers. "Though stressed and defoliated, species like dahoon holly, swamp bay, wax myrtle, coco plum and red maple are coming back."

California verdicts notwithstanding, there's zero evidence that glyphosate causes cancer or otherwise endangers the public. But bans on all glyphosate use are proliferating locally, and a national ban seems possible if not probable. The safety of herbicides needs to be determined by scientists, not chemophobic California jurors or vulturine attorneys. The health of our native ecosystems depends on it.

Update, Oct. 18, 2019: This article has been updated with information clarifying Christopher Portier's role with regard to the IARC review.

Correction, Oct. 18, 2019, 11:20 a.m.: An earlier version of this article misstated that Monsanto makes neonicotinoids when it is Monsanto's parent company, Bayer, that produces them.

December 6, 2019

Paia Levine, Assistant Director of Planning
831-454-5317 Paia.Levine@santacruzcounty.us
County Government Center
701 Ocean Street
Planning Department, Room 420,
Santa Cruz, CA 95060

SUBJECT: Staff Correspondence

The Board of Directors for the San Lorenzo Water District received correspondence from Santa Cruz County Code Enforcement employee, Matt Johnston, dated October 24, 2019.

The subject of his email was an article on the use of Glyphosate, titled "Roundup Hysteria: Misinformation about one of the safest herbicides ever produced has created a lucrative business for ambulance-chasing lawyers and NGOs – at the expense of native species."

It should be clear that Matt Johnston does not represent the stated goals and policy of the County of Santa Cruz even though he used his county e-mail and title to send out this article that is contrary to the policy of Santa Cruz County. There should be a clear distinction between personal opinion and County policy.

The County of Santa Cruz has a stated goal in their Integrated Pest Management Plan (1. Statement of Goals) "to eliminate the use of pesticides on County Property." Toward that goal the San Lorenzo Valley Water District and the County are in agreement. The Water District policy has eliminated the use of pesticides or products containing Glyphosate in order to both protect the environment, and, to protect workers exposed to these products.

Board President
San Lorenzo Valley Water District

Cc: Kathleen Molloy, Planning Director

MEMO

TO: Board of Directors

FROM: Director of Finance

SUBJECT: ANNUAL FINANCIAL REPORT FY2018-2019 (CAFR)

DATE: December 5, 2018

RECOMMENDATION:

It is recommended that the Board of Directors review this memo, receive the presentation, from the firm Fedak & Brown LLP, and approve the SLVWD Financial Statements for Fiscal Year 2018-2019.

BACKGROUND:

The Board is being presented with the District's Comprehensive Annual Financial Report (CARF) for fiscal year 2018-2019. District staff, with the assistance of our auditors, prepared a CAFR in accordance with guidelines established by the Government Finance Officers Association (GFOA). GFOA awards a Certificate of Achievement for Excellence in Financial Reporting Program, of which we were awarded for the prior fiscal year 2017-2018.

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 the respective fiscal years. This examination of the District's financial records was conducted in accordance with generally accepted accounting standards and principles. As in previous years, the District received an "unmodified opinion," meaning the financial statements present fairly, in all material respects, the financial position of the District as of June 30, 2019. The Financial Statements are transmitted under separate cover. A representative from the firm will be present to address the Board regarding this matter.

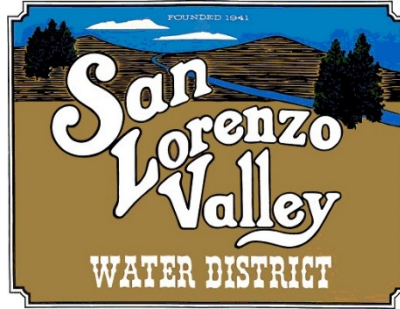
The CAFR furnishes information concerning the District's financial position and activities for the one (1) year period from July 1, 2018 – June 30, 2019 for all funds:

- Net position increased 7.24% or \$2,108,538 to \$31,227,512. Net position is made up of three components: net investment in capital assets, restricted net position and unrestricted net position
 - Net investment in capital (net of related debt) decreased less than 1% or \$185,997. There was depreciation expense of \$1,563,805 compared to the investment in current year capital of \$2,761,355, with \$2,000,000 funded by new debt.

- The District did a review and clean-up of the fixed asset listing, which resulted in disposal of some capital assets, which resulted in a \$320,408 loss.
 - Restricted net position increased \$1,594,015 to \$2,231,220. Restricted is for contractual restricted amounts such as required by debt covenants and assessment districts. The main contributor is the debt funding for the Probation Tank project loan.
 - Unrestricted net position increased \$700,520, leaving the deficit balance at \$96,460. As discussed in prior years, there have been certain events that put the District at a deficit. Main contributors to this were interties 2, 3 & 4, in 2016, where once the grant funding ran out, the remaining was paid from our cash. Another factor this year was the GASB 75 accounting pronouncement that required the District to put Other Post-Employment Benefits (OPEB) liabilities on the books. The Water Fund does now have a positive unrestricted balance of \$42,827, Sewer Fund has a deficit of \$139,287. With the future Sewer Fund rate increases, this should gradually be remedied.
- Operating revenues increased 9.93% or \$915K to \$10.1M, primarily due to increased water sales revenues related to the 2017 rate increase.
- Operating expenses decreased 3.3% or \$250K to \$7.3M. The decrease was \$125K related to lower legal expenses and \$125K in labor savings from the transition of the Deputy Director of Operations into the Director of Operations role, this was a reduction of 1 employee in the transition.
- Non-operating revenues increased \$85,626 to \$1,261,847. This is attributed to increases in property tax revenues and interest earned on investments.
- Non-operating expenses increased \$406,741 to \$597,218. This was mainly due to a \$320K loss on disposal of fixed assets. The investment in the Santa Margarita Groundwater Agency is now classified here as well, which had a \$83K increase over prior year.
- Net income before capital contributions increased 79%, or \$904K to \$2M. This is a good indicator that the District is moving in the right direction. With continued positive income, we will focus on building reserves back up and funding capital projects.
- Net income after capital contributions decreased \$363K to \$72K. This was due to prior year receiving \$434K in emergency funds from FEMA for the 2016 storm damage.
- Overall net position for the end of period increased \$2.1M. This is a positive direction for the District.

It is important to understand the differences between external and internal financial reports and analysis. Audited financial statements, unlike budgets, have been examined, or "audited," by an external, independent certified public accountant. Extensive tests are performed on account details and balances that are represented on a company's financial statements to ensure their accuracy and reliability, while budgets are reviewed internally by upper management to ensure company goals and targets are reasonable and achievable, and its resources are being allocated in a way that maximizes revenue.

This current process is the audit portion of the fiscal year 2018-2019 results. There will be a more in depth review of how the results compared to the budget at the next Budget & Finance Committee meeting.



San Lorenzo Valley Water District

Comprehensive Annual Financial Report

For the Fiscal Years June 30, 2019 and 2018



Boulder Creek, California



Our Mission

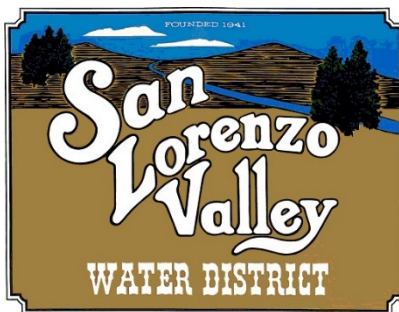
Our mission is to provide our customers and all future generations with reliable, safe and high quality water at an equitable price; to create and maintain outstanding customer service; to manage and protect the environmental health of the aquifers and watersheds; and, to ensure the fiscal vitality of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

San Lorenzo Valley Water District

Board of Directors as of June 30, 2019

<u>Name</u>	<u>Title</u>	<u>Elected/ Appointed</u>	<u>Term Expires</u>
Lois Henry	President	Elected	December 2022
Bob Fultz	Vice President	Elected	December 2022
Lew Ferris	Director	Appointed	December 2020
Steve Swan	Director	Elected	December 2022
Rick Moran	Director	Appointed	December 2020

Rick Rogers, 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
Comprehensive Annual Financial Report
For the Fiscal Years Ended June 30, 2019 and 2018

Prepared by:

Stephanie Hill, Director of Finance and Business Services

**San Lorenzo Valley Water District
Comprehensive Annual Financial Report
For the Fiscal Years Ended June 30, 2019 and 2018**

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**San Lorenzo Valley Water District
Comprehensive Annual Financial Report
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Introductory Section



December 5, 2019

Board of Directors
San Lorenzo Valley Water District

Introduction

It is our pleasure to submit the Comprehensive Annual Financial Report for the San Lorenzo Valley Water District for the fiscal year ended June 30, 2019, following guidelines set forth by the Governmental Accounting Standards Board (GASB). The purpose of this comprehensive report is to provide the Board of Directors, the public and other interested parties with reliable financial information about the District. This report conforms to the reporting and accounting standards of GASB and the Financial Accounting Standards Board (FASB).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, including all disclosures, based upon a framework of internal controls that was established for this purpose. The District maintains an internal control structure designed to ensure that the assets of the District are protected from loss, theft, or misuse and to ensure adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

District policy requires that an independent certified public accounting firm, selected by the Board, audit the basic financial statements on an annual basis to ensure they are free of material misstatement. Fedak & Brown LLP has issued an unmodified (or clean) opinion on the District's basic financial statements for the fiscal year ended June 30, 2019. The Independent Auditor's Report is presented as the first component of the financial section of this report.

GAAP requires that management provide an overview, summary and analysis to accompany the basic financial statements. Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report in the financial section. This letter of transmittal is designed to complement the analysis contained in the MD&A and should be read in conjunction with the financial section of this report.

District History 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 34 employees. The District's Board of Directors meets regularly, meetings are publicly noticed and citizens are encouraged to attend.

The District owns, operates, and maintains four water systems that supply separate service areas from separate water sources. The North Service Area includes the unincorporated communities of Boulder Creek, Brookdale, Ben Lomond, Zayante and Lompico. The South Service Area encompasses portions of the City of Scotts Valley and adjacent unincorporated neighborhoods. The Mañana Woods subdivision became part of the South Service Area as a result of the District’s annexation of the Mañana Woods Mutual Water Company in July 2006. The Felton Service Area was acquired by the District from California American Water in September 2008 and includes the town of Felton and adjacent unincorporated areas. The Lompico area became part of the North Service Area as a result of the District’s annexation of the Lompico County Water District in June 2016.

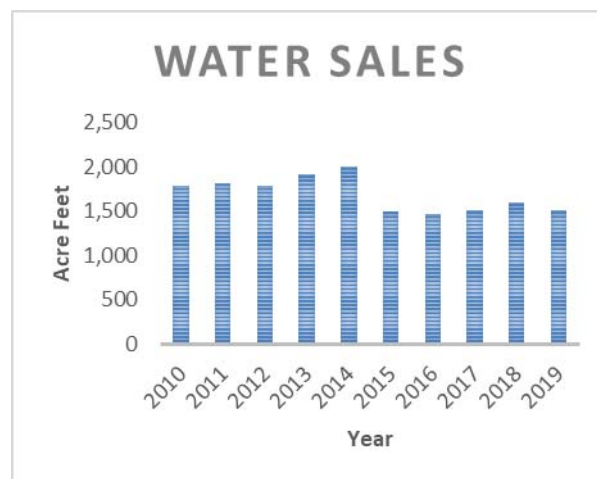
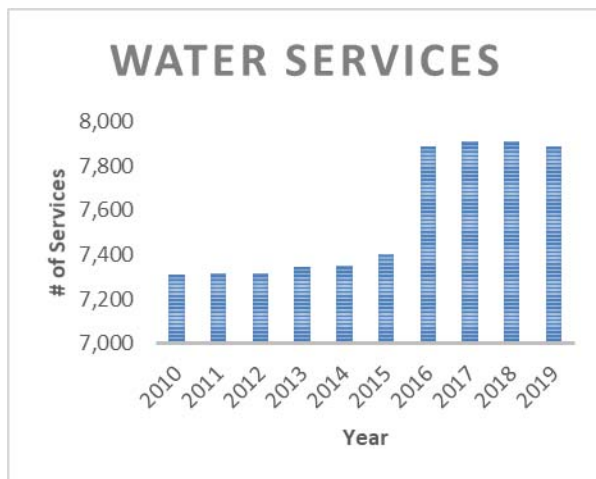
The District owns, operates, and maintains a wastewater system in Boulder Creek’s Bear Creek Estates, which serves approximately 56 homes.

The District’s boundaries comprise approximately 60 square miles and 170 miles of pipeline. The District currently provides service to approximately 7,900 residential, commercial, and institutional connections. The District relies on both surface water and groundwater resources, including nine currently active stream diversions, one groundwater spring, and eight active groundwater wells. These sources are derived solely from rainfall within the San Lorenzo River watershed.

Economic Condition and Outlook

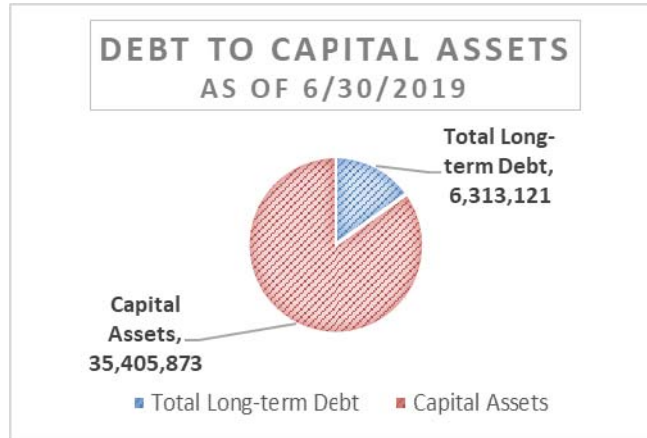
The District’s administrative offices are located in the Town of Boulder Creek in Santa Cruz County. The economic outlook for the area is one of cautious growth as the regional economy recovers from prolonged recessionary pressures and drought conditions.

Over the years, the District’s service area has changed from rural and vacation cabins to a more urbanized, year-round water-use area. Over 95% of the District’s service connections are residential. With forecasted population growth to be minimal and customer drought conservation efforts that have now become routine, the financial impact on recent years is more extreme. In January 2016, a drought recovery fee was implemented for the drought caused revenue shortfall. In 2017, a rate study and 5 year rate increase was implemented, included was eliminating the drought recovery fee.



Debt Administration

The District has bonded indebtedness and additional obligations under multiple agreements. Additional information regarding these can be found in the District's audited financial statements and accompanying notes.



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.

Capital Improvement Projects (CIP) continue to be a major initiative. The District pursued and received a \$2,000,000 loan to fund the Probation Tank project. Additionally, during the fiscal year, the District was in the process of obtaining \$14,500,000 certificates of participation to fund upcoming capital projects. The financing was obtained shortly after the fiscal year end. The intended use of these proceeds are to fund several major capital projects. These main line replacements/upgrades will correct many low water pressure areas, removing restrictions and greatly improving water flow to Boulder Creek, Ben Lomond, Lompico, Zayante, and Probation Zones.

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.

Accounting and Budgetary Structure

The District operates with a fiscal year that begins July 1 and ends on June 30. GAAP requires the use of accrual accounting. The budget is based on the same accrual approach as the District's audited financial statements with some minor differences. Revenues are recognized on the financial statements in the accounting period in which they are earned and expenses are recognized when incurred, even though they may not have been received or paid in cash.

The District Board of Directors annually adopts an operating and capital budget prior to the new fiscal 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 may only be amended during the course of the fiscal year by Board action. The Board considers the requests of staff at regularly scheduled meetings and approves or rejects the requests by motion and majority vote. In years where revenue falls significantly short of budget expectations, comprehensive mid-year revisions to the budget may be brought to the Board for approval.

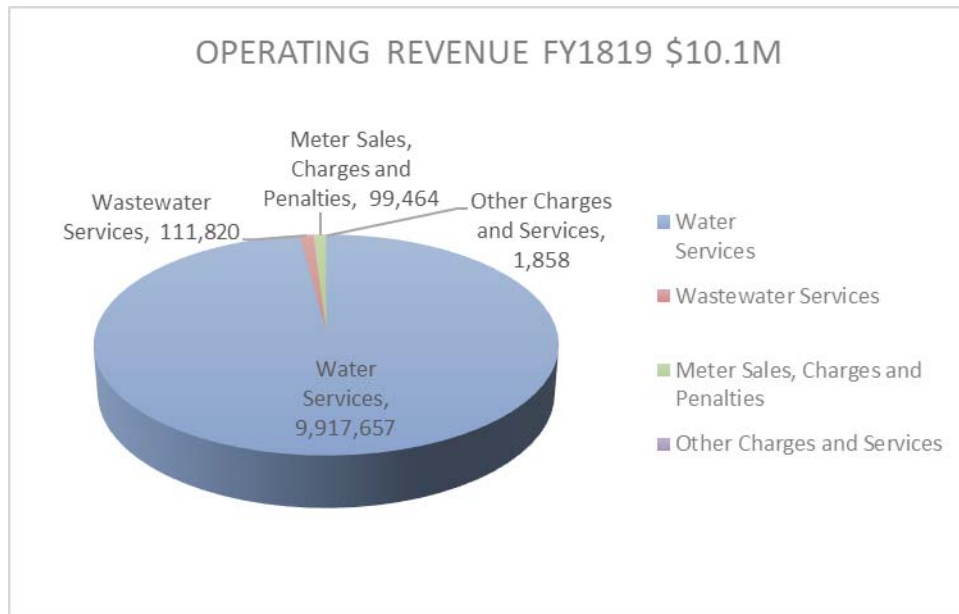
Investment Policy

The Board of Directors has adopted an investment policy that conforms to state law, District policies and procedures, 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 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.

Over the last few years, District customers have decreased their water use significantly in response to state-wide drought mandates and District conservation programs. In 2017, the rate study resulted in a 5 year rate increase, with a shift to be more consumption based. Also implemented was a revenue stabilization rate policy, to account for more immediate actions if a major consumption gap occurred again. The 5 year rate increase and revenue stabilization rate policy have proven instrumental in being able to attract more financing options for the District. Most water agencies have high fixed costs, which causes financial problems given the revenue is directly related to consumption. Having triggers in place, as outlined in the revenue stabilization rate policy, helps secure the financial vitality of the District if events lead to significant consumption changes.



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:

- High efficiency clothes washer credit
- High efficiency toilet credit (*reinstated FY1617 when the State of CA inactivated their program*)
- Turf replacement credit (*suspended FY1516 while State of CA had an active program*)
- Weather based irrigation controller credit

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 (SDRMA). The purpose of SDRMA is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. The District is also a member of California Special District Association (CSDA). Board members and District staff can attend conferences and seminars that specify in risk management and other areas.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting, to the San Lorenzo Valley Water District for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. This was the first year the District had achieved this prestigious award. The District has received the certificate each year thereafter. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both Generally Accepted Accounting Principles (GAAP) and all applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current CAFR continues to meet the requirements of the GFOA Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

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,

Rick Rogers
District Manager

Board of Directors

A five member Board of Directors are elected by the San Lorenzo Valley area to set policy and govern the District. Currently the Board of Directors are:



**Lois Henry
(President)**



**Steve Swan
(Director)**



**Bob Fultz
(Vice President)**

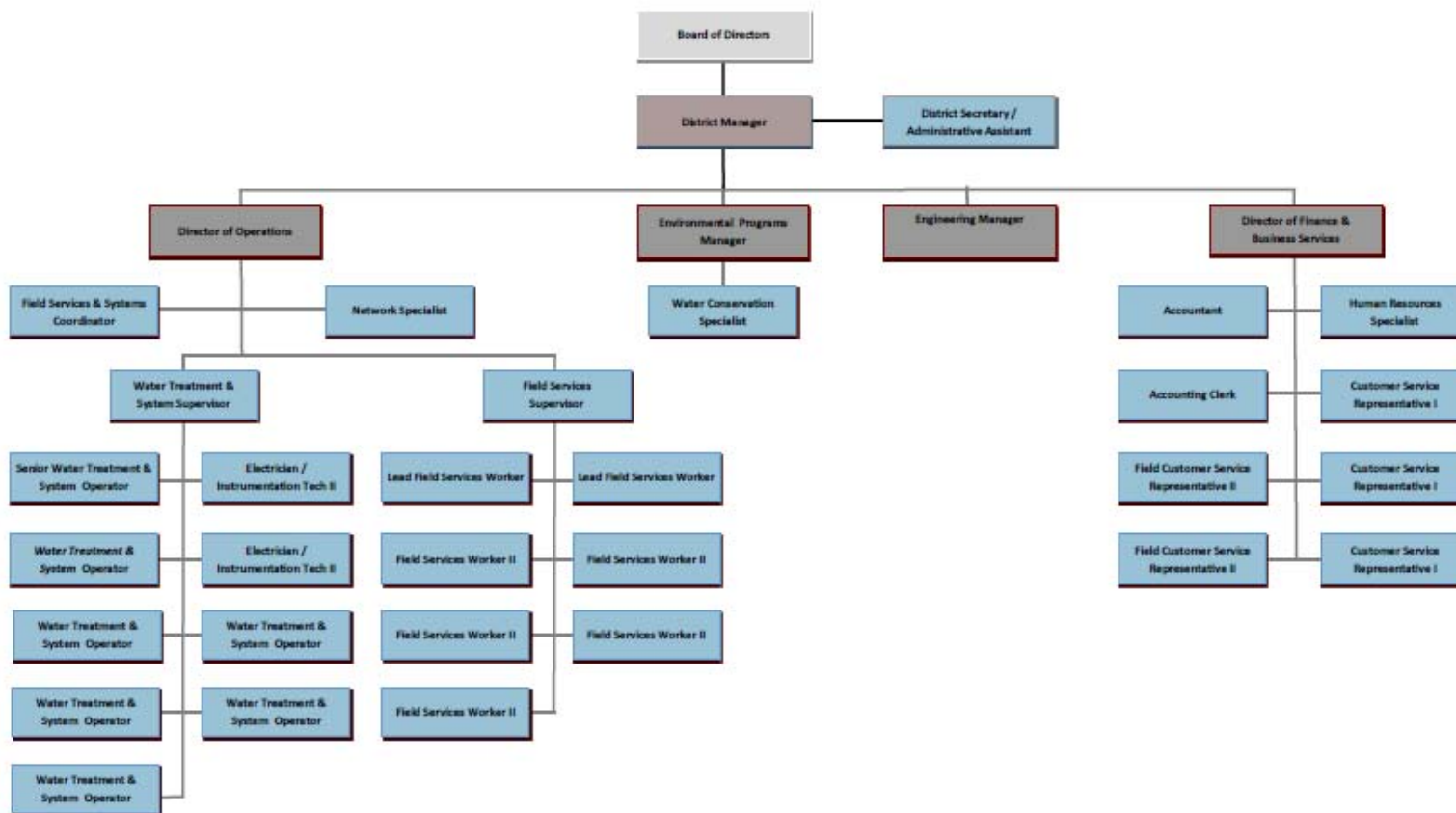


**Rick Moran
(Director)**



**Lew Ferris
(Director)**

San Lorenzo Valley Water District Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**San Lorenzo Valley Water District
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

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Financial Section

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 business-type activities of the San Lorenzo Valley Water District (District), as of and for the years ended June 30, 2019 and 2018, 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 opinions on these financial statements based on our audits. We conducted our audits 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 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 opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the San Lorenzo Valley Water District as of June 30, 2019 and 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report, continued

Emphasis of a Matter

As discussed in Note 9 to the financial statements, as and for the year ended year ended June 30, 2018, the District restated its net position for the effects of the provisions of GASB Statement No. 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and for the inclusion of the Santa Margarita Groundwater Agency as a joint-powers authority (JPA). Our opinions are not modified with respect to these matters.

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 13 through 19 and the required supplementary information on pages 58 through 60 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 audits 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 audits were 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 9, the supplemental information schedules on pages 61 through 63, and the statistical section on pages 64 through 77, 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 audits 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 and statistical sections have not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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 5, 2019, 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 solely 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 the effectiveness of the District's 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 78 and 79.

Fedak & Brown LLP
Cypress, California
December 5, 2019

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San Lorenzo Valley Water District
Management's Discussion and Analysis
For the Fiscal Years Ended June 30, 2019 and 2018

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 years ended June 30, 2019 and 2018. 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

- The District's net position increased 7.24% or \$2,108,538 to \$31,227,512. In 2018, the District's net position increased 3.06% or \$863,539 to \$29,118,974. See note 9 for further discussion.
- The District's operating revenues increased 9.93% or \$915,435 to \$10,130,799. In 2018, the District's operating revenues increased 23.76% or \$1,769,234 to \$9,215,364.
- The District's non-operating revenues increased 7.28% or \$85,626 to \$1,261,847. In 2018, the District's non-operating revenues decreased 3.05% or \$37,023 to \$1,176,221.
- The District's operating expenses decreased 3.30% or \$250,760 to \$7,341,031. In fiscal year 2018, the District's operating expenses increased 6.78% or \$482,333 to \$7,591,791.
- The District's non-operating expenses increased 213.54% or \$406,741 to \$597,218. In 2018, the District's non-operating expenses increased 14.60% or \$24,273 to \$190,477.

Required Financial Statements

This annual report consists of a series of financial statements. The Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, and Statements 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 service to the customers of the District are financed primarily through user charges.

A 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 a 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. A 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, continued
For the Fiscal Years Ended June 30, 2019 and 2018

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?" A Statement of Net Position and a 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. One 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 change in economic conditions, population growth, zoning, and new or changed government legislation, such as change 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 25 through 57.

Statements of Net Position

Condensed Statements of Net Position					
	<u>2019</u>	<u>As Restated 2018</u>	<u>Change</u>	<u>2017</u>	<u>Change</u>
Assets:					
Current assets	\$ 7,555,633	5,130,142	2,425,491	3,928,212	1,201,930
Non-current assets	52,510	30,030	22,480	-	30,030
Capital assets, net	35,405,873	34,528,731	877,142	34,773,096	(244,365)
Total assets	<u>43,014,016</u>	<u>39,688,903</u>	<u>3,325,113</u>	<u>38,701,308</u>	<u>987,595</u>
Deferred outflows of resources	<u>934,898</u>	<u>1,253,820</u>	<u>(318,922)</u>	<u>1,007,189</u>	<u>246,631</u>
Liabilities:					
Current liabilities	1,903,383	1,871,108	32,275	1,860,313	10,795
Non-current liabilities	10,694,373	9,643,477	1,050,896	9,327,645	315,832
Total liabilities	<u>12,597,756</u>	<u>11,514,585</u>	<u>1,083,171</u>	<u>11,187,958</u>	<u>326,627</u>
Deferred inflows of resources	<u>123,646</u>	<u>309,164</u>	<u>(185,518)</u>	<u>265,104</u>	<u>44,060</u>
Net position:					
Net investment in capital assets	29,092,752	29,278,749	(185,997)	28,551,697	727,052
Restricted	2,231,220	637,205	1,594,015	686,020	(48,815)
Unrestricted (deficit)	(96,460)	(796,980)	700,520	(982,282)	185,302
Total net position	<u>\$ 31,227,512</u>	<u>29,118,974</u>	<u>2,108,538</u>	<u>28,255,435</u>	<u>863,539</u>

San Lorenzo Valley Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2019 and 2018

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 exceeded liabilities and deferred inflows of resources by \$31,227,512 and \$29,118,974 as of June 30, 2019 and 2018, respectively.

The District's net position increased 7.24% or \$2,108,538. In fiscal year 2018, the District's net position increased 3.06% or \$863,539. The District's total net position is made up of three components: (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position.

At the end of fiscal year 2019, the District showed a deficit balance in its unrestricted net position of \$96,460, compared to a deficit balance of \$796,980 at the end of fiscal year 2018. See Note 10 for the further information.

By far the largest portion of the District's net position (93.16% and 100.55% as of June 30, 2019 and 2018) 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 10 for further information.

Statements of Revenues, Expenses, and Changes in Net Position

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	<u>2019</u>	<u>As Restated 2018</u>	<u>Change</u>	<u>2017</u>	<u>Change</u>
Revenues:					
Operating revenues	\$ 10,130,799	9,215,364	915,435	7,446,130	1,769,234
Non-operating revenues	1,261,847	1,176,221	85,626	1,213,244	(37,023)
Total revenues	<u>11,392,646</u>	<u>10,391,585</u>	<u>1,001,061</u>	<u>8,659,374</u>	<u>1,732,211</u>
Expenses:					
Operating expenses	7,341,031	7,591,791	(250,760)	7,109,458	482,333
Non-operating expenses	597,218	190,477	406,741	166,204	24,273
Overhead absorption	(146,321)	(163,697)	(310,018)	(74,683)	(89,014)
Depreciation	1,563,805	1,640,273	(76,468)	1,417,477	222,796
Total expenses	<u>9,355,733</u>	<u>9,258,844</u>	<u>96,889</u>	<u>8,618,456</u>	<u>640,388</u>
Net income before capital contributions	<u>2,036,913</u>	<u>1,132,741</u>	<u>904,172</u>	<u>40,918</u>	<u>1,091,823</u>
Capital contributions	<u>71,625</u>	<u>434,908</u>	<u>(363,283)</u>	<u>-</u>	<u>434,908</u>
Changes in net position	<u>2,108,538</u>	<u>1,567,649</u>	<u>540,889</u>	<u>40,918</u>	<u>1,526,731</u>
Net position, beginning of year, as previously stated	29,118,974	28,255,435	863,539	28,214,517	40,918
Prior period adjustment (note 9)	<u>-</u>	<u>(704,110)</u>	<u>704,110</u>	<u>-</u>	<u>(704,110)</u>
Net position, beginning of year, as restated	<u>29,118,974</u>	<u>27,551,325</u>	<u>1,567,649</u>	<u>28,214,517</u>	<u>(663,192)</u>
Net position, end of year	<u>\$ 31,227,512</u>	<u>29,118,974</u>	<u>2,108,538</u>	<u>28,255,435</u>	<u>863,539</u>

San Lorenzo Valley Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2019 and 2018

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

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

The District's net position increased 7.24% or \$2,108,538 to \$31,227,512, due primarily to ongoing operations.

In fiscal year 2018, the District's net position increased 3.06% or \$863,539 to \$29,118,974, which is comprised of an increase in operations of \$1,567,649 and a decrease from a prior period adjustment of \$704,110. See Note 9 for further information.

Total Revenues

	<u>2019</u>	<u>As Restated 2018</u>	<u>Change</u>	<u>2017</u>	<u>Change</u>
Operating revenues:					
Water consumption sales	\$ 9,917,657	8,983,340	934,317	7,157,650	1,825,690
Wastewater service	111,820	100,138	11,682	102,107	(1,969)
Meter sales, charges, and penalties	99,464	128,305	(28,841)	178,632	(50,327)
Other charges and services	1,858	3,581	(1,723)	7,741	(4,160)
Total operating revenues	<u>10,130,799</u>	<u>9,215,364</u>	<u>915,435</u>	<u>7,446,130</u>	<u>1,769,234</u>
Non-operating revenues:					
Property tax	780,378	747,404	32,974	771,369	(23,965)
Assessment revenues	350,694	349,130	1,564	358,469	(9,339)
Investment income	86,733	23,040	63,693	13,858	9,182
Rental revenue	44,042	56,647	(12,605)	59,548	(2,901)
Settlement and purchase agreements	-	-	-	10,000	(10,000)
Total non-operating revenues	<u>1,261,847</u>	<u>1,176,221</u>	<u>85,626</u>	<u>1,213,244</u>	<u>(37,023)</u>
Capital contributions:					
Capital grants - other governments	71,625	434,908	(363,283)	-	434,908
Total revenues	<u>\$ 11,464,271</u>	<u>10,826,493</u>	<u>637,778</u>	<u>8,659,374</u>	<u>2,167,119</u>

The District's total revenues increased \$637,778. Operating revenues increased \$915,435, primarily due to an increase in water consumption sales of \$934,317. Non-operating revenues increased \$85,626, primarily due to increases of \$63,693 in investment income and \$32,974 in property taxes; which were offset by a decrease of \$12,605 in rental revenues.

In fiscal year 2018, the District's total revenues increased \$2,197,149. Operating revenues increased \$1,769,234, primarily due to an increase in water consumption sales of \$1,825,690; which was offset by a decrease of \$50,327 in meter sales, charges, and penalties. Non-operating revenues decreased \$37,023, primarily due to a decrease of \$33,304 in property tax/assessment revenues.

San Lorenzo Valley Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2019 and 2018

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

Total Expenses

	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>2017</u>	<u>Change</u>
Operating expenses including depreciation expense:					
Salaries and benefits	\$ 4,865,859	4,840,518	25,341	4,498,595	341,923
Professional services	1,037,612	1,349,279	(311,667)	1,202,004	147,275
Operational	375,948	320,876	55,072	464,236	(143,360)
Maintenance	153,892	143,714	10,178	130,244	13,470
Facilities	568,165	554,547	13,618	499,400	55,147
General and administrative	339,555	382,857	(43,302)	314,979	67,878
Depreciation	<u>1,563,805</u>	<u>1,640,273</u>	<u>(76,468)</u>	<u>1,417,477</u>	<u>222,796</u>
Total operating expenses including depreciation expense	<u>8,904,836</u>	<u>9,232,064</u>	<u>(327,228)</u>	<u>8,526,935</u>	<u>705,129</u>
Non-operating expenses:					
Interest expense	153,662	150,507	3,155	166,204	(15,697)
Change in investment in JPA	123,148	39,970	83,178	-	39,970
Loss on disposition of capital assets	<u>320,408</u>	<u>-</u>	<u>320,408</u>	<u>-</u>	<u>-</u>
Total non-operating expenses	<u>597,218</u>	<u>190,477</u>	<u>406,741</u>	<u>166,204</u>	<u>24,273</u>
Total expenses	<u>\$ 9,502,054</u>	<u>9,422,541</u>	<u>79,513</u>	<u>8,693,139</u>	<u>729,402</u>

The District's total expenses increased \$79,513. The District's operating expenses decreased \$327,228 primarily due to decreases of \$311,667 in professional services, \$76,468 in depreciation expense, and \$43,302 in general and administrative; which were offset by an increase of \$55,072 in operational expenses. The District's non-operating expenses increased \$323,563, primarily due to increases of \$320,408 in loss on disposal of capital assets and \$83,178 in change in investment in JPA.

In fiscal year 2018, the District's total expenses increased \$729,402. The District's operating expenses increased \$705,128, primarily due to increases of \$341,923 in salaries and benefits, \$222,796 in depreciation expense, \$147,275 in professional services, \$67,878 in general and administrative expenses, and \$55,147 in facilities expenses; which were offset by a decrease of \$143,360 in operational expenses. The District's non-operating expenses decreased \$24,273, primarily due to an increase of \$39,970 in change in investment in JPA; which was offset by a decrease of \$15,697 in interest expense.

Capital Asset Administration

Change in capital assets for 2019, was as follows:

	<u>Balance</u>		<u>Transfers/</u>	<u>Balance</u>
	<u>2018</u>	<u>Additions</u>	<u>Disposals</u>	<u>2019</u>
Capital assets:				
Non-depreciable assets	\$ 8,010,150	2,761,355	(1,571,104)	9,200,401
Depreciable assets	58,493,808	1,571,104	(1,851,086)	58,213,826
Accumulated depreciation	<u>(31,975,227)</u>	<u>(1,563,805)</u>	<u>1,530,678</u>	<u>(32,008,354)</u>
Total capital assets	<u>\$ 34,528,731</u>	<u>2,768,654</u>	<u>(1,891,512)</u>	<u>35,405,873</u>

San Lorenzo Valley Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2019 and 2018

Capital Asset Administration, continued

Change in capital assets for 2018, was as follows:

	<u>Balance</u> <u>2017</u>	<u>Additions</u>	<u>Transfers/ Disposals</u>	<u>Balance</u> <u>2018</u>
Capital assets:				
Non-depreciable assets	\$ 7,024,237	1,395,908	(409,995)	8,010,150
Depreciable assets	58,083,813	409,995	-	58,493,808
Accumulated depreciation	<u>(30,334,954)</u>	<u>(1,640,273)</u>	<u>-</u>	<u>(31,975,227)</u>
Total capital assets	\$ <u>34,773,096</u>	<u>165,630</u>	<u>(409,995)</u>	<u>34,528,731</u>

The District's investment in capital assets amounted to \$35,405,873 (net of accumulated depreciation). Major capital assets additions during the year included upgrades to the District's water transmission and distribution system, buildings and structures, field and shop equipment, and transportation equipment.

At the end of fiscal year 2018, the District's investment in capital assets amounted to \$34,528,731 (net of accumulated depreciation). Major capital assets additions during the year included upgrades to the District's water transmission and distribution system, field and shop equipment, and transportation equipment.

See Note 4 for further information.

Debt Administration

Change in long-term debt amounts for 2019, was as follows:

	<u>Balance</u> <u>2018</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance</u> <u>2019</u>
Long-term debt:				
Notes payable	\$ 3,311,635	2,000,000	(248,342)	5,063,293
Bonds payable	1,845,823	-	(666,014)	1,179,809
Capital lease payable	<u>92,524</u>	<u>-</u>	<u>(22,505)</u>	<u>70,019</u>
Total long-term debt	\$ <u>5,249,982</u>	<u>2,000,000</u>	<u>(936,861)</u>	<u>6,313,121</u>

Change in long term debt amounts for 2018, was as follows:

	<u>Balance</u> <u>2017</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Balance</u> <u>2018</u>
Long-term debt:				
Notes payable	\$ 3,551,243	-	(239,608)	3,311,635
Bonds payable	2,555,854	-	(710,031)	1,845,823
Capital lease payable	<u>114,302</u>	<u>-</u>	<u>(21,778)</u>	<u>92,524</u>
Total long-term debt	\$ <u>6,221,399</u>	<u>-</u>	<u>(971,417)</u>	<u>5,249,982</u>

San Lorenzo Valley Water District
Management's Discussion and Analysis, continued
For the Fiscal Years Ended June 30, 2019 and 2018

Debt Administration, continued

The District's long-term debt increase \$1,063,139, primarily due to the addition of a \$2,000,000 Capital One loan, offset by \$936,861 in principal payments.

In fiscal year 2018, the District's long-term debt decreased \$971,417, primarily due to principal payments.

See Note 6 for further information.

Conditions Affecting Current Financial Position

Management is unaware of any conditions, which could have a significant impact on the District's current 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 Director of Finance and Business Services, Stephanie Hill, at San Lorenzo Valley Water District, 13060 Highway 9, Boulder Creek, California 95006 or (831) 430-4620.

Basic Financial Statements

San Lorenzo Valley Water District
Statements of Net Position
June 30, 2019 and 2018

	<u>2019</u>	<u>As Restated 2018</u>
Current assets:		
Cash and cash equivalents (note 2)	\$ 1,043,351	694,844
Cash and cash equivalents – restricted (note 2)	2,231,220	637,205
Accrued interest receivable	5,487	-
Investments (note 2)	2,276,600	2,062,184
Accounts receivable – water sales and services	1,452,006	1,411,630
Accounts receivable – property taxes	1,715	2,477
Accounts receivable – other	35,448	13,754
Prepaid expenses	242,749	54,052
Materials and supplies inventory	<u>267,057</u>	<u>253,996</u>
Total current assets	<u>7,555,633</u>	<u>5,130,142</u>
Non-current assets:		
Investments in joint-powers authority (note 3)	52,510	30,030
Capital assets – not being depreciated (note 4)	9,200,401	8,010,150
Capital assets – being depreciated (note 4)	<u>26,205,472</u>	<u>26,518,581</u>
Total non-current assets	<u>35,458,383</u>	<u>34,558,761</u>
Total assets	<u>43,014,016</u>	<u>39,688,903</u>
Deferred outflows of resources:		
Deferred OPEB outflows (note 7)	5,432	-
Deferred pension outflows (note 8)	<u>929,466</u>	<u>1,253,820</u>
Total deferred outflows of resources	<u>\$ 934,898</u>	<u>1,253,820</u>

Continued on next page

See accompanying notes to the basic financial statements

San Lorenzo Valley Water District
Statements of Net Position, continued
June 30, 2019 and 2018

	2019	As Restated 2018
Current liabilities:		
Accounts payable and accrued expense	\$ 363,590	384,347
Accrued wages and related payables	243,215	233,296
Unearned revenues – customer deposits	141,871	102,445
Unearned revenues – construction deposits	13,945	15,478
Accrued interest payable	38,209	15,999
Long-term liabilities – due in one year:		
Compensated absences (note 5)	194,131	185,103
Loans payable (note 8)	303,135	245,920
Bonds payable (note 8)	582,031	666,015
Capital lease payable (note 8)	23,256	22,505
Total current liabilities	1,903,383	1,871,108
Non-current liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (note 5)	345,122	329,071
Loans payable (note 8)	4,760,158	3,065,715
Bonds payable (note 8)	597,778	1,179,808
Capital lease payable (note 8)	46,763	70,019
Net OPEB liability (note 7)	1,138,893	1,029,266
Net pension liability (note 8)	3,805,659	3,969,598
Total non-current liabilities	10,694,373	9,643,477
Total liabilities	12,597,756	11,514,585
Deferred inflows of resources		
Deferred OPEB inflows (note 7)	-	33,163
Deferred pension inflows (note 8)	123,646	276,001
Total deferred inflows of resources	123,646	309,164
Net position: (note 10)		
Net investment in capital assets	29,092,752	29,278,749
Restricted for debt service	2,231,220	637,205
Unrestricted (deficit)	(96,460)	(796,980)
Total net position	\$ 31,227,512	29,118,974

See accompanying notes to the basic financial statements

San Lorenzo Valley Water District
Statements of Revenues, Expenses, and Changes in Net Position
For the Fiscal Years Ended June 30, 2019 and 2018

	2019	As Restated 2018
Operating revenues:		
Water consumption sales	\$ 9,917,657	8,983,340
Wastewater service	111,820	100,138
Meter sales, charges, and penalties	99,464	128,305
Other charges and services	1,858	3,581
Total operating revenues	10,130,799	9,215,364
Operating expenses:		
Salaries and benefits	4,865,859	4,840,518
Professional services	1,037,612	1,349,279
Operational	375,948	320,876
Maintenance	153,892	143,714
Facilities	568,165	554,547
General and administrative	339,555	382,857
Total operating expenses	7,341,031	7,591,791
Operating income before overhead absorption	2,789,768	1,623,573
Overhead absorption	146,321	163,697
Operating income before depreciation expense	2,936,089	1,787,270
Depreciation expense	(1,563,805)	(1,640,273)
Operating income	1,372,284	146,997
Non-operating revenues(expenses):		
Property tax	780,378	747,404
Assessment revenues	350,694	349,130
Investment earnings	86,733	23,040
Change in investment in Santa Margarita Groundwater		
Agency	(123,148)	(39,970)
Rental revenue	44,042	56,647
Interest expense	(153,662)	(150,507)
Loss on disposition of capital assets	(320,408)	-
Total non-operating revenues, net	664,629	985,744
Net income before capital contributions	2,036,913	1,132,741
Capital contributions:		
Capital grants – other governments	71,625	434,908
Total capital contributions	71,625	434,908
Changes in net position	2,108,538	1,567,649
Net position, beginning of period, as previously stated	29,118,974	28,255,435
Prior period adjustment (note 9)	-	(704,110)
Net position, beginning of period, as restated	29,118,974	27,551,325
Net position, end of period	\$ 31,227,512	29,118,974

See accompanying notes to the basic financial statements

San Lorenzo Valley Water District
Statements of Cash Flows
For the Fiscal Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>As Restated 2018</u>
Cash flows from operating activities:		
Cash receipts from customers for sales and services	\$ 10,104,764	8,839,509
Cash paid to employees for salaries and wages	(4,830,861)	(4,783,658)
Cash paid to vendors for materials and services	<u>(2,470,416)</u>	<u>(2,285,669)</u>
Net cash provided by operating activities	<u>2,803,487</u>	<u>1,770,182</u>
Cash flows from non-capital financing activities:		
Proceeds from property taxes/assessments	1,131,834	1,096,455
Proceeds from rental revenue	<u>44,042</u>	<u>56,647</u>
Net cash provided by non-capital financing activities	<u>1,175,876</u>	<u>1,153,102</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(2,761,355)	(1,395,908)
Proceeds from capital contributions	71,625	434,908
Proceeds from long-term debt	2,000,000	-
Principal paid on long-term debt	(936,861)	(971,417)
Interest paid on long-term debt	<u>(131,452)</u>	<u>(156,132)</u>
Net cash used in capital and related financing activities	<u>(1,758,043)</u>	<u>(2,088,549)</u>
Cash flows from investing activities:		
Proceeds from sale of investments	(214,416)	(559,069)
Santa Margarita Groundwater Agency contribution	(145,628)	(70,000)
Proceeds from investment earnings	<u>81,246</u>	<u>23,040</u>
Net cash used in investing activities	<u>(278,798)</u>	<u>(606,029)</u>
Net increase in cash and cash equivalents	1,942,522	228,706
Cash and cash equivalents, beginning of year	<u>1,332,049</u>	<u>1,103,343</u>
Cash and cash equivalents, end of year	<u>\$ 3,274,571</u>	<u>1,332,049</u>
Reconciliation of cash and cash equivalents to statements of net position:		
Cash and cash equivalents	\$ 1,043,351	694,844
Cash and cash equivalents – restricted	<u>2,231,220</u>	<u>637,205</u>
Total cash and cash equivalents	<u>\$ 3,274,571</u>	<u>1,332,049</u>

Continued on next page

See accompanying notes to the basic financial statements

San Lorenzo Valley Water District
Statements of Cash Flows, continued
For the Fiscal Years Ended June 30, 2019 and 2018

	<u>2019</u>	<u>As Restated 2018</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 1,372,284	146,997
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	1,563,805	1,640,273
Change in assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
(Increase)decrease in assets and deferred outflows of resources:		
Accounts receivable – water sales and services, net	(40,376)	(385,729)
Accounts receivable – settlement agreement	-	46,392
Accounts receivable – other	(21,694)	(246)
Prepaid expenses	(188,697)	(53,892)
Materials and supplies inventory	(13,061)	(20,601)
Deferred outflows of resources	318,922	(275,860)
Increase(decrease) in liabilities and deferred inflows of resources:		
Accounts payable and accrued expense	(20,757)	54,744
Accrued wages and related payables	9,919	16,991
Unearned revenues – customer deposits	39,426	47,453
Unearned revenues – construction deposits	(1,533)	(80,144)
Compensated absences	25,079	39,869
Net OPEB liability	109,627	91,446
Net pension liability	(163,939)	458,429
Deferred inflows of resources	<u>(185,518)</u>	<u>44,060</u>
Total adjustments	<u>1,431,203</u>	<u>1,623,185</u>
Net cash provided by operating activities	<u>\$ 2,803,487</u>	<u>1,770,182</u>

See accompanying notes to the basic financial statements

San Lorenzo Valley Water District
Notes to the Financial Statements
For the Fiscal Years Ended June 30, 2019 and 2018

(1) Reporting Entity and Summary of Significant Accounting Policies

A. Organization and Operations of the Reporting Entity

The San Lorenzo Valley Water District (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 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 serving four-year terms. The District provides water and sewer services to approximately 7,900 customers within its service area.

The Lompico County Water District (Lompico) was organized on April 3, 1963. Lompico provides facilities and services in the rural area known as Lompico, California. Lompico utilizes Water fund to account for its operations. Lompico provides water service to approximately 500 customers within its service area.

On June 1, 2016, Lompico was dissolved and annexed by the District. Pursuant to Government Code Section 57200, a certificate was issued by the Executive Officer of the Local Agency Formation Commission (LAFCO) of Santa Cruz County, California to complete the reorganization between Lompico and the District. The reorganization between Lompico and the District was approved on August 6, 2014, under LAFCO Resolution No. 953-A.

The criteria used in determining the transfer of operations was based on the provisions of Governmental Accounting Standards Board Statement No. 69, *Government Combinations and Disposals of Government Operations*. The effective transfer date of Lompico's operations was June 1, 2016, which was the date the District obtained control of Lompico's assets and deferred outflows of resources and became obligated for the liabilities and deferred inflows of resources. Accordingly, the District recognized the carrying values of assets, deferred outflows of resources, liabilities, and deferred inflows of resources of Lompico as of June 1, 2016; and the net position received or assumed by the District was reported as a special item in the statement of revenues, expenses, and changes in net position in the period in which the transfer occurred.

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 preformed every month. The District accrues revenues with respect to water and sewer service sold, but not billed, at the end of a fiscal period.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

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

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.

The District has adopted the following GASB pronouncements in the current year:

In November 2016, the GASB issued Statement No. 83 – *Certain Asset Retirement Obligations*. This Statement (1) addresses accounting and financial reporting for certain asset retirement obligations (AROs), (2) establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs, (3) requires that recognition occur when the liability is both incurred and reasonably estimable, (4) requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred, (5) requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually, and (6) requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

In April 2018, the GASB issued Statement No. 88 – *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

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

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, and deferred inflows, and disclosures of contingent assets, deferred outflows, liabilities, and deferred inflows 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

The District has adopted an investment policy directing the Finance Manager to deposit and invest funds in financial institutions in accordance with California Government Code section 53600. The investment policy applies to all financial assets and investment activities of the District.

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. Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on valuation inputs used to measure the fair value of assets as follows:

- **Level 1** – Valuation is based on quoted prices in active markets for identical assets.
- **Level 2** – Valuation is based on directly observable and indirectly observable inputs. These inputs are derived principally from or corroborated by observable market data through correlation or market-corroborated inputs. The concept of market-corroborated inputs incorporates observable market data such as interest rates and yield curves that are observable at commonly quoted intervals.
- **Level 3** – Valuation is based on unobservable inputs where assumptions are made based on factors such as prepayment rates, probability of default, loss severity, and other assumptions that are internally generated and cannot be observed in the market.

5. 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 Fiscal Years Ended June 30, 2019 and 2018

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

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

6. 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

7. Materials and Supplies Inventory

Materials and supplies inventory consists primarily of water meters, pipes, 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 those items are withdrawn from inventory or consumed.

8. Prepaid Expenses

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

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 acquisition value rather than 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 Fiscal Years Ended June 30, 2019 and 2018

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

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

11. 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.

12. Compensated Absences

The District's policy is to permit employees to accumulate earned paid time off. 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 paid time off except for those employees that have not completed the probationary period.

13. Deferred Inflows of Resources

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

14. Pensions

For the purpose of measuring the net pension liability, 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 fiscal years 2019 and 2018, the following timeframes are used:

- Valuation Dates: June 30, 2017 and 2016
- Measurement Dates: June 30, 2018 and 2017
- Measurement Periods: July 1, 2017 to June 30, 2018; and July 1, 2016 to June 30, 2017

15. Water and Sewer Sales

The District recognizes water and sewer service 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.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

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

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

17. 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** – 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** – 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** – consists of net position that does not meet the definition of *restricted* or *net investment in capital assets* components of net position.

18. 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.

(2) Cash and Investments

Cash and investments as of June 30, are classified as follows:

	2019	2018
Cash and cash equivalents	\$ 1,043,351	694,844
Cash and cash equivalents – restricted	2,231,220	637,205
Investments – current	2,276,600	2,062,184
Total cash and investments	\$ 5,551,171	3,394,233

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

	2019	2018
Cash on hand	\$ 321	350
Deposits with financial institutions	184,492	691,069
Investments	5,366,358	2,702,814
Total cash and investments	\$ 5,551,171	3,394,233

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(2) Cash and Investments, continued

As of June 30, the District's authorized deposits had the following average days to maturity:

	2019	2018
Deposits held with the California Local Agency Investment Fund	173 days	193 days
Deposits held with the County of Santa Cruz Investment Fund	237 days	320 days

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

The following table 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. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District; rather, the table addresses the general provisions of the California Government Code or the District's investment policy.

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
County of Santa Cruz Investment Fund	N/A	None	None
California Local Agency Investment Fund (LAIF)	N/A	None	None

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 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. 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 Fiscal Years Ended June 30, 2019 and 2018

(2) Cash and Investments, continued

Custodial Credit Risk, continued

The California Government Code and the District's investment policy do not contain legal and policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions 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. As of June 30, 2019 and 2018, bank balances are federally insured up to \$250,000. The remaining balance is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

Investment in State Investment Pool

The District is a voluntary participant in the California 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 fair value factor for LAIF is reported on a quarterly basis. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The District's deposit and withdrawal restrictions and limitations are as follows:

- Same day transaction processing occurs for orders received before 10:00 a.m.
- Next day transactions processing occurs for orders received after 10:00 a.m.
- Maximum limit of 15 transactions (combination of deposits and withdrawals) per month.
- Minimum transaction amount requirement of \$5,000, in increments of \$1,000.
- Withdrawals of \$10,000,000 or more require 24 hours advance.
- Prior to funds transfer, an authorized person must call LAIF to do a verbal transaction.

Investment in County of Santa Cruz Investment Pool

The District is a voluntary participant in the County of Santa Cruz Investment Fund (Fund) that is established and controlled by the Treasury-Tax Department of the County of Santa Cruz to afford smaller agencies the benefits of a larger investment portfolio, including higher interest rates and greater diversification. Authority for the County of Santa Cruz Investment Fund is delegated to the County of Santa Cruz Treasurer. The fair value of the District's investment in this fund is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value for the entire Fund portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the Fund, which are stated at cost in accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools".

The District's deposit and withdrawal restrictions and limitations are as follows:

- Notice must be submitted to the County at least one day prior to actual fund transfer or withdrawal.
- Transactions amounting to \$1,000,000 must be provided with a 2 day notice.
- All requests must be in writing. Verbal transactions are not permitted.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(2) Cash and Investments, continued

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.

As of June 30, 2019, the District's investments are scheduled to mature as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity (12 Months or Less)</u>
Local Agency Investment Fund	\$ 858,538	858,538
County of Santa Cruz Investment Fund	4,330,179	4,330,179
Held by bond trustee:		
Money market funds	<u>177,641</u>	<u>177,641</u>
Total	<u>\$ 5,366,358</u>	<u>5,366,358</u>

As of June 30, 2018, the District's investments are scheduled to mature as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity (12 Months or Less)</u>
Local Agency Investment Fund	\$ 3,424	3,424
County of Santa Cruz Investment Fund	2,472,511	2,472,511
Held by bond trustee:		
Money market funds	<u>226,879</u>	<u>226,879</u>
Total	<u>\$ 2,702,814</u>	<u>2,702,814</u>

Credit Risk

Generally, 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 the year ended for each investment type.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(2) Cash and Investments, continued

Credit Risk, continued

Credit ratings as of June 30, 2019, were as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating At Year End Not Rated)</u>
Local Agency Investment Fund	\$ 858,538	N/A	-	858,538
County of Santa Cruz Investment Fund	4,330,179	N/A	-	4,330,179
Held by bond trustee:				
Money market funds	<u>177,641</u>	<u>AAA</u>	<u>177,641</u>	<u>-</u>
Total	<u>\$ 5,366,358</u>		<u>177,641</u>	<u>5,188,717</u>

Credit ratings as of June 30, 2018, were as follows:

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating At Year End Not Rated)</u>
Local Agency Investment Fund	\$ 3,424	N/A	-	3,424
County of Santa Cruz Investment Fund	2,472,511	N/A	-	2,472,511
Held by bond trustee:				
Money market funds	<u>226,879</u>	<u>AAA</u>	<u>226,879</u>	<u>-</u>
Total	<u>\$ 2,702,814</u>		<u>226,879</u>	<u>2,475,935</u>

Concentration of Credit Risk

The District's investment policy contains no limitations on the amount that can be invested in any one issuer 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, 2019 and 2018.

(3) Investment in Joint Powers Authority

Jointly governed organizations are legal entities or other organizations that result from a contractual arrangement and that are owned operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or ongoing financial responsibility as permitted by the California Government Code.

As of June 30, 2019, the District's participation in these jointly governed organizations consists of the following balance:

	<u>2018</u>	<u>Additions</u>	<u>Deletion</u>	<u>2019</u>
Santa Margarita Groundwater Agency	<u>\$ 30,030</u>	<u>145,628</u>	<u>(123,148)</u>	<u>52,510</u>

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(3) Investment in Joint Powers Authority, continued

As of June 30, 2018, the District's participation in these jointly governed organizations consists of the following balance:

	<u>2017</u>	<u>Additions</u>	<u>Deletion</u>	<u>2018</u>
Santa Margarita Groundwater Agency	\$ -	70,000	(39,970)	30,030

The District has recorded its interest in the joint-powers authorities under the equity method of accounting whereby, the District's equity in the joint-powers authorities is equal to the original cost of assets contributed plus their pro rata share of the net position of the joint-powers authorities.

(4) Capital Assets

Change in capital assets for 2019, was as follows:

	<u>Balance</u> <u>2018</u>	<u>Additions/</u> <u>Transfers</u>	<u>Deletions/</u> <u>Transfers</u>	<u>Balance</u> <u>2019</u>
Non-depreciable assets:				
Land	\$ 5,107,583	-	-	5,107,583
Construction-in process	2,902,567	2,761,355	(1,571,104)	4,092,818
Total non-depreciable assets	8,010,150	2,761,355	(1,571,104)	9,200,401
Depreciable assets:				
Water transmission and distribution	51,048,590	1,117,754	(1,202,677)	50,963,667
Wastewater system	1,447,521	-	(19,418)	1,428,103
Buildings and structures	2,943,834	27,224	(41,861)	2,929,197
Transportation equipment	1,058,359	177,850	(56,165)	1,180,044
Field and shop equipment	1,263,818	248,276	(294,245)	1,217,849
Office equipment	731,686	-	(236,720)	494,966
Total depreciable assets	58,493,808	1,571,104	(1,851,086)	58,213,826
Accumulated depreciation:				
Water transmission and distribution	(27,084,783)	(1,208,088)	899,863	(27,393,008)
Wastewater system	(1,073,146)	(42,001)	15,906	(1,099,241)
Buildings and structures	(1,537,785)	(111,872)	34,301	(1,615,356)
Transportation equipment	(879,252)	(69,875)	56,165	(892,962)
Field and shop equipment	(816,702)	(78,357)	290,825	(604,234)
Office equipment	(583,559)	(53,612)	233,618	(403,553)
Total accumulated depreciation	(31,975,227)	(1,563,805)	1,530,678	(32,008,354)
Total depreciable assets, net	26,518,581	7,299	(320,408)	26,205,472
Total capital assets, net	\$ 34,528,731			35,405,873

In fiscal year 2019, total depreciation expense of \$1,563,805 was charged to the District's water and sewer funds in the amount of \$1,521,804 and \$42,001, respectively.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(4) Capital Assets, continued

	<u>Balance 2017</u>	<u>Additions</u>	<u>Deletions/ Transfers</u>	<u>Balance 2018</u>
Non-depreciable assets:				
Land	\$ 5,107,583	-	-	5,107,583
Construction-in process	1,916,654	1,395,908	(409,995)	2,902,567
Total non-depreciable assets	<u>7,024,237</u>	<u>1,395,908</u>	<u>(409,995)</u>	<u>8,010,150</u>
Depreciable assets:				
Water transmission and distribution	50,723,488	325,102	-	51,048,590
Wastewater system	1,447,521	-	-	1,447,521
Buildings and structures	2,943,834	-	-	2,943,834
Transportation equipment	1,029,001	29,358	-	1,058,359
Field and shop equipment	1,208,283	55,535	-	1,263,818
Office equipment	731,686	-	-	731,686
Total depreciable assets	<u>58,083,813</u>	<u>409,995</u>	<u>-</u>	<u>58,493,808</u>
Accumulated depreciation:				
Water transmission and distribution	(25,797,671)	(1,287,112)	-	(27,084,783)
Wastewater system	(1,030,790)	(42,356)	-	(1,073,146)
Buildings and structures	(1,428,365)	(109,420)	-	(1,537,785)
Transportation equipment	(813,697)	(65,555)	-	(879,252)
Field and shop equipment	(735,984)	(80,718)	-	(816,702)
Office equipment	(528,447)	(55,112)	-	(583,559)
Total accumulated depreciation	<u>(30,334,954)</u>	<u>(1,640,273)</u>	<u>-</u>	<u>(31,975,227)</u>
Total depreciable assets, net	<u>27,748,859</u>	<u>(1,230,278)</u>	<u>-</u>	<u>26,518,581</u>
Total capital assets, net	<u>\$ 34,773,096</u>			<u>34,528,731</u>

In fiscal year 2018, total depreciation expense of \$1,640,273 was charged to the District's water and sewer funds in the amount of \$1,597,917 and \$42,356, respectively.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(4) Capital Assets, continued

Construction-In-Process

The District has been involved in various construction projects throughout the year. Once completed, projects are capitalized and depreciated over the life of the asset. The projects that comprise the construction-in-process balances at June 30, are as follows:

	2019	2018
Admin Campus	\$ 1,015,536	1,015,535
Probation Tank	1,132,138	379,231
Fish Ladder	359,784	359,784
Felton Meter Change Out Project	-	219,863
USDA Project	-	118,442
Lyon Water Treatment Plant Access Road Repair	126,373	107,382
Combine Springs Raw Water Line	-	95,289
Paso Well Replacement	658,558	88,548
Swim Tank	181,609	86,440
Bear Creek Wastewater	87,049	62,472
Fall Creek Intake	129,670	62,354
Lyon Pipeline Project	150,902	-
District Two Way Radio System	-	59,626
Highway 8/Western Ave 6" Main Repair	-	57,938
Blue Tank Replacemnt Project	-	50,648
Various individual projects under \$50,000	251,199	139,015
Construction-in-process	\$ 4,092,818	2,902,567

(5) Compensated Absences

Compensated absences comprise of unpaid time off which is accrued as earned. The District's liability for compensated absences is determined annually. Compensated absences turn-over each year; therefore, the compensated absence balance of the District is recorded as a liability on the Statements of Net Position, and will be liquidated through the water fund.

Change in compensated absences for the year ended June 30, 2019, are as follows:

Balance	Balance	Due within	Due in more
2018	2019	One Year	than one year
2018	Additions	Deletions	2019
\$ 514,174	432,625	(407,546)	539,253
			194,131
			345,122

Change in compensated absences for the year ended June 30, 2018, are as follows:

Balance	Balance	Current	Due in more
2017	2018	Portion	than one year
2017	Additions	Deletions	2018
\$ 474,305	387,159	(347,290)	514,174
			185,103
			329,071

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(6) Long-Term Debt

Changes in long-term debt for the year ended June 30, 2019, are as follows:

	<u>Balance 2018</u>	<u>Transfer/ Additions</u>	<u>Transfer/ Payments</u>	<u>Balance 2019</u>
Loans payable:				
Felton Safe Drinking Water Loan	\$ 1,502,664	-	(151,371)	1,351,293
State of California Revolving Fund Loan	1,527,028	-	(65,407)	1,461,621
Capital One Loan	-	2,000,000	-	2,000,000
Government Obligation Contract	281,943	-	(31,564)	250,379
Total loans payable	<u>3,311,635</u>	<u>2,000,000</u>	<u>(248,342)</u>	<u>5,063,293</u>
Bonds payable				
Bank of Nevada Refunding Bonds	1,845,823	-	(666,014)	1,179,809
Total bonds payable	<u>1,845,823</u>	<u>-</u>	<u>(666,014)</u>	<u>1,179,809</u>
Obligation under capital lease:				
Capital lease payable	92,524	-	(22,505)	70,019
Total capital lease payable	<u>92,524</u>	<u>-</u>	<u>(22,505)</u>	<u>70,019</u>
Total long-term debt payable	5,249,982	<u>2,000,000</u>	<u>(936,861)</u>	6,313,121
Less: current portion	<u>(936,861)</u>			<u>(908,422)</u>
Non-current portion	<u>\$ 4,313,121</u>			<u>5,404,699</u>

Changes in long-term debt for the year ended June 30, 2018, are as follows:

	<u>Balance 2017</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance 2018</u>
Loans payable:				
Felton Safe Drinking Water Loan	\$ 1,650,440	-	(147,776)	1,502,664
State of California Revolving Fund Loan	1,590,784	-	(63,756)	1,527,028
Government Obligation Contract	310,019	-	(28,076)	281,943
Total loans payable	<u>3,551,243</u>	<u>-</u>	<u>(239,608)</u>	<u>3,311,635</u>
Bonds payable				
Bank of Nevada Refunding Bonds	2,494,854	-	(649,031)	1,845,823
Water Bond of 1964 - Third Division	46,000	-	(46,000)	-
Water Bond of 1964 - Fourth Division	15,000	-	(15,000)	-
Total bonds payable	<u>2,555,854</u>	<u>-</u>	<u>(710,031)</u>	<u>1,845,823</u>
Obligation under capital lease:				
Capital lease payable	114,302	-	(21,778)	92,524
Total capital lease payable	<u>114,302</u>	<u>-</u>	<u>(21,778)</u>	<u>92,524</u>
Total long-term debt payable	6,221,399	<u>-</u>	<u>(971,417)</u>	5,249,982
Less: current portion	<u>(971,417)</u>			<u>(934,440)</u>
Non-current portion	<u>\$ 5,249,982</u>			<u>4,315,542</u>

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(6) 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 makes semi-annual payments of \$93,399, including principal and interest on July 1st and January 1st each year.

Annual debt service requirements for the loan are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 155,010	31,788	186,798
2021	158,863	27,935	186,798
2022	162,686	24,112	186,798
2023	166,642	20,155	186,797
2024	170,674	16,122	186,796
2025-2027	<u>537,418</u>	<u>22,973</u>	<u>560,391</u>
Total	1,351,293	<u>143,085</u>	<u>1,494,378</u>
Less: current	<u>(155,010)</u>		
Non-current	<u>\$ 1,196,283</u>		

State of California Revolving Fund Loan

On June 30, 2014, the District entered into a grant funding agreement with the 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) at a rate of 2.60%, maturing on January 1, 2037. The District makes semi-annual payments of \$52,116, including principal and interest on July 1st and January 1st.

Annual debt service requirements for the loan are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 67,097	37,135	104,232
2021	68,833	35,400	104,233
2022	70,613	33,619	104,232
2023	72,440	31,793	104,233
2024	74,313	29,919	104,232
2025-2029	401,413	119,751	521,164
2030-2034	456,082	65,082	521,164
2035-2037	<u>250,830</u>	<u>9,752</u>	<u>260,582</u>
Total	1,461,621	<u>362,451</u>	<u>1,824,072</u>
Less: current	<u>(67,097)</u>		
Non-current	<u>\$ 1,394,524</u>		

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(6) Long-Term Debt, continued

Capital One Loan

On December 12, 2018, the District entered into a loan agreement with Capital One Public Funding, LLC to finance the construction, acquisitions, and improvements associated with the District's water storage facilities. The terms of the agreement states an interest rate of 4.15% and maturing on September 1, 2038. The District makes semi-annual payments of \$75,989, including principal and interest on September 1st and March 1st.

Annual debt service requirements for the loan are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 50,716	77,146	127,862
2021	71,820	74,009	145,829
2022	74,831	70,739	145,570
2023	77,969	67,333	145,302
2024	81,238	63,784	145,022
2025-2029	460,236	260,248	720,484
2030-2034	565,164	146,336	711,500
2035-2039	618,026	173,707	791,733
Total	2,000,000	<u>933,302</u>	<u>2,933,302</u>
Current	<u>(50,716)</u>		
Non-current	\$ <u>1,949,284</u>		

Government Obligation Contract

On November 7, 2016, the District entered into a loan agreement with NBH Bank to finance the installation of the solar electric system in three different locations (as noted in Exhibit B of the agreement) at a rate of 3.67%, maturing on November 15, 2026. The District makes monthly payments of \$3,250, including principal and interest.

Annual debt service requirements for the loan are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 30,312	8,682	38,994
2021	31,443	7,551	38,994
2022	32,617	6,377	38,994
2023	33,834	5,160	38,994
2024	35,097	3,897	38,994
2025-2027	87,076	3,914	90,990
Total	250,379	<u>35,581</u>	<u>285,960</u>
Less: current	<u>(30,312)</u>		
Non-current	\$ <u>220,067</u>		

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(6) Long-Term Debt, continued

Bank of Nevada Refunding Bond

On March 22, 2012, the District entered into a refunding bond agreement with the 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, 2022.

Annual debt service requirements for the bond are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 582,031	26,267	608,298
2021	494,531	12,354	506,885
2022	<u>103,247</u>	<u>1,345</u>	<u>104,592</u>
Total	1,179,809	<u><u>39,966</u></u>	<u><u>1,219,775</u></u>
Less: current	<u>(582,031)</u>		
Non-current	<u><u>\$ 597,778</u></u>		

General Obligation Bonds

Pursuant to an election held on June 9, 1964, Lompico was authorized to issue general obligation bonds in aggregate amount of \$1,500,000. The bonds were issued in four divisions as needed for construction purposes with the final issuance in May 1978. The bonds were issued in fully registered form in the name of the United States of America, Farmers Home Administration. The District acquired these general obligation bonds as of June 1, 2016. The Water Bond of 1964 – Third and Fourth Division were paid in full as of June 30, 2018.

Capital Lease

On May 31, 2017, the District entered into a municipal lease purchase agreement (agreement) with Leasource Financial Services, Inc to purchase the three vehicles (lease asset). The agreement has a bargain purchase option, where the District has the option to purchase the lease asset following the expiration of the lease at below market rate. Per Exhibit E of the agreement, the value at the end of the lease term is zero. The District makes monthly payments of \$2,101, including principal and interest, and matures on May 31, 2022.

Annual lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	23,256	1,953	25,209
2021	24,031	1,177	25,208
2022	<u>22,732</u>	<u>375</u>	<u>23,107</u>
Total	70,019	<u><u>3,505</u></u>	<u><u>73,524</u></u>
Less: current	<u>(23,256)</u>		
Non-current	<u><u>\$ 46,763</u></u>		

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(7) Other Post-Employment Benefits

Plan Description

The District's defined benefit Other Post-Employment Benefit (OPEB) Plan (Plan) provides OPEB for all permanent and vested full-time employees. The Plan is a single-employer defined benefit OPEB plan administered by the District. The District's Board has the authority to establish and amend the benefit terms and financing requirements of the Plan. The District sponsors healthcare coverage through the CalPERS Medical and Health Program, under the California Public Employees Medical and Hospital Care Act (PEMCHA), commonly referred to as PERS Health. PEMCHA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The District provides a capped benefit, which varies based on years of service and employee classification. Classified employees who retire directly from the District are eligible to receive a monthly benefit up to \$325, if having over 25 years District service. Classified employees with 15-24 years of service receive a monthly benefit up to \$275. Classified employees with under 15 years of service receive a monthly benefit up to \$225. Management employees who retire directly from the District are eligible to receive a monthly benefit up to \$275, if having over 25 years of District service. Management employees with 15-24 years of service receive a monthly benefit up to \$225. Management employees with under 15 years of service receive a monthly benefit up to \$175. Current retirees are subject to caps ranging from \$150 per month to \$275 per month. One retiree receives the full premium. The District also pays the PEMHCA administrative fee (0.23% for fiscal year 2019).

Employee Covered by Benefit Terms

At June 30, the following employees were covered by the benefit terms:

	2019	2018
Participating active employees	33	33
Inactive employees or beneficiaries currently receiving benefit payments	5	5
Total plan membership	38	38

Total OPEB Liability

The District's total OPEB liability of \$1,138,893 and \$1,029,266 was measured as of June 30, 2019 and 2018, respectively, and was determined by an actuarial valuation as July 1, 2017.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(7) Other Post-Employment Benefits, continued

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2017, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.00%
Salary increases	3.00%
Discount rate	2019: 3.13% 2018: 3.62%
Healthcare cost trend rates	5.00% for 2018 and later years
Retirees share of benefit-related cost	See benefit provisions

The discount rate was based on the Municipal Bond 20 Year High Grade Rate Index.

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Changes in the Total OPEB Liability

	<u>2019</u>	<u>2018</u>
Balance at beginning of year	\$ 1,029,266	996,281
Changes during the year:		
Service cost	66,682	69,318
Interest cost	36,676	30,730
Contributions - employer	(32,501)	(29,229)
Changes in assumptions	38,770	(37,834)
Net changes	<u>109,627</u>	<u>32,985</u>
Balance at end of year	<u>\$ 1,138,893</u>	<u>1,029,266</u>

No changes of benefit terms were noted for the years ended June 30, 2019 and 2018.

Change of assumptions and other inputs reflect a change in the discount rate from 3.62% in 2018 to 3.13% in 2019.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(7) Other Post-Employment Benefits, continued

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1 percentage point higher than the current rate as of June 30, 2019:

	Discount Rate - 1% <u>2.13%</u>	Current Discount Rate <u>3.13%</u>	Discount Rate + 1% <u>4.13%</u>
Net OPEB Liability	\$ <u>1,225,182</u>	<u>1,138,893</u>	<u>1,062,064</u>

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1 percentage point higher than the current rate as of June 30, 2018:

	Discount Rate - 1% <u>2.62%</u>	Current Discount Rate <u>3.62%</u>	Discount Rate + 1% <u>4.62%</u>
Net OPEB Liability	\$ <u>1,108,833</u>	<u>1,029,266</u>	<u>958,442</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trends rates as of June 30, 2019:

	1% Decrease <u>(4.00%)</u>	Current <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
Net OPEB Liability	\$ <u>1,025,729</u>	<u>1,138,893</u>	<u>1,273,538</u>

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trends rates as of June 30, 2018:

	1% Decrease <u>(4.00%)</u>	Current <u>(5.00%)</u>	1% Increase <u>(6.00%)</u>
Net OPEB Liability	\$ <u>936,550</u>	<u>1,029,266</u>	<u>1,138,738</u>

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(7) Other Post-Employment Benefits, continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

For the years ended June 30, 2019 and 2018, the District recognized OPEB expense of \$103,533 and \$95,377, respectively. As of June 30, 2019 and 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Description</u>	<u>2019</u>		<u>2018</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 5,432	-	-	(33,136)
Total	\$ 5,432	-	-	(33,136)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Deferred Inflows of Resources</u>
2020	\$ 175
2021	175
2022	175
2023	175
2024	175
Thereafter	4,557

(8) Defined Benefit Pension Plan

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of a miscellaneous risk pool and a safety risk pool, which are comprised of individual employer miscellaneous and safety plans, respectively. Benefit provisions under the Plan are established by State statute and District's 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 at 400 P Street, Sacramento, California 95814.

**San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018**

(8) Defined Benefit Pension Plan, continued

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 2.0% at 60 Risk Pool Retirement Plan to new employee entrants effective December 31, 2012. All employees hired after January 1, 2013, are eligible for the District's CalPERS 2.0% at 62 Retirement Plan under PEPRA.

The District participates in the Plan's miscellaneous risk pool. The provisions and benefits for the Plan's miscellaneous pool in effect at June 30, 2019 and 2018, are summarized as follows:

	2019		2018	
	Classic	PEPRA	Classic	PEPRA
Hire date	Prior to January 1,	On or after January 1,	Prior to January 1,	On or after January 1,
Benefit formula	2.5% @ 55	2.0% @ 62	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	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	7.00%	6.25%	7.00%	6.25%
Required employer contribution rates	8.89%	6.84%	8.42%	6.55%

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 a change in the rate. Funding contributions for the Plan are 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.

For the fiscal years ended June 30, 2019 and 2018, the contributions recognized as part of pension expense for the Plan were as follows:

	2019	2018
Contributions – employer	\$ 427,168	522,774

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(8) Defined Benefit Pension Plan, continued

Net Pension Liability

As of June 30, 2019 and 2018, the District reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	2019	2018
Proportionate share of net pension liability \$	3,805,659	3,969,598

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability for the miscellaneous risk pool. As of June 30, 2019 and 2018, the net pension liability of the Plan is measured as of June 30, 2018 and 2017 (the measurement dates), respectively. The total pension liability for the Plan's miscellaneous risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 and 2016 (the valuation dates), rolled forward to June 30, 2018 and 2017, respectively, 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 the measurement dates June 30, 2018 and 2017, was as follows:

	Miscellaneous
Proportion – June 30, 2016	0.04058 %
Change in proportion	(0.00055)
Proportion – June 30, 2017	0.04003
Change in proportion	(0.00053)
Proportion – June 30, 2018	0.03949 %

Deferred Pension Outflows (Inflows) of Resources

For the years ended June 30, 2019 and 2018, the District recognized pension expense of \$488,394 and \$222,695, respectively.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(8) Defined Benefit Pension Plan, continued

Deferred Pension Outflows (Inflows) of Resources, continued

As of June 30, 2019 and 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>2019</u>		<u>2018</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 486,796	-	427,195	-
Differences between actual and expected experience	96,328	-	-	(77,212)
Changes in assumptions	327,527	-	664,048	-
Net differences between projected and actual earnings on plan investments	18,815	-	162,577	-
Adjustment due to differences in proportions and difference between actual and proportionate share of contributions	-	(123,646)	-	(198,789)
Total	<u>\$ 929,466</u>	<u>(123,646)</u>	<u>1,253,820</u>	<u>(276,001)</u>

As of June 30, 2019 and 2018, the District reported \$486,796 and \$427,195, respectively, as deferred outflows of resources related to contributions subsequent to the measurement date. Pension contributions subsequent to the measurement date for the year ended June 30, 2019, will be recognized as a reduction of the net pension liability for the year ended June 30, 2020. Pension contributions subsequent to the measurement date for the year ended June 30, 2018, will be recognized as a reduction of the net pension liability for the year ended June 30, 2019.

As of June 30, 2019, other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ending June 30:</u>	<u>Deferred Outflows/ (Inflows) of Resources</u>
2020	\$ 303,099
2021	177,163
2022	(127,009)
2023	(34,229)

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(8) Defined Benefit Pension Plan, continued

Actuarial Assumptions

The total pension liabilities in the June 30, 2017 and 2016, actuarial valuations were determined using the following actuarial assumptions and methods:

Valuation date	2019: June 30, 2017 2018: June 30, 2016
Measurement date	2019: June 30, 2018 2018: June 30, 2017
Actuarial cost method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2019: 2.50% 2018: 2.75%
Salary increases	Varies by Entry Age and Service
Mortality rate table*	Derived using CalPERS membership data
Period upon which actuarial experience survey assumptions were based	2019: 1997-2015 2018: 1997-2011
Post retirement benefit increase	2019: Contract COLA up to 2.50% until PPPA floor on purchasing power applies; 2.55% thereafter 2018: Contract COLA up to 2.75% until PPPA floor on purchasing power applies; 2.75% thereafter

* In 2018, the mortality table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017, experience study report (based on CalPERS demographic data from 1997 to 2015) available online on the CalPERS website.

In 2017, the mortality table used above 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 April 2014 Experience Study report (based on CalPERS demographic data from 1997 to 2011) available online on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability as of June 30, 2018, for the PERF C was 7.15%. This discount rate is not adjusted for administrative expenses.

The PERF C fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return for those pension plans' investments were applied to all periods of projected benefit payments to determine the total pension liability.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(8) Defined Benefit Pension Plan, continued

Discount Rate, continued

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

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 of the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ 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 rounded single equivalent expected 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

The tables below reflect long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate.

Asset Class	2019			2018		
	Strategic Allocation	Real Return Years 1-10*	Real Return Year 11+**	Strategic Allocation	Real Return Years 1-10*	Real Return Year 11+**
Global Equity	50.00 %	4.80 %	5.38 %	47.00 %	4.90 %	0.54 %
Global Fixed Income	28.00	1.00	2.62	19.00	19.00	2.27
Inflation Sensitive	-	0.77	1.81	6.00	6.00	1.39
Private Equity	8.00	6.30	7.23	12.00	12.00	6.63
Real Estate	13.00	3.75	4.93	11.00	11.00	5.21
Infrastructure and Forestland	-	-	-	3.00	3.00	5.36
Liquidity	1.00	-	(0.92)	2.00	2.00	(0.90)
Total	100.00 %			100.00 %		

Sensitivity of the Proportionate Share of the 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 for the Plan, 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.

As of June 30, 2019, the District's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, are as follows:

	Discount Rate - 1%	Current Discount Rate	Discount Rate + 1%
	<u>6.15%</u>	<u>7.15%</u>	<u>8.15%</u>
District's Net Pension Liability	\$ <u>6,246,603</u>	<u>3,805,659</u>	<u>1,790,700</u>

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(8) Defined Benefit Pension Plan, continued

As of June 30, 2018, the District's net pension liability at the current discount rate, using a discount rate that is one-percentage point lower, and using a discount rate that is one-percentage point higher, are as follows:

	Discount Rate - 1%	Current Discount Rate	Discount Rate + 1%
	6.15%	7.15%	8.15%
District's Net Pension Liability	\$ 6,339,173	3,969,598	2,007,073

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 59 through 60 for the Required Supplementary Information.

(9) Prior Period Adjustment

The District's net position has been restated for the following:

Governmental Accounting Standards Board (GASB) Statement No. 75

In fiscal year 2018, the District implemented GASB Statement No. 75. As a result, the District recognized the net OPEB liability required by GASB Statement No. 75 and removed the net OPEB obligation required by GASB Statement No. 45.

Joint Powers Authority

The District's net position has been restated to include the balance and activities of its investment in the Santa Margarita Groundwater Agency as a joint powers authority.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(9) Prior Period Adjustment, continued

The effect of the restatement is summarized as follows:

	<u>Net Position</u>
Net position at June 30, 2017, as previously stated	\$ <u>28,255,435</u>
Net OPEB Liability - GASB 75 Implementation:	
Effect of adjustment to record net OPEB liability	(996,278)
Effect of adjustment to remove net OPEB liability associated with GASB 45	262,939
Effect of adjustment to record deferred OPEB outflows	<u>29,229</u>
Total adjustment	<u>(704,110)</u>
Net position at July 1, 2017, as restated	<u>27,551,325</u>
Changes in net position at June 30, 2018, as previously stated	1,537,619
Adjustment for investment in JPA at June 30, 2018	<u>30,030</u>
Change in net position at June 30, 2018, as restated	<u>1,567,649</u>
Net position at June 30, 2018, as restated	\$ <u><u>29,118,974</u></u>

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(10) Net Position

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

	2019	2018
Net investment in capital assets:		
Capital assets, net	\$ 35,405,873	34,528,731
Loans payable – current	(303,135)	(245,920)
Loans payable – non-current	(4,760,158)	(3,065,715)
Bonds payable – current	(582,031)	(666,015)
Bonds payable – non-current	(597,778)	(1,179,808)
Capital lease payable – current	(23,256)	(22,505)
Capital lease payable – non-current	(46,763)	(70,019)
Total net investment in capital assets	29,092,752	29,278,749
Restricted net position:		
Restricted for debt service	2,231,220	637,205
Total restricted net position	2,231,220	637,205
Unrestricted net position:		
Non-spendable net position		
Materials and supplies inventory	267,057	253,996
Total non-spendable net position	267,057	253,996
Spendable net position designated for the following purpose:		
Assessment reserve fund	587,238	407,174
Spendable net position are designated as follows:		
Unrestricted (deficit)	(957,619)	(1,465,014)
Total unrestricted net position (deficit)	(103,324)	(803,844)
Total net position	\$ 31,220,648	29,112,110

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

(11) 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, 2019, 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.

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

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to the report date, that have effective dates that may impact future financial presentations.

Governmental Accounting Standards Board Statement No. 84

In January 2017, the GASB issued Statement No. 84 – *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

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

Governmental Accounting Standards Board Statement No. 87

In June 2017, the GASB issued Statement No. 87 – *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

Governmental Accounting Standards Board Statement No. 89

In June 2018, the GASB issued Statement No. 89 – *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

Governmental Accounting Standards Board Statement No. 90

In August 2018, the GASB issued Statement No. 90 – *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

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

Governmental Accounting Standards Board Statement No. 90, continued

A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis. 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. 91

In August 2018, the GASB issued Statement No. 91 – *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities.

Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

San Lorenzo Valley Water District
Notes to the Financial Statements, continued
For the Fiscal Years Ended June 30, 2019 and 2018

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

Governmental Accounting Standards Board Statement No. 91, continued

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

(13) 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.

(14) Subsequent Event

Events occurring after June 30, 2019, have been evaluated for possible adjustment to the financial statements or disclosure as of December 5, 2019, which is the date the financial statements were available to be issued.

Required Supplementary Information

San Lorenzo Valley Water District
Schedules of Changes in Total OPEB Liability and Related Ratios
For the Years Ended June 30, 2019
Last Ten Years*

Defined Benefit OPEB Plan

	2019	2018
Total OPEB liability		
Service cost	\$ 66,682	69,318
Interest	36,676	30,730
Assumption changes	38,770	(37,834)
Benefit payments	(32,501)	(29,229)
Net change in total OPEB liability	109,627	32,985
Total OPEB liability – beginning of year	1,029,266	996,281
Total OPEB liability – end of year	\$ 1,138,893	1,029,266
Covered payroll	\$ 3,092,118	2,962,700
Total OPEB liability as a percentage of covered payroll	36.83%	34.74%

Notes to Schedule

Benefit changes – None noted.

Changes of assumptions – Change of assumptions and other inputs reflect a change in the discount rate from 3.62% in 2018 to 3.13% in 2019.

* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

San Lorenzo Valley Water District
Schedules of the District's Proportionate Share of the Net Pension Liability
As of June 30, 2019
Last Ten Years*

Defined Benefit Pension Plan

<u>Description</u>	<u>Measurement Dates</u>				
	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
District's proportion of the net pension liability	0.03949%	0.04003%	0.04058%	0.03675%	0.03675%
District's proportionate share of the net pension liability	\$ 3,805,659	3,969,598	3,511,169	2,522,518	2,307,630
District's covered payroll	\$ 2,701,505	2,524,999	2,446,674	2,319,224	1,995,604
District's proportionate share of the net pension liability as a percentage of its covered payroll	140.87%	157.21%	143.51%	108.77%	115.64%
Plan's fiduciary net position as a percentage of the total pension liability	75.26%	76.96%	78.58%	83.20%	83.03%

Notes:

Changes in Benefit Terms – Public agencies can make changes to their plan provisions, and such changes occur on an ongoing basis. A summary of the plan provisions that were used for a specific plan can be found in the plan's annual valuation report.

Changes of Assumptions – In December 2017, the CalPERS Board adopted new mortality assumptions for plans participating in the PERF. The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90% of scale MP 2016 published by the Society of Actuaries. The inflation assumption is reduced from 2.75% to 2.50%.

The assumptions for individual salary increases and overall payroll growth are reduced from 3.00% to 2.75%. These changes will be implemented in two steps commencing in the June 30, 2017 funding valuation. However, for financial reporting purposes, these assumption changes are fully reflected in the results for fiscal year 2018.

In fiscal year 2017, the financial reporting discount rate for the PERF C was lowered from 7.65% to 7.15%. In December 2016, the CalPERS Board approved lowering the funding discount rate used in the PERF C from 7.50% to 7.00%, which is to be phased in over a three-year period (7.50% to 7.375%, 7.375% to 7.25%, and 7.25% to 7.00%) beginning with the June 30, 2016, valuation reports. The funding discount rate includes a 15 basis-point reduction for administrative expenses, and the remaining decrease is consistent with the change in the financial reporting discount rate.

In fiscal year 2015, the financial reporting discount rate was increased from 7.50% to 7.65% resulting from eliminating the 15 basis-point reduction for administrative expenses. The funding discount rate remained at 7.50% during this period and remained adjusted for administrative expenses.

* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

**San Lorenzo Valley Water District
 Schedules of Pension Plan Contributions
 As of June 30, 2019
 Last Ten Years***

Defined Benefit Pension Plan

<u>Description</u>	<u>Fiscal Years Ended</u>				
	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Actuarially determined contribution	\$ 486,796	433,466	324,612	282,083	284,005
Contributions in relation to the actuarially determined contribution	<u>(486,796)</u>	<u>(427,195)</u>	<u>(522,774)</u>	<u>(172,110)</u>	<u>(232,831)</u>
Contribution deficiency(excess)	\$ <u>-</u>	<u>6,271</u>	<u>(198,162)</u>	<u>109,973</u>	<u>51,174</u>
District's covered payroll	\$ <u>2,901,753</u>	<u>2,701,505</u>	<u>2,524,999</u>	<u>2,446,674</u>	<u>2,319,224</u>
Contribution's as a percentage of covered payroll	<u>16.78%</u>	<u>15.81%</u>	<u>20.70%</u>	<u>7.03%</u>	<u>10.04%</u>

Notes to the Schedule of Pension Plan Contributions

* The District has presented information for those years for which information is available until a full 10-year trend is compiled.

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Supplemental Information

**San Lorenzo Valley Water District
Combining Schedules of Net Position
June 30, 2019 and 2018**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>2019</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>2018</u>
Current assets:						
Cash & cash equivalents	\$ 1,043,351	-	1,043,351	694,844	-	694,844
Cash & cash equivalents – restricted	2,231,220	-	2,231,220	637,205	-	637,205
Accrued interest receivable	5,487	-	5,487	-	-	-
Investments	2,276,600	-	2,276,600	2,062,184	-	2,062,184
Accounts receivable – water sales and services, net	1,452,006	-	1,452,006	1,411,630	-	1,411,630
Accounts receivable – property taxes	1,715	-	1,715	2,477	-	2,477
Accounts receivable – other	35,448	-	35,448	13,754	-	13,754
Internal balances	138,032	(138,032)	-	124,678	(124,678)	-
Prepaid expenses	242,405	344	242,749	54,052	-	54,052
Materials and supplies inventory	267,057	-	267,057	253,996	-	253,996
Total current assets	<u>7,693,321</u>	<u>(137,688)</u>	<u>7,555,633</u>	<u>5,254,820</u>	<u>(124,678)</u>	<u>5,130,142</u>
Non-current assets:						
Investments in joint-powers authorities	52,510	-	52,510	30,030	-	30,030
Capital assets – not being depreciated	9,085,139	115,262	9,200,401	7,919,465	90,685	8,010,150
Capital assets – being depreciated	25,876,610	328,862	26,205,472	26,144,206	374,375	26,518,581
Total non-current assets	<u>35,014,259</u>	<u>444,124</u>	<u>35,458,383</u>	<u>34,093,701</u>	<u>465,060</u>	<u>34,558,761</u>
Total assets	<u>42,707,580</u>	<u>306,436</u>	<u>43,014,016</u>	<u>39,348,521</u>	<u>340,382</u>	<u>39,688,903</u>
Deferred outflows of resources						
Deferred OPEB outflows	5,432	-	5,432	-	-	-
Deferred pension outflows	929,466	-	929,466	1,253,820	-	1,253,820
Total deferred outflows of resources	<u>\$ 934,898</u>	<u>-</u>	<u>934,898</u>	<u>1,253,820</u>	<u>-</u>	<u>1,253,820</u>

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San Lorenzo Valley Water District
Combining Schedules of Net Position, continued
June 30, 2019 and 2018

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>2019</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>2018</u>
Current liabilities:						
Accounts payable and accrued expense	\$ 361,991	1,599	363,590	383,269	1,078	384,347
Accrued wages and related payables	243,215	-	243,215	233,296	-	233,296
Unearned revenues – customer deposits	141,871	-	141,871	102,445	-	102,445
Unearned revenues – construction deposits	13,945	-	13,945	15,478	-	15,478
Accrued interest payable	38,209	-	38,209	15,999	-	15,999
Long-term liabilities – due in one year:						
Compensated absences	194,131	-	194,131	185,103	-	185,103
Loans payable – current	303,135	-	303,135	245,920	-	245,920
Bonds payable – current	582,031	-	582,031	666,015	-	666,015
Capital lease payable – current	23,256	-	23,256	22,505	-	22,505
Total current liabilities	<u>1,901,784</u>	<u>1,599</u>	<u>1,903,383</u>	<u>1,870,030</u>	<u>1,078</u>	<u>1,871,108</u>
Non-current liabilities:						
Long-term liabilities – due in more than one year:						
Compensated absences	345,122	-	345,122	329,071	-	329,071
Loans payable – non-current	4,760,158	-	4,760,158	3,065,715	-	3,065,715
Bonds payable – non-current	597,778	-	597,778	1,179,808	-	1,179,808
Capital lease payable – non-current	46,763	-	46,763	70,019	-	70,019
Net OPEB liability	1,138,893	-	1,138,893	1,029,266	-	1,029,266
Net pension liability	3,805,659	-	3,805,659	3,969,598	-	3,969,598
Total non-current liabilities	<u>10,694,373</u>	<u>-</u>	<u>10,694,373</u>	<u>9,643,477</u>	<u>-</u>	<u>9,643,477</u>
Total liabilities	<u>12,596,157</u>	<u>1,599</u>	<u>12,597,756</u>	<u>11,513,507</u>	<u>1,078</u>	<u>11,514,585</u>
Deferred inflows of resources						
Deferred OPEB inflows	-	-	-	33,163	-	33,163
Deferred pension inflows	123,646	-	123,646	276,001	-	276,001
Total deferred inflows of resources	<u>123,646</u>	<u>-</u>	<u>123,646</u>	<u>309,164</u>	<u>-</u>	<u>309,164</u>
Net position						
Net investment in capital assets	28,648,628	444,124	29,092,752	28,813,689	465,060	29,278,749
Restricted for debt service	2,231,220	-	2,231,220	637,205	-	637,205
Unrestricted (deficit)	42,827	(139,287)	(96,460)	(671,224)	(125,756)	(796,980)
Total net position	<u>\$ 30,922,675</u>	<u>304,837</u>	<u>31,227,512</u>	<u>28,779,670</u>	<u>339,304</u>	<u>29,118,974</u>

**San Lorenzo Valley Water District
Combining Schedules of Revenues, Expenses, and Changes in Net Position
For the Years Ended June 30, 2019 and 2018**

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>2019</u>	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>2018</u>
Operating revenues:						
Water consumption sales	\$ 9,917,657	-	9,917,657	8,983,340	-	8,983,340
Wastewater service	-	111,820	111,820	-	100,138	100,138
Meter sales, charges, and penalties	99,464	-	99,464	128,305	-	128,305
Other charges and services	1,858	-	1,858	3,581	-	3,581
Total operating revenues	<u>10,018,979</u>	<u>111,820</u>	<u>10,130,799</u>	<u>9,115,226</u>	<u>100,138</u>	<u>9,215,364</u>
Operating expenses:						
Salaries and benefits	4,817,360	48,499	4,865,859	4,792,722	47,796	4,840,518
Professional services	1,008,868	28,744	1,037,612	1,320,856	28,423	1,349,279
Operational	360,737	15,211	375,948	304,760	16,116	320,876
Maintenance	152,752	1,140	153,892	142,608	1,106	143,714
Facilities	559,080	9,085	568,165	546,163	8,384	554,547
General and administrative	337,948	1,607	339,555	381,119	1,738	382,857
Total operating expenses	<u>7,236,745</u>	<u>104,286</u>	<u>7,341,031</u>	<u>7,488,228</u>	<u>103,563</u>	<u>7,591,791</u>
Operating income before overhead absorption	2,782,234	7,534	2,789,768	1,626,998	(3,425)	1,623,573
Overhead absorption	146,321	-	146,321	163,697	-	163,697
Operating income(loss) before depreciation expense	2,928,555	7,534	2,936,089	1,790,695	(3,425)	1,787,270
Depreciation expense	(1,521,804)	(42,001)	(1,563,805)	(1,597,917)	(42,356)	(1,640,273)
Operating income(loss)	<u>1,406,751</u>	<u>(34,467)</u>	<u>1,372,284</u>	<u>192,778</u>	<u>(45,781)</u>	<u>146,997</u>
Non-operating revenues(expenses):						
Property taxes	780,378	-	780,378	747,404	-	747,404
Assessment revenues	350,694	-	350,694	349,130	-	349,130
Investment earnings	86,733	-	86,733	23,040	-	23,040
Change in investment in Santa Margarita Groundwater						
Agency	(123,148)	-	(123,148)	(39,970)	-	(39,970)
Rental revenues	44,042	-	44,042	56,647	-	56,647
Interest expense	(153,662)	-	(153,662)	(150,507)	-	(150,507)
Loss on disposition of capital assets	(320,408)	-	(320,408)	-	-	-
Total non-operating revenues, net	<u>664,629</u>	<u>-</u>	<u>664,629</u>	<u>985,744</u>	<u>-</u>	<u>985,744</u>
Net income(loss) before capital contributions	<u>2,071,380</u>	<u>(34,467)</u>	<u>2,036,913</u>	<u>1,178,522</u>	<u>(45,781)</u>	<u>1,132,741</u>
Capital contributions:						
Capital grants - other governments	71,625	-	71,625	434,908	-	434,908
Total capital contributions	<u>71,625</u>	<u>-</u>	<u>71,625</u>	<u>434,908</u>	<u>-</u>	<u>434,908</u>
Changes in net position	<u>2,143,005</u>	<u>(34,467)</u>	<u>2,108,538</u>	<u>1,613,430</u>	<u>(45,781)</u>	<u>1,567,649</u>
Net position, beginning of year, as previously stated	28,779,670	339,304	29,118,974	27,870,350	385,085	28,255,435
Prior period adjustment	-	-	-	(704,110)	-	(704,110)
Net position, beginning of year, as restated	<u>28,779,670</u>	<u>339,304</u>	<u>29,118,974</u>	<u>27,166,240</u>	<u>385,085</u>	<u>27,551,325</u>
Net position, end of year	<u>\$ 30,922,675</u>	<u>304,837</u>	<u>31,227,512</u>	<u>28,779,670</u>	<u>339,304</u>	<u>29,118,974</u>

Statistical Information Section

San Lorenzo Valley Water District Statistical Section

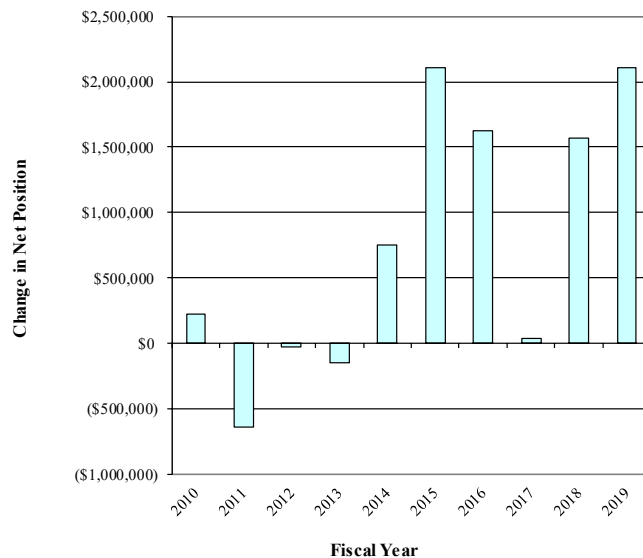
This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the District's overall financial health.

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	<u>Page No.</u>
Financial Trends These schedules contain information to help the reader understand how the District's financial performance and well-being have changed over time.	65-68
Revenue Capacity These schedules contain information to help the reader assess the District's most significant own-source revenue, water sales.	69-72
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	73-74
Demographic Information This schedule offers demographic indicators to help the reader understand the environment within which the District's financial activities take place.	75
Operating Information This schedule contains service and infrastructure data to help the reader understand how the information in the District's financial report relates to the service the District provides.	76-77

San Lorenzo Valley Water District Changes in Net Position Last Ten Fiscal Years

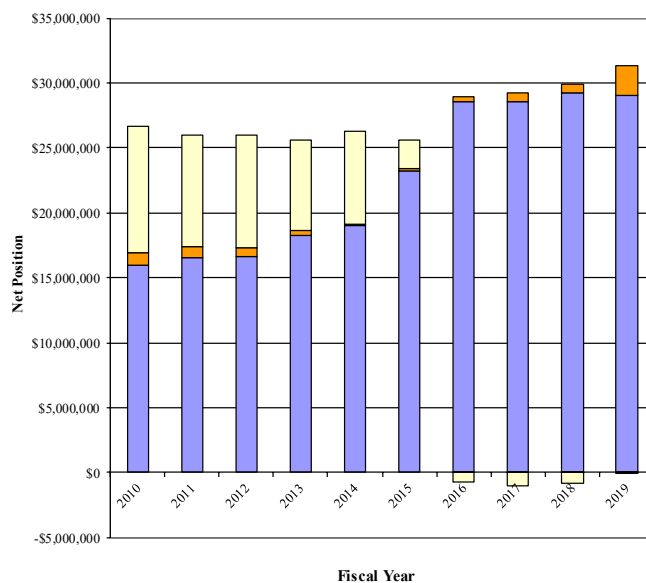
	Fiscal Year				
	2010	2011	2012	2013	2014
Changes in net position:					
Operating revenues (see Schedule 2)	\$ 4,481,317	4,819,542	5,292,035	5,544,632	5,838,488
Operating expenses (see Schedule 3)	(4,275,569)	(4,245,987)	(4,399,636)	(4,736,829)	(5,173,764)
Overhead absorption				48,543	132,347
Depreciation and amortization	(1,379,615)	(1,334,021)	(1,293,195)	(1,293,732)	(1,172,504)
Operating income(loss)	(1,173,867)	(760,466)	(400,796)	(437,386)	(375,433)
Non-operating revenues(expenses)					
Property taxes	504,342	492,443	467,181	459,834	478,632
Rental income	26,038	24,468	23,402	28,461	30,378
Assessment Revenue					
Investment income/(loss)	532,957	217,145	233,421	(80,321)	159,023
Change in investemnt in SMGWA					
Amortization of deferred charges	(25,252)	(25,252)	(35,021)		
Gain/(Loss) on sale/disposition of assets	-	(236,970)	-	1,874	2,000
Interest expense	(349,705)	(357,274)	(352,109)	(211,233)	(295,513)
Grant related expenses					
Other revenue/(expense), net	711,712	8,748	31,412	85,369	3,352
Total non-operating revenues(expenses), net	1,400,092	123,308	368,286	283,984	377,872
Net income(loss) before capital contributions	226,225	(637,158)	(32,510)	(153,402)	2,439
Capital contributions					753,600
Changes in net position	\$ 226,225	(637,158)	(32,510)	(153,402)	756,039
Net position by component:					
Invested in capital assets, net of related debt	\$ 15,991,991	16,564,381	16,665,481	18,309,392	18,981,706
Restricted	935,665	865,923	653,538	355,162	168,185
Unrestricted	9,688,030	8,548,224	8,626,999	6,898,478	7,169,180
Total net position	\$ 26,615,686	25,978,528	25,946,018	25,563,032	26,319,071



Source: SLVWD Finance Department

Schedule 1

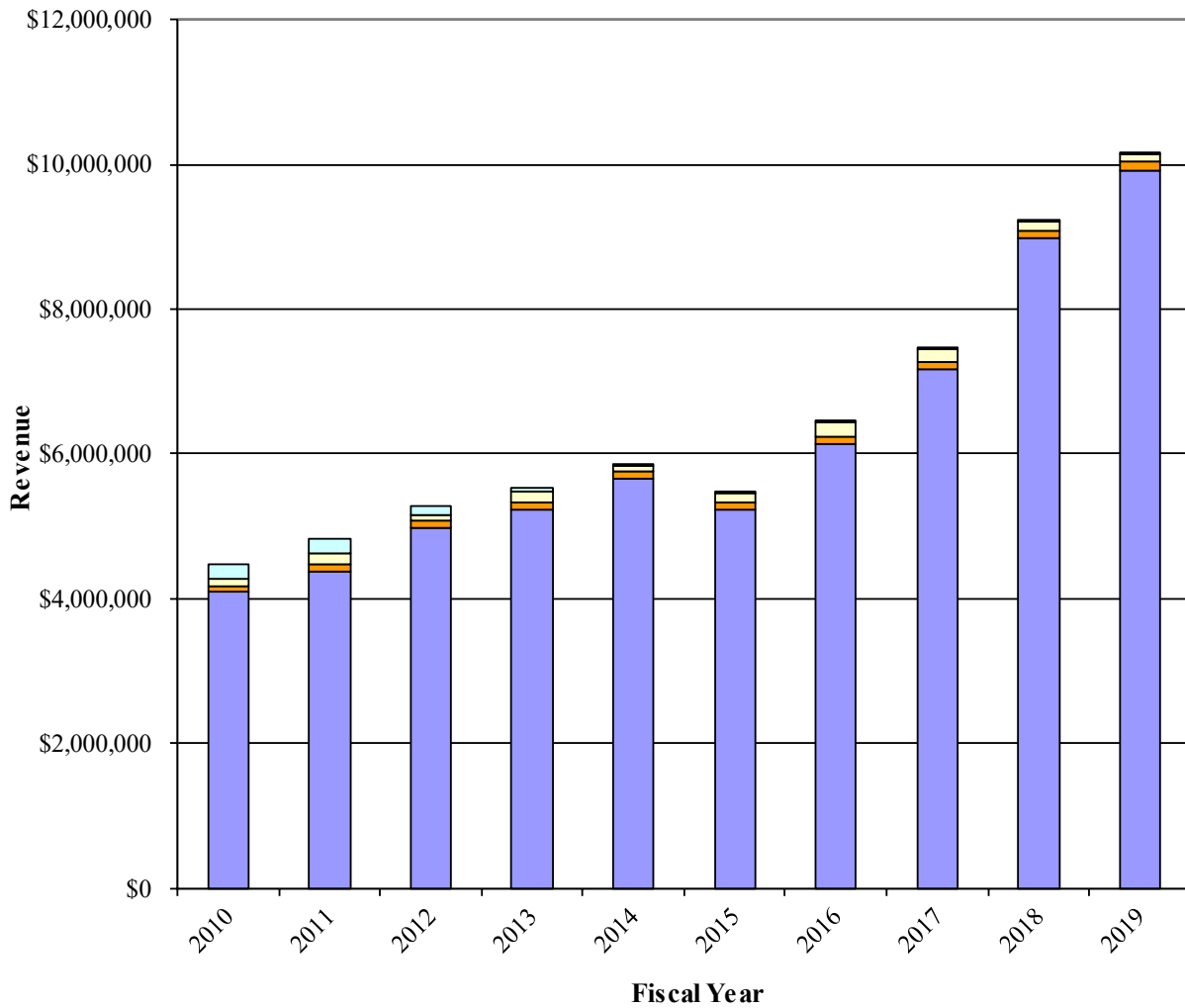
	Fiscal Year				
	2015	2016	2017	2018	2019
Changes in net position:					
Operating revenues (see Schedule 2)	\$ 5,643,471	6,456,181	7,446,130	9,215,364	10,130,799
Operating expenses (see Schedule 3)	(5,552,334)	(5,560,839)	(7,109,458)	(7,591,791)	(7,341,031)
Overhead absorption	24,644	19,637	74,683	163,697	146,321
Depreciation and amortization	(1,139,110)	(1,326,056)	(1,417,477)	(1,640,273)	(1,563,805)
Operating income(loss)	(1,023,329)	(411,076)	(1,006,122)	146,997	1,372,284
Non-operating revenues(expenses)					
Property taxes	527,308	577,023	707,262	731,146	780,466
Rental income	29,713	43,921	61,851	56,647	44,042
Assessment Revenue	235,444	33,611	358,469	349,130	350,694
Investment income/(loss)	(1,909)	11,502	13,858	23,040	86,733
Change in investemnt in SMGWA				(39,970)	(123,148)
Amortization of deferred charges			-	-	-
Gain/(Loss) on sale/disposition of assets	34,499	-	-	-	(320,408)
Interest expense	(127,850)	(185,411)	(166,204)	(150,507)	(153,662)
Grant related expenses					
Other revenue/(expense), net	145,257	-	71,804	16,258	(89)
Total non-operating revenues(expenses), net	842,462	480,647	1,047,040	985,744	664,629
Net income(loss) before capital contributions	(180,867)	69,570	40,918	1,132,741	2,036,913
Capital contributions	2,287,233	1,557,589	-	434,908	71,625
Changes in net position	\$ 2,106,366	1,627,159	40,918	1,567,649	2,108,538
Net position by component:					
Invested in capital assets, net of related debt	\$ 23,227,784	28,535,901	28,551,697	29,278,749	29,092,752
Restricted	229,790	403,624	686,020	637,205	2,231,220
Unrestricted	2,120,592	(725,008)	(982,282)	(796,980)	(96,460)
Total net position	\$ 25,578,166	28,214,517	28,255,435	29,118,974	31,227,512



**San Lorenzo Valley Water District
Operating Revenue by Source
Last Ten Fiscal Years**

Schedule 2

Fiscal Year	Water Services	Wastewater Services	Meter Sales, Charges and Penalties	Other Charges and Services	Total Operating Revenue
2010	4,093,942	89,519	98,412	199,444	4,481,317
2011	4,369,713	99,764	149,469	200,596	4,819,542
2012	4,976,987	99,199	76,113	139,736	5,292,035
2013	5,226,845	98,653	155,973	63,161	5,544,632
2014	5,669,459	101,637	54,111	13,281	5,838,488
2015	5,237,534	100,088	124,896	16,372	5,478,890
2016	6,145,076	98,262	194,444	18,399	6,456,181
2017	7,157,650	102,107	178,632	7,741	7,446,130
2018	8,983,340	100,138	128,305	3,581	9,215,364
2019	9,917,657	111,820	99,464	1,858	10,130,799

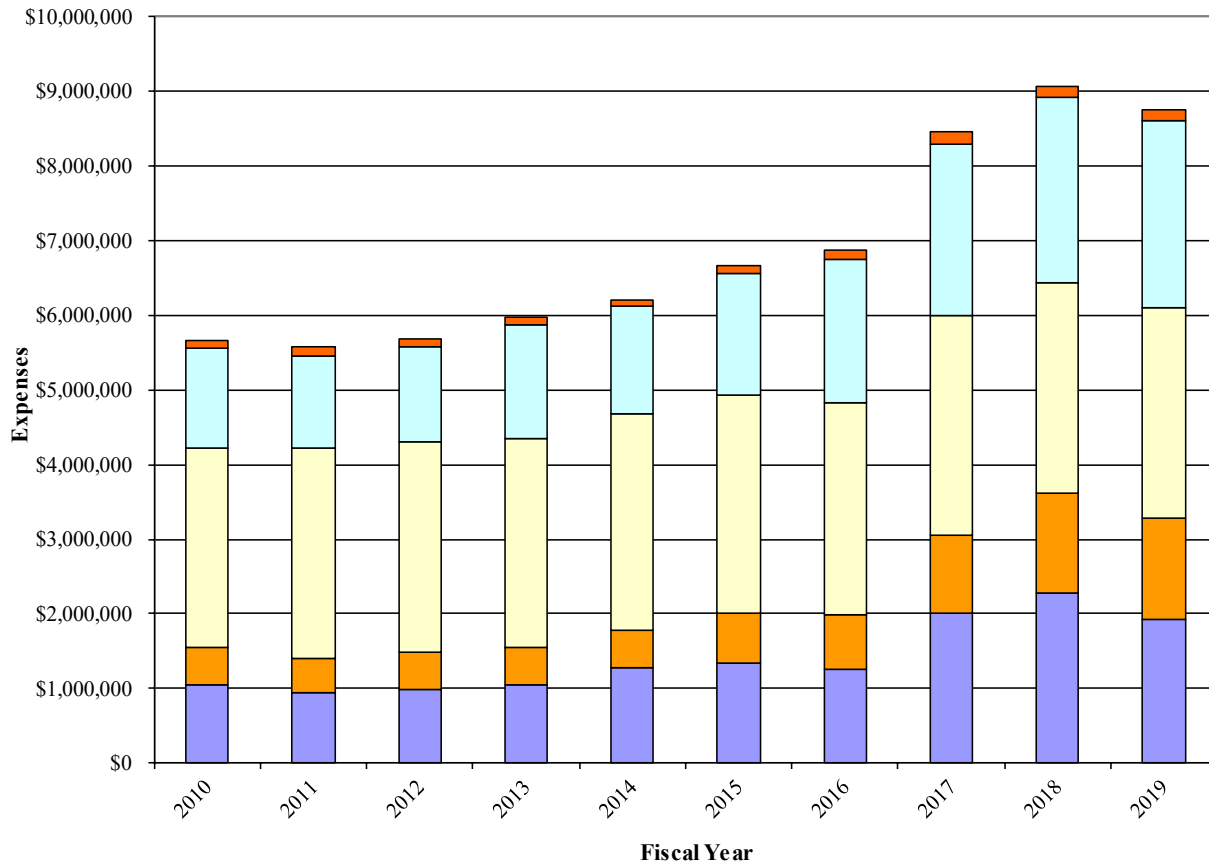


Source: SLVWD Finance Department

San Lorenzo Valley Water District Operating Expenses by Activity Last Ten Fiscal Years

Schedule 3

Fiscal Year	General and Administrative	Finance Customer Service	Transmission and Distribution	Water Treatment	Wastewater Fund	Total Operating Expenses
2010 (1)	1,046,326	496,935	2,685,246	1,322,945	103,732	5,655,184
2011	939,754	458,070	2,833,504	1,222,661	126,019	5,580,008
2012	977,775	500,906	2,837,272	1,258,211	118,667	5,692,831
2013	1,042,651	502,235	2,811,020	1,515,459	110,653	5,982,018
2014	1,281,334	504,981	2,901,718	1,430,749	95,139	6,213,921
2015	1,334,189	681,895	2,925,734	1,622,687	102,296	6,666,800
2016	1,265,030	719,525	2,850,569	1,908,139	123,998	6,867,261
2017	2,002,222	1,060,345	2,937,280	2,289,576	162,829	8,452,252
2018	2,274,942	1,347,160	2,817,296	2,483,050	145,919	9,068,367
2019	1,930,348	1,343,423	2,827,059	2,511,399	146,286	8,758,515



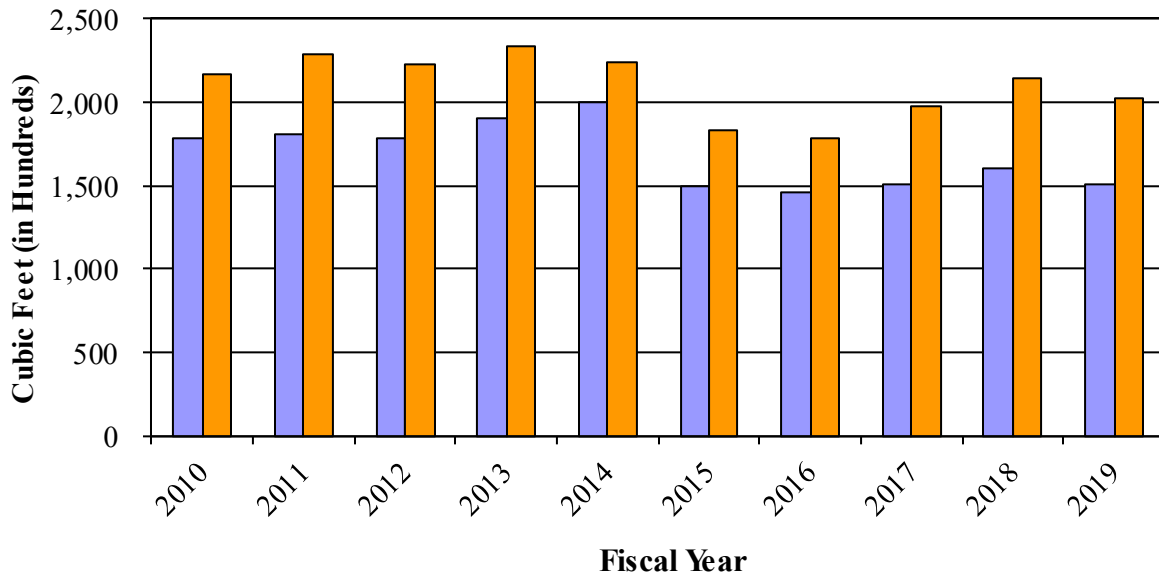
Note: (1) Activity break down data not available, a ratio of the next 5 years was applied to the total Operating Expenses.

Source: SLVWD Finance Department

**San Lorenzo Valley Water District
 Revenue Base
 Last Ten Fiscal Years**

Schedule 4

Fiscal Year	Water Sales (Acre Feet)	Water Produced (Acre Feet)	% Loss
2010	1,781	2,168	22%
2011	1,806	2,283	26%
2012	1,789	2,234	25%
2013	1,910	2,335	22%
2014	1,995	2,239	12%
2015	1,500	1,828	22%
2016	1,461	1,787	22%
2017	1,503	1,976	31%
2018	1,601	2,142	34%
2019	1,506	2,029	35%



Notes: See Schedule 2 "Operating Revenue by Source" for information regarding water revenues.
Source: SLVWD Finance Department

**San Lorenzo Valley Water District
Revenue Rates⁽¹⁾
Last Ten Fiscal Years**

Schedule 5

Water Consumption Rates

Fiscal Year	2010(2)	2011(2)	2012(2)	2013(2)	2014	2015	2016	2017	2018	2019
Residential - Tier 1 (per HCF)	\$ 2.360	2.710	2.710	2.710	3.090	3.430	3.810	3.810	n/a	n/a
Residential - Tier 2 (per HCF)	3.080	3.540	3.540	3.540	4.040	4.480	4.970	4.970	n/a	n/a
Residential - Tier 3 (per HCF)	3.690	4.240	4.240	4.240	4.840	5.370	5.960	5.960	n/a	n/a
Residential - Tier 4 (per HCF)	3.990	4.590	4.590	4.590	5.360	5.950	6.610	6.610	n/a	n/a
Residential - Tier 5 (per HCF)	4.350	5.000	5.000	5.000	n/a	n/a	n/a	n/a	n/a	n/a
Commercial/Flat (per HCF)	*	*	*	*	3.770	4.180	4.640	4.640	10.120	10.830
Wholesale - Boulder Creek (per HCF)	*	*	*	*	*	10.000	10.000	10.000	14.390	15.400

* based on residential tiers above

Ready-to-serve Fees per Month

Meter Size	Fiscal Year									
	2010(2)	2011(2)	2012(2)	2013(2)	2014	2015	2016	2017	2018	2019
3/4" or smaller	\$ 43.24	49.73	49.73	49.73	55.20	30.64	34.00	34.00	28.27	30.24
1"	72.09	82.90	82.90	82.90	92.02	51.00	56.50	56.50	42.36	45.33
1 1/2"	145.15	166.92	166.92	166.92	185.00	102.50	114.00	114.00	77.61	83.04
2"	231.03	265.68	265.68	265.68	295.00	163.50	181.50	181.50	119.91	128.30
3"	433.58	498.62	498.62	498.62	553.00	307.00	341.00	341.00	232.70	248.98
4"	721.53	829.76	829.76	829.76	921.00	511.00	567.00	567.00	359.58	384.75
6"	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
8"	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
10"	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Fire service per inch diameter	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Notes:

(1) Rates as of June 30 of each fiscal year.

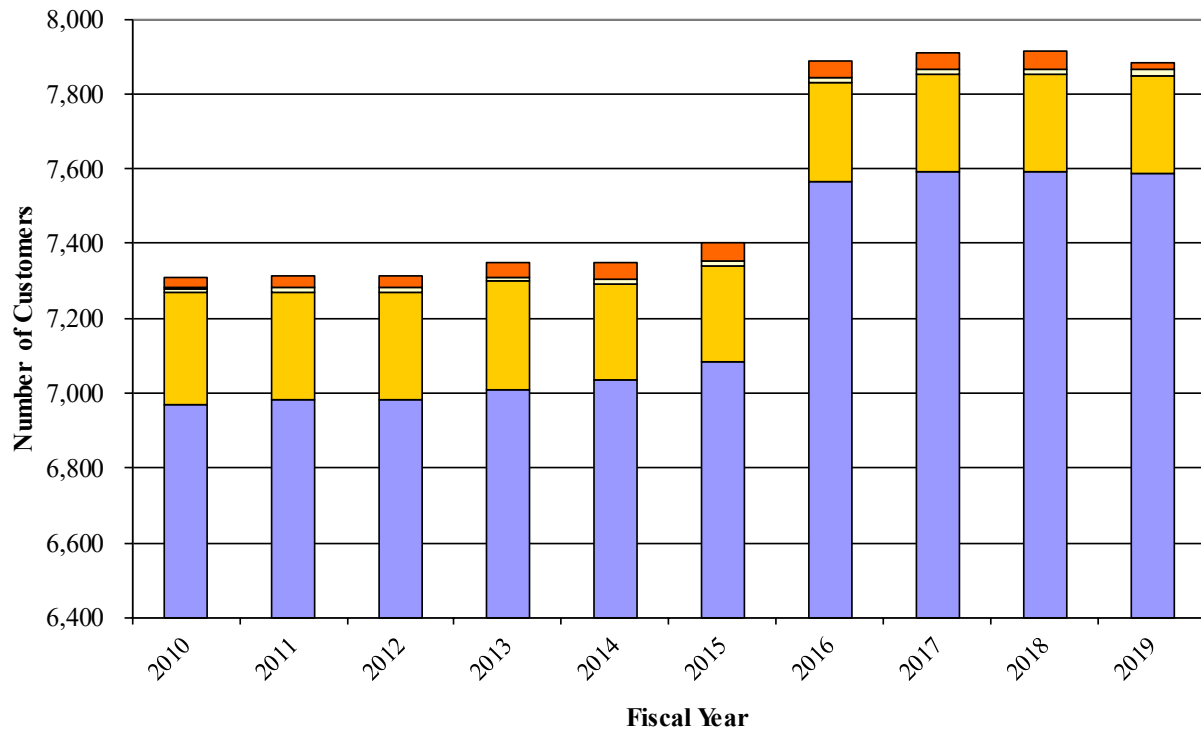
(2) Bi-Monthly Billing Rates

Source: SLVWD Board of Directors approved Rates and Charges

San Lorenzo Valley Water District Customers by Type Last Ten Fiscal Years

Schedule 6

Fiscal Year	Customer Type				Total
	Residential	Commercial	Landscape	Wholesale	
2010	6,968	300	12	29	7,309
2011	6,982	289	12	31	7,314
2012	6,981	289	12	33	7,315
2013	7,010	289	12	37	7,348
2014	7,035	258	12	44	7,349
2015	7,083	258	12	50	7,403
2016	7,566	266	13	42	7,887
2017	7,592	260	14	42	7,908
2018	7,593	260	14	46	7,913
2019	7,588	262	14	21 (1)	7,885



Note: Number of customers as of June 30 of fiscal year.
(1) Closed out accounts that have not used wholesale in over a year

Source: SLVWD Finance Department

**San Lorenzo Valley Water District
Principal Customers
Current Fiscal Year and Ten Years Ago**

Schedule 7

<u>Customer</u>	<u>2019</u>		<u>2012 ⁽¹⁾</u>	
	<u>Water Consumed (AF)</u>	<u>Percentage of Total</u>	<u>Water Consumed (AF)</u>	<u>Percentage of Total</u>
005165-000	33	2.06%	40	2.01%
005534-000	30	1.87%	19	0.95%
006297-000	16	1.00%	17	0.85%
005279-000	11	0.69%	14	0.70%
009080-000	9	0.56%	13	0.65%
007497-000	(2) 8	0.50%	6	0.30%
005280-000	(2) 7	0.44%	7	0.35%
011506-000	7	0.44%	10	0.50%
008057-000	(3) 7	0.44%	7	0.35%
007484-000	(3) 6	0.37%	5	0.25%
Total	<u>134</u>	<u>8.37%</u>	<u>138</u>	<u>6.92%</u>
Total Water Consumed (AF)	<u>1,601</u>	<u>100.00%</u>	<u>1,995</u>	<u>100.00%</u>

AF = Acre Feet

Notes:

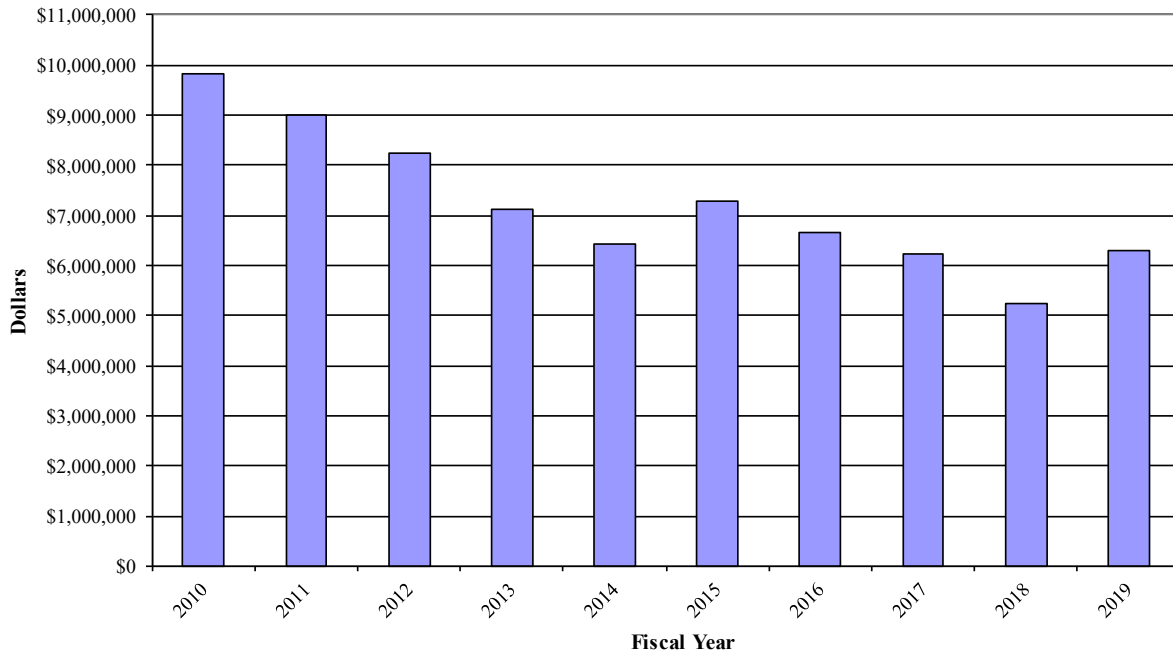
- (1) Individual records will continue to be maintained to allow for a ten year comparison over time.
- (2) Data as of 2013
- (3) Data as of 2014

Source: SLVWD Finance Department

**San Lorenzo Valley Water District
Ratio of Outstanding Debt
Last Ten Fiscal Years**

Schedule 8

<u>Fiscal Year</u>	<u>Bonds Payable</u>	<u>Notes Payable</u>	<u>Capital Lease</u>	<u>Total Debt</u>	<u>Per Capita</u>	<u>As a Share of Personal Income</u>
2010	565,000	9,268,985		9,833,985	537.82	1.26%
2011	480,000	8,519,250		8,999,250	492.10	1.08%
2012	5,898,472	2,338,401		8,236,873	448.39	0.91%
2013	4,930,026	2,207,278		7,137,304	388.48	0.78%
2014	4,344,115	2,073,045		6,417,160	346.73	0.66%
2015	3,743,682	3,554,130		7,297,812	370.12	0.65%
2016	3,253,332	3,416,993		6,670,325	338.29	0.57%
2017	2,555,854	3,551,243	114,302	6,221,399	314.69	0.49%
2018	1,845,823	3,311,635	92,524	5,249,982	265.39	*
2019	1,179,809	5,063,293	70,019	6,313,121	320.26	*



Source: SLVWD Finance Department

**San Lorenzo Valley Water District
 Debt Coverage
 Last Ten Fiscal Years**

Schedule 9

<u>Fiscal Year</u>	<u>Net Revenues</u>	<u>Operating Expenses⁽¹⁾</u>	<u>Net Available Revenues</u>	<u>Debt Service</u>			<u>Coverage Ratio</u>
				<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2010	6,256,366	(4,275,569)	1,605,840	(703,900)	(349,705)	(1,053,605)	1.52
2011	5,537,094	(4,245,987)	696,863	(834,735)	(357,274)	(1,192,009)	0.58
2012	6,012,430	(4,399,636)	1,260,685	(762,377)	(352,109)	(1,114,486)	1.13
2013	6,037,975	(4,736,829)	1,091,787	(1,099,569)	(211,233)	(1,310,802)	0.83
2014	6,509,873	(5,173,764)	1,042,596	(720,144)	(295,513)	(1,015,657)	1.03
2015	6,579,284	(5,552,334)	933,599	(737,932)	(127,850)	(865,782)	1.08
2016	7,122,239	(5,560,839)	1,375,989	(757,130)	(185,411)	(942,541)	1.46
2017	8,659,374	(7,109,458)	1,549,916	(873,247)	(166,204)	(1,039,451)	1.49
2018	10,351,615	(7,661,791)	2,689,824	(971,417)	(150,507)	(1,121,924)	2.40
2019	11,269,498	(7,341,031)	3,928,467	(936,861)	(153,662)	(1,090,523)	3.60

Notes:

(1) Operating expenses exclude depreciation expense.

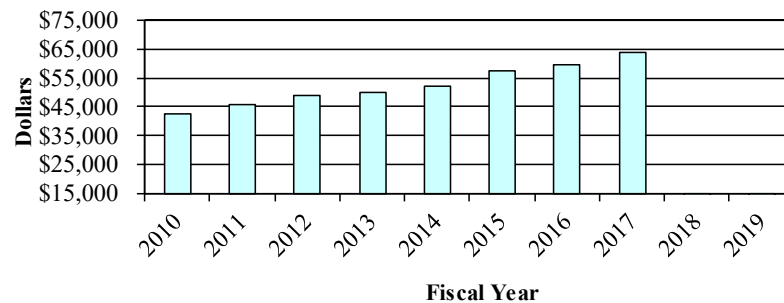
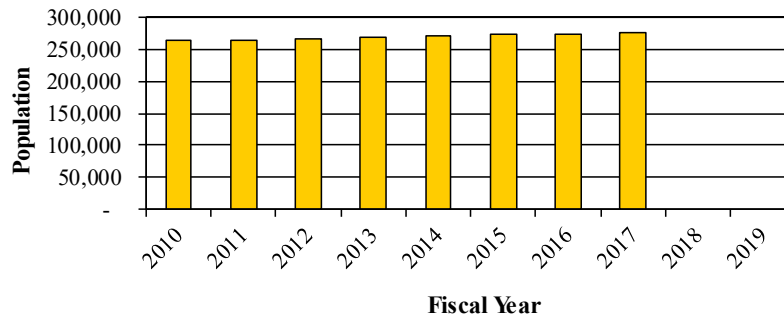
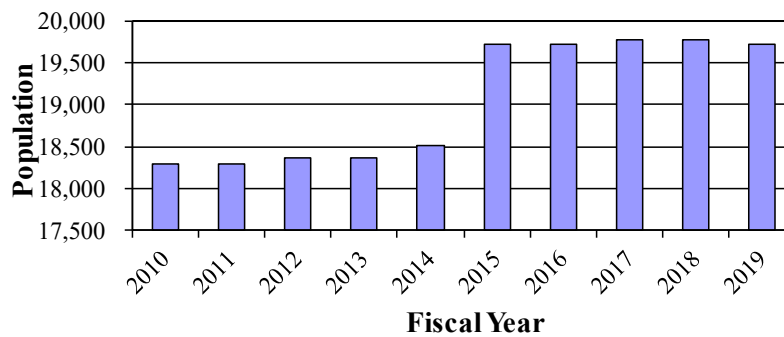
Source: SLVWD Finance Department

San Lorenzo Valley Water District Demographics and Economics Statistics Last Ten Fiscal Years

Schedule 10

County of Santa Cruz ⁽¹⁾					
Year	District Population ⁽²⁾	Unemployment Rate	Population	Personal Income (thousands of dollars)	Personal Income per Capita
2010	18,285	13.3%	263,213	11,267,634	42,808
2011	18,288	13.1%	264,923	12,125,514	45,770
2012	18,370	11.8%	266,632	13,116,916	49,195
2013	18,373	10.3%	269,444	13,456,565	49,942
2014	18,508	8.7%	271,804	14,209,814	52,280
2015	19,718	7.5%	274,146	15,696,689	57,257
2016	19,718	6.9%	274,673	16,330,704	59,455
2017	19,770	5.7%	275,897	17,665,129	64,028
2018	19,783	4.9%	*	*	*
2019	19,713	*	*	*	*

* Current data not available yet



Notes:

- (1) Only County data is updated annually. Therefore, the District has chosen to use its data since the District believes that the County data is representative of the conditions and experience of the District.
- (2) Population data is assumed at 2.5 persons per connection.

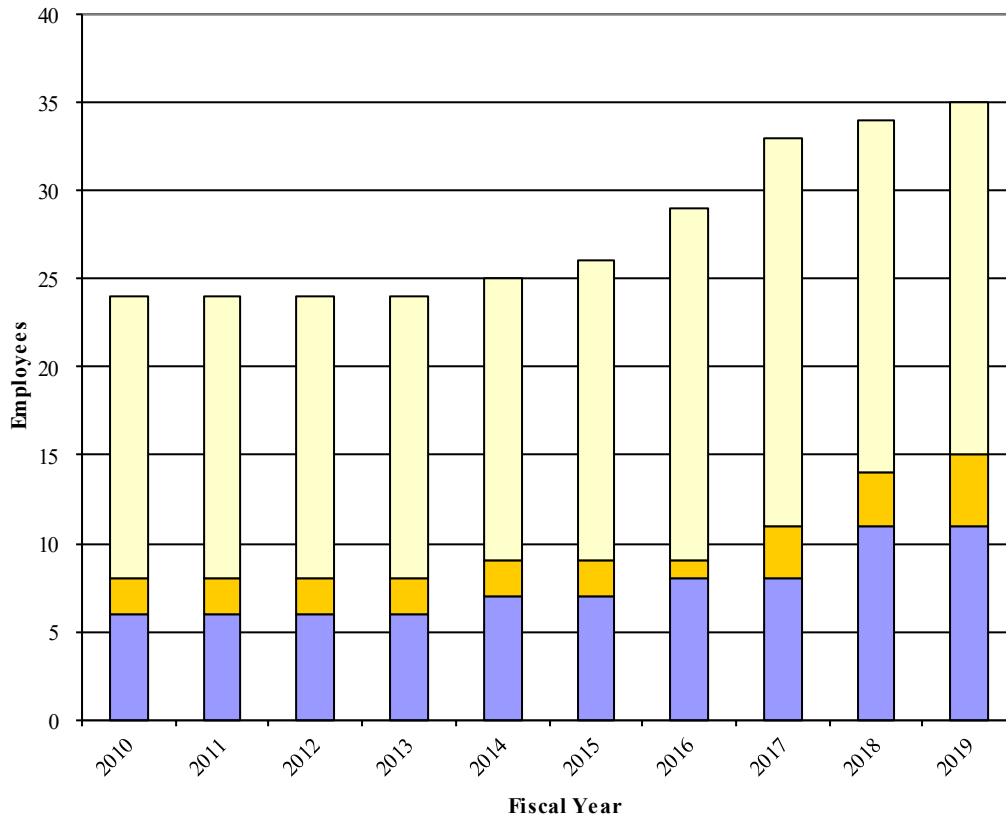
Sources: California Department of Finance, Bureau of Economic Analysis (BEA)
Bureau of Labor Statistics

**San Lorenzo Valley Water District
Full-Time Equivalent Employees
Last Ten Fiscal Years**

Schedule 11

Full-time Equivalent District Employees by Department

Fiscal Year	District Administration	Watershed & Engineering	Treatment & Operations	Total
2010	6	2	16	24
2011	6	2	16	24
2012	6	2	16	24
2013	6	2	16	24
2014	7	2	16	25
2015	7	2	17	26
2016	8	1	20	29
2017	8	3	22	33
2018	11	3	20	34
2019	11	4	20	35



Source: SLVWD Finance Department

**San Lorenzo Valley Water District
 Operating and Capacity Indicators
 Last Ten Fiscal Years**

Schedule 12

Other Operating and Capacity Indicators

Fiscal Year	District Area (Square Miles)	Miles of Pipeline	Storage Capacity (MG)	Production Capacity TP ⁽¹⁾ (MGD)	Production Capacity Wells ⁽¹⁾ (MGD)
2010	58	140	8,472,000	2,300,000	1,800,000
2011	58	140	8,472,000	2,300,000	1,800,000
2012	58	140	8,472,000	2,300,000	1,800,000
2013	58	140	8,472,000	2,300,000	1,800,000
2014	58	140	8,472,000	2,300,000	1,800,000
2015	58	140	8,472,000	2,300,000	1,800,000
2016	60	169	9,297,000	2,700,000	1,800,000
2017	60	169	9,297,000	2,700,000	1,800,000
2018	60	169	9,297,000	2,700,000	1,800,000
2019	60	169	9,297,000	2,700,000	1,800,000

MG - Millions of Gallons

MGD - Millions of Gallons per Day

TP - Treatment Plant

Notes:

(1) Production capacity varies based on water levels during the year.

Sources: SLVWD Operations Department and Urban Water Management Plan

Report on Internal Controls and Compliance

**Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on Audits 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 years ended June 30, 2019 and 2018, 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 5, 2019.

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 opinions 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 Audits 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 5, 2019

M E M O

TO: Board of Directors
FROM: District Manager
SUBJECT: Selection of Officers
DATE: December 5, 2019

RECOMMENDATION:

The Board President, Lois Henry, will entertain nominations for the positions of Board President and Vice-President. The Board will review and vote on the election of officers. The elected President will then take the gavel.

BACKGROUND:

The Board Policy Manual says; there shall be two (2) officers: a president and a vice president, who shall be members of the District Board of Directors. Selection of officers shall be held at the Board of Directors meeting in December of each calendar year. Officers will serve for a one (1) year term. Elections will conform to the applicable provisions of the Board Policy Manual.

STRATEGIC PLAN:

Element 9.0 - Administrative Management

FISCAL IMPACT:

None

MEMO

TO: BOARD OF DIRECTORS

FROM: DISTRICT MANAGER

SUBJECT: BOARD OF DIRECTORS' MEETING DATES, TIMES AND LOCATION FOR 2020

DATE: December 5, 2019

RECOMMENDATION

It is recommended that the Board of Directors discuss and adopt a meeting schedule for 2020. The recommendation of staff is to hold the regularly scheduled Board of Directors meetings at the Operations Building unless there is a reason to believe that a larger space is required, then it will be held at the Highlands Park Senior Center. It is also recommended that the regularly scheduled meeting continue to be on the 1st and 3rd Thursday of every month at 5:30 p.m., Open Session convening at 6:30 p.m., unless holidays or other unforeseen events cause a change. It is further recommended that first BoD meeting in January be moved to January 9, 2020 due to the New Year's holidays.

BACKGROUND

Since January 2019, the regular meeting dates for the Board of Directors was determined to be the 1st and 3rd Thursday of each month, except when a holiday or other unforeseen events cause a change. The time of the meetings have been 5:30 p.m., with Open Session convening at 6:30 p.m. The location of meetings were at the Operations Building, unless a larger venue was required. Please consider the attached schedule for Board of Directors meetings in 2020.

STRATEGIC PLAN:

Element 9.0 - Administrative Management

FISCAL IMPACT:

Unknown at this time

2020

SAN LORENZO VALLEY WATER DISTRICT

SCHEDULE OF HOLIDAYS

January 2020

S	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

February 2020

S	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

March 2020

S	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

April 2020

S	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

May 2020

S	Mo	Tu	We	Th	Fr	Sa
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

June 2020

S	Mo	Tu	We	Th	Fr	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July 2020

S	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August 2020

S	Mo	Tu	We	Th	Fr	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

September 2020

S	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

October 2020

S	Mo	Tu	We	Th	Fr	Sa
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November 2020

S	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

December 2020

S	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

BOARD MEETINGS

HOLIDAYS

Jan 1 New Year's Day
 Jan 20 Martin Luther King Day
 Feb 17 Presidents' Day
 May 25 Memorial Day
 July 4 Independence Day
 Sep 7 Labor Day

Nov 11 Veterans' Day
 Nov 26 Thanksgiving
 Nov 27 Friday after Thanksgiving
 Dec 24 Christmas Eve
 Dec 25 Christmas
 Dec 31 New Year's Eve

SAN LORENZO VALLEY WATER DISTRICT

RESOLUTION NO. 13 (19-20)

SUBJECT: SETTING REGULAR BOARD OF DIRECTORS MEETING DAYS FOR 2020 AS THE FIRST AND THIRD THURSDAY OF EVERY MONTH

WHEREAS, California Government Code, Section 54954, establishes that the Board of Directors shall provide the time and place for holding regular meetings; and

WHEREAS, in the past the Board of Directors has determined regular meeting days based upon the availability of Board members; and

WHEREAS, the Board desires to continue the regular meeting days as the first and third Thursday of each month, unless holidays or other unforeseen events cause a change ;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Lorenzo Valley Water District that effective January 1, 2020 the time and place for regular Board of Directors meeting is set for 5:30 p.m. on the first and third Thursday of every month at the District Operations Building, 13057 Highway 9, Boulder Creek, CA.

PASSED AND ADOPTED by the Board of Directors of the San Lorenzo Valley Water District, County of Santa Cruz, State of, California, on the 5th day of December, 2019, by the following vote of the members thereof:

AYES:
NOES:
ABSTAIN:
ABSENT:

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

MEMO

TO: Board of Directors
FROM: District Manager
SUBJECT: Board Member Committee Appointments 2020
DATE: December 5, 2019

RECOMMENDATION:

Staff recommends that the Board of Directors review membership assignments of the existing committees and by motion of the board, approve Board committee assignments for 2020.

BACKGROUND:

Current committees are as follows:

Standing Committees

Administrative Committee – B. Fultz, L. Henry
Budget and Finance Committee – B. Fultz, L. Henry
Engineering Committee – L. Farris, R. Moran
Environmental Committee – L. Farris, R. Moran

Multi-Agency Body

Santa Margarita Groundwater Agency – L. Farris, L. Henry, R. Moran (alternate)

Section 1.14 of the Policies and Procedures Manual establishes that review of committee assignments will occur during the December meeting of each year, or as soon thereafter as practical.

Staff's experience with Board Committee Assignments is that the Board President would present their suggestions for full Board deliberation. At that time, the full Board would discuss and vote on committee assignments for the next year.

Public committee members will be assigned to the Committees at the first January 2020 Board of Directors meeting.

STRATEGIC PLAN:

Element 9.0 – Administrative Management

FISCAL IMPACT: None



TO: Board of Directors,
San Lorenzo Valley Water District

FROM: Gina R. Nicholls, General Counsel

DATE: December 5, 2019

RE: Revisions to the San Lorenzo Valley Water District's Utility Billing Policy
502665-0001

RECOMMENDATION:

Review and adopt, by motion of the Board, the proposed Resolution (Attachment A) which will adopt the interim utility billing policy for the San Lorenzo Valley Water District ("District") that is enclosed with the Resolution. This interim utility billing policy is needed to ensure that the District is in compliance with Senate Bill 998 when the new law takes effect in early 2020.

Alternative No. 1: The Board could request changes to the proposed Resolution and/or the enclosed policy. This alternative is not recommended because the policy was carefully prepared by staff and has been through committee review. The proposed policy is believed to be adequate for purposes of facilitating bringing the District into compliance with the new law by early 2020.

Alternative No. 2: The Board could take no action. This alternative is not recommended. The District's current Rules & Regulations and Policies do not comply with Senate Bill 998. It will take time for the District to adjust its business systems and utility billing practices to comply with the new law. Adoption of the interim policy would allow the District to begin that process in order to be in full compliance when the new law takes effect in early 2020.

BACKGROUND:

Senate Bill 998 was signed by the Governor and became law on September 28, 2019. It applies to all urban and community water system, defined as a public water system that supplies water to more than 200 service connections. The new law requires all water systems to have a written policy on discontinuation of water service to certain types of residences for nonpayment available in prescribed languages. It also mandates that the written policy contain certain components prescribed by law.

The District's Rules and Regulation and Policies need to be updated to comply with the new law. There are other aspects of the Rules and Regulation and Policies that need to be updated as well, and staff desires to present comprehensive updates to these

documents early in the new year. In the meantime, implementation of the proposed interim utility billing policy would allow the District to begin updating its business systems so that the District will be in full compliance when the new law takes effect.

ATTACHMENTS:

Attachment A – Proposed Resolution to adopt the District’s Interim Utility Billing Policy

Attachment A

SAN LORENZO VALLEY WATER DISTRICT
RESOLUTION NO. 15 (19-20)

SUBJECT: UTILITY BILLING POLICY

WHEREAS, on September 28, 2019 the Governor signed into law Senate Bill 998, which establishes new legal requirements for water system billing and discontinuation of water service to certain types of residences; and

WHEREAS, the San Lorenzo Valley Water District ("District") is subject to the new law, and its existing Rules and Regulations, Policies, and business practices do not fully comport with the new law; and

WHEREAS, the District has prepared an interim utility billing policy, attached hereto as Exhibit 1, to facilitate its transition to compliance with the new law by early 2020.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District that the Interim Utility Billing Policy enclosed herewith as Exhibit 1, a copy of which is incorporated by reference herein and made a part of this Resolution, is approved.

FURTHER BE IT RESOLVED that, notwithstanding any existing provision of the District's Rules and Regulations or Policies to the contrary, the District shall follow and implement this Interim Utility Billing Policy to the maximum extent permitted by law, until and unless it is revised or superseded by another action of the Board.

FURTHER BE IT RESOLVED that District staff is directed to take any and all actions necessary to fully implement this Interim Utility Billing Policy, to the maximum extent permitted by law, and shall work diligently to prepare formal revisions to the District's Rules and Regulations and Policy documents consistent with this Board action and the Interim Utility Billing Policy.

PASSED AND ADOPTED by the Board of Directors of the San Lorenzo Valley Water District, County of Santa Cruz, State of California, on the 5th day of December 2019, by the following vote of the members thereof:

AYES:

NOES:

ABSTAIN:

ABSENT:

Holly B. Hossack

District Secretary

Exhibit 1

San Lorenzo Valley Water District

Interim Utility Billing Policy

1. Purpose

- a. These sections are to provide guidance on application for utility billing accounts, billing procedures, past due procedures, and other utility billing policies.

2. Application for Established Water Service

- a. Each applicant, whether owner or tenant, will be required to submit a service application form provided by the District. Applications will include the following:
 - i. Date of application
 - ii. Address of property to be served
 - iii. Date to begin service
 1. Owner account: escrow closing date
 - a. If one is not provided, the County record date will be used.
 2. Tenant account: lease or rental agreement date
 - iv. Applicants full name
 - v. Billing address, if different than service address
 - vi. Contact information: phone number and e-mail address
 - vii. Tenant account: Name and phone number of owner
 - viii. Physical signature, or electronic signature, acknowledging application request and adherence to District rules and regulations.
- b. A non-refundable account establishment fee will be charged to any water service application. Based on current rates and charges established by the Board.
- c. Tenant accounts will be billed an initial security deposit, refundable upon one year of good payment history, or upon closure of the account, net any remaining account balance owed. Deposit is based on current rates and charges established by the Board.
- d. Surplus Water accounts allow for bulk water fill-up at the District's designated sites. Based on current rates and charges established by the Board.
 - i. Security deposits remain on the account, until the account is closed. There are two types of surplus accounts:
 1. Private surplus water applicants must identify the use is for their personal property only and cannot exceed 10 units per month.
 - a. Upon two consecutive months of 10 or more units will require increased deposit to the Commercial rate.
 2. Commercial surplus applicants are for any use in excess of 10 units per month, commercial, or construction use.
- e. Completed application for service will constitute customer's willingness and intention to comply with District rules, regulations, policies, and ordinances.

3. Owner/Tenant Relationship

- a. Tenant accounts are offered at the convenience of the owner/tenant relationship.
 - i. In any instance in which the owner does not occupy the premise or is not the primary user, the owner will, nevertheless, be primarily responsible for service to the property.
 - 1. This includes balances remaining on tenant accounts, excluding delinquent fees.
 - ii. An owner has a right to notify the District, in writing, to not allow tenants to open up water service on their property.
 - 1. If an owner's account is delinquent the tenant has rights to take over the account, see Delinquent Account – Discontinuance of Water Service section herein this policy.
 - iii. An owner has a right to inquire with the District if the tenant account is in good standing.
 - 1. An owner has a right to know the account balance if the tenant account is not in good standing.
 - 2. An owner has a right to request an estimated closing bill account balance on a tenant account.
 - iv. In the event a tenant account is delinquent and turned off for non-payment, the owner will be notified that the tenant account is being closed out and reverting back into the owners responsibility. The tenants water service balance will be converted to the owners account, excluding tenants delinquent fees.

4. Transfer to New Account

- a. In any instance an owner closes an account with a remaining balance owed to the District and attempts to establish another water service account, the remaining balance owed will transfer to the new account.

5. Billing Procedures

- a. Billing period is monthly. There are two billing cycles, sent out on the 5th or 20th of each month, or following business day if a weekend, based on location within the District.
 - i. Billing and due dates are not able to be modified.
- b. Bills are due upon receipt and are deemed past due 21 days after the bill date.
- c. Bills are made up of a Basic Fee and Consumption Fee. Based on current rates and charges established by the Board.
 - i. Basic Fee
 - 1. Water Service: Based on a calendar month and upon the billing water meter size.
 - a. All customers pay the Basic Fee whether the property is vacant or occupied or water is used or not.
 - 2. Sewer Service: Based on a calendar month.

- a. All customers pay the Basic Fee whether the property is vacant or occupied.
 - ii. Consumption Fee: Meters are read as near as possible to a 30 day cycle. Consumption charge is based upon the amount of water that has passed through the meter. *This typically does not coincide with the actual calendar month.*
 - d. Opening and Closing Bills
 - i. Opening and closing bills for less than the normal billing period will be pro-rated for both the basic and consumption charges.
- 6. Delinquent Account – Discontinuance of Water Service Process**
 - a. Delinquent accounts are hereinafter identified as any account that remains unpaid, and without having an active alternative payment arrangement, by close of business 21 days after the bill date.
 - b. Small Balance Accounts
 - i. Any balance on a bill of \$20 or less may be carried over, and added to, the next billing period without being assessed a late fee or incurring further collection action.
 - c. Late Fee
 - i. If payment for a bill is not received by the close of business 21 days after the bill date, the District will make a reasonable, good faith effort to notify the customer of an impending late fee. If payment is not received prior to the following bills processing, a late fee will be assessed. The late fee is based on current rates and charges established by the Board.
 - 1. The means of notification will be based upon the notification preference provided by the customer (text, phone or email). Customers who have not selected a means of notification will be notified by the e-mail on file. The District assumes no responsibility for phone or email contact information that has not been kept up-to-date by the customer.
 - ii. At the request of the customer, the District will waive the late fee if there are extenuating circumstances and the customer has not been assessed a late fee for delinquent payment in the preceding twelve (12) months.
 - d. Alternative Payment Arrangements (payment plans)
 - i. Any customer who is unable to pay for water service within the normal payment period may request an alternative payment arrangement to avoid late fees or disruption of service. The District will consider all circumstances surrounding the request and make a determination as to whether the payment arrangement is warranted.
 - 1. Certification by a Primary Care Provider (General Practitioner, Obstetrician/Gynecologist, Pediatrician, Family Practice Physician, Primary Care Clinic, Hospital, or Outpatient Clinic) who certifies that the termination of service will be life-threatening or pose a serious

threat to the health and safety of any resident of the premises where water service is provided will obligate the District to enter an amortized repayment plan.

- ii. Payment arrangements that extend into the next billing period are considered an amortization plan, which must be in writing and signed by the customer. An amortization plan will amortize the unpaid balance over a period defined by the customer, not to exceed 12 months from the original date of the bill. The amortized payments will be combined with, and subject to the due date of, the customer's regular bill(s). The customer must comply with the terms of the amortization plan and remain current as charges accrue in each subsequent billing period. The customer may not request further amortization of any subsequent unpaid charges while paying delinquent charges pursuant to an amortization plan. Failure to comply with the terms of an amortization plan will result in the issuance of a written disconnection notice. The disconnection notice will be in the form of a door hanger, delivered to the premises no less than 5 business days in advance of discontinuance of service.
- e. Formal Discontinuance Notice
- i. The District shall not discontinue water service for non-payment until payment by the customer has been delinquent for at least 60 days. The District will make a reasonable, good faith effort to contact the customer at least 10 business days before discontinuation of water service for non-payment.
 1. The means of notification will be based upon the notification preference provided by the customer (text, phone or email). Customers who have not selected a means of notification will be notified by the e-mail on file. The District assumes no responsibility for phone or email contact information that has not been kept up-to-date by the customer.
 - ii. If the mailing address and the address of the property to which water service is provided are different, a second notice will be mailed to the service address and addressed to "Occupant".
 1. The written disconnection notice will include:
 - a. Customer's name and address
 - b. Amount that is past due
 - c. Date by which payment or payment arrangements are required to avoid discontinuation of service
 - d. Description of the process to apply for an amortization plan
 - e. Description of the process to dispute or appeal a bill
 - f. District phone number and a web link to the District's written collection policy

2. The written notice will advise the tenant/occupant that they have the right to become customers of the District without being required to pay the amount due on the delinquent account, as long as they are willing to assume financial responsibility for subsequent charges for water service at that address. In order for the amount due on the delinquent account to be waived, the tenant/occupant must provide verification of tenancy in the form of a rental agreement or proof of rent payments.
- f. Seventy-Two (72) Hour Notice of Termination - Tag and Fees
 - i. The District will make a reasonable, good faith effort to notify the customer at least 72 hours in advance of disconnection of water service for non-payment. The means of notification will be to visit the residence and leave a notice of termination of service. The notice will have the date and time all delinquent water service charges and associated fees must be received by to avoid discontinuance of service.
 1. The 72 hour Tag fee is based on current rates and charges established by the Board.
 - g. Disconnection of Water Service for Non-Payment
 - i. The District will disconnect water service by turning off, and in some cases locking off, the meter. The customer will be charged a fee to re-establish service in the billing system regardless of whether the meter has physically been turned off. The meter will be locked in the off position if payment is not received within 7 days of initial termination.
 - ii. If a security deposit is not on the account, a security deposit will be billed to the account.
 - h. Re-establishment of Service
 - i. In order to resume or continue service that has been disconnected for non-payment, the customer must pay a re-establishment fee. The District will endeavor to reconnect service as soon as practicable but, at a minimum, will restore service before the end of the next regular working day following payment of any past due amount and delinquent fees attributable to the termination of service. Water service that is turned on by any person other than District personnel or without District authorization may be subject to fines or additional charges or fees. Any damages that occur as a result of unauthorized restoration of service are the responsibility of the customer.
 1. The re-establishment of service fee is based on current rates and charges established by the Board.
 - ii. Water service that is turned on by any person other than District personnel or without District authorization may be subject to fines or additional charges or fees. Any damages that occur as a result of unauthorized restoration of service are the responsibility of the customer.
 - i. Re-establishment of Service After Business Hours

- i. Service restored after 5:00 pm Monday through Friday, weekends, or holidays will be charged an after-hours re-establishment fee. Service will not be restored after regular business hours unless the customer has been informed of the after-hours re-establishment fee and has signed an agreement acknowledging the fee and agreeing to contact the District's billing department no later than noon the following business day to pay the subject fees. The after-hours re-establishment fee is in addition to the regular re-establishment fee and the late fee for a past due account. District staff responding to service calls are not permitted to collect payment, but will instruct the customer to contact the billing department before noon the following business day.
 - 1. The after-hours re-establishment of service fee is based on current rates and charges established by the Board.
- ii. Sometimes water service is discontinued because the service is a new account and the District has not received a request to establish service. If service is being restored after regular business hours because the customer has yet to establish service, the customer must agree to contact the billing department to establish service the next business day and the after-hours re-establishment will be waived. If service is discontinued for any reason not identified above, the service should be restored as quickly as possible and the customer advised to contact the billing department to resolve the issue. No after-hours re-establishment fee will be charged in this instance.
- j. See Appendix A for a timetable example of the Discontinuance of Water Service Process.
- k. Customer's may request this policy to be translated by writing to the District:
 - i. By mail: Attention Customer Service, 13060 Hwy 9, Boulder Creek CA 95006
 - ii. By e-mail: CustomerService@slvwd.com

7. Security Deposits

- a. Security deposits are billed upon two occurrences:
 - i. Application of a new tenant account
 - ii. Application of a new surplus account
 - iii. After discontinuance of water service for non-payment
- b. The District may apply, without notice, the amount of any deposit toward the payment of any water bill or other indebtedness owed to the District.
- c. Security despot's are refundable to the account upon one year of good payment history, or upon closure of the account, net any remaining account balance owed.
 - i. With the exception of Surplus accounts, deposits are held until the account is closed.
- d. Security deposits bear no interest.

8. Returned Check or Other Failed Payments

- a. Upon receipt of a returned payment method taken as payment of water service or other charges, the District will consider the account not paid. The District will make

a reasonable, good faith effort to notify the customer by phone or email of the returned payment. A 72-hour notice of termination of service due to a returned payment will be generated. The means of notification will be based upon the notification preference (text, phone, or email) selected by the customer. Customers who have not selected a means of notification will be notified by the e-mail on file. If the District is unable to make contact by text, phone, or email, a good faith effort will be made to visit the residence and leave a notice of termination of service.

- b. Water service will be disconnected if the amount of the returned payment and the returned payment charge are not paid on or before the date specified in the notice of termination. All amounts paid to redeem a returned payment charge must be in cash, credit card or certified funds.
 - i. In the event a customer tenders a non-negotiable check as payment to restore water service previously disconnected for non-payment and the District restores service, the District may promptly disconnect service without providing further notice. No 72-hour notice of termination will be given in the case of a non-negotiable check tendered for payment of water charges that were subject to discontinuance.
- c. Any customer issuing a non-negotiable check as payment to restore service turned off for non-payment will be required to pay cash, credit card or certified funds to restore future service disconnections for a period of twelve (12) months from the date of the returned payment.

9. Complaints and Disputed Bills – Appeals Process

- a. If a customer has a complaint regarding water service or disputes the water bill, they may exercise their right to appeal to the District Manager, the District will not discontinue water service for non-payment while the appeal is pending. The following procedures will be followed:
 - i. Customer's written request disputing any fees or charges must be received within five (5) days of the fee becoming due or water service becoming disconnected.
 - ii. The District Manager will review all written requests of the disputed amounts and either deny the request or grant the request, or a portion thereof, within fourteen (14) days.
 - iii. Any customer of the District who disputes the District Manager's final decisions, may appeal by filing a "Notice to Appeal" to the Board of Directors within fifteen (15) days of the District Manager's determination.
 - iv. The District will place the appeal on the next available Board of Directors agenda, and notify the appellant no later than fourteen (14) days prior to the hearing.
 - v. The Board of Directors' decision will be final, and any outstanding balances will be due immediately, unless otherwise extended by the Board.

10. Collection Process

- a. Any amounts that remain outstanding thirty (30) days after discontinuance of service may be collected on the tax roll in the same manner as property taxes.
- b. The District Manager will prepare and file a report with the Board of Directors that describes the affected property and the amount of the charges and delinquencies for the year.
- c. The District Manager will publish notice of the filing of the report and of the time and place for a public hearing in a newspaper of general circulation once a week for two weeks, at least fourteen (14) days prior to the public hearing.
- d. At the public hearing, the Board of Directors will hear and consider any objections or protests to the report. At the conclusion of the public hearing, the Board of Directors may adopt or revise the charges and penalties prior to adopting the final report. The Board of Directors determination on each affected parcel will be final.
- e. After the adoption of the final report, the District Manager will submit the final report to the County on or before June 1st of each year, and the delinquent charges will become an assessment against the affected parcels and collected in the same manner as property taxes.

11. Request for Relief – Leak Adjustment

- a. Any customer of the District may submit for a leak adjustment in accordance with the District's current Leak Adjustment policy.

12. Request for Relief – Waiver of Basic Monthly Charge Due to Natural Disasters

- a. A property owner may file a statement with the District stating that their structure cannot be occupied due to damage resulting from storm events or other natural disasters. Said statement must be filed within 120 days of the cause of occurrence.
- b. Upon making findings and determinations that the customer's structure cannot be occupied as a result of a natural disaster, the District Manager may determine that the customer is exempt from the basic monthly charge. Exemption will be allowed for a period of up to 3 years from the date of determination or until the customer requests continuance of service, whichever occurs first.
- c. No customer shall at any time, in any manner, obtain water from the service connection while exempt from the liability of the basic monthly charge.
- d. The District may lock or remove the meter to protect the District against fraud or abuse. Should the customer not repair or replace the damaged structure or request continuance of service within the time allowed, the service will be considered vacated.

13. Request for Relief – Multiple User Variance

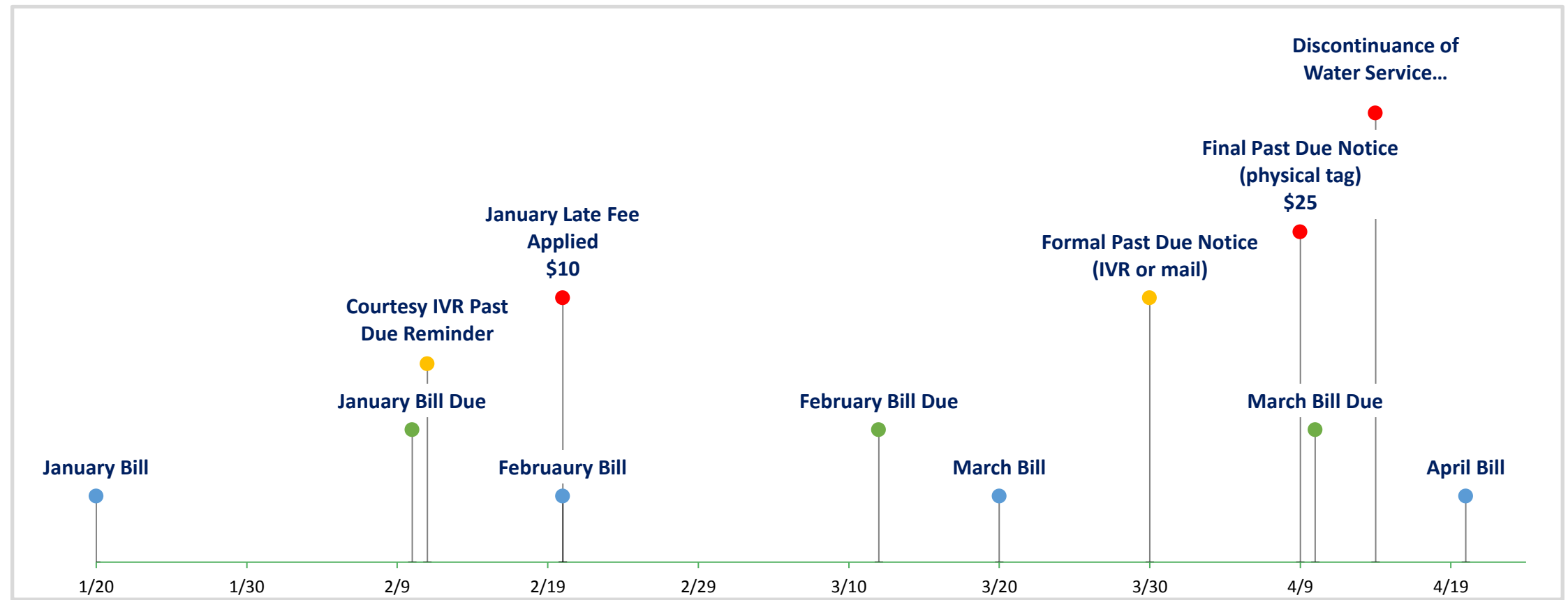
- a. The owner of a parcel which is improved with two or more residential dwelling units may appeal the District's water meter size requirements on the grounds that: The additional unit or units is/are used or occupied fewer than forty days per year; and such use is limited to personal guests of the occupants of the main unit; and that such additional units are not let, leased or rented. An application for a variance must be filed pursuant to the appeal procedure set forth in this section. The Board of directors may grant such a variance, with conditions, including time limitations, and

may also revoke such variance for good cause. The Board of Directors will set an annual review date of the first meeting in November of each year to consider expirations, new applications and applications for renewal of such meter size variances. This review date is not exclusive, and the Board may schedule additional hearings on variations as appropriate.

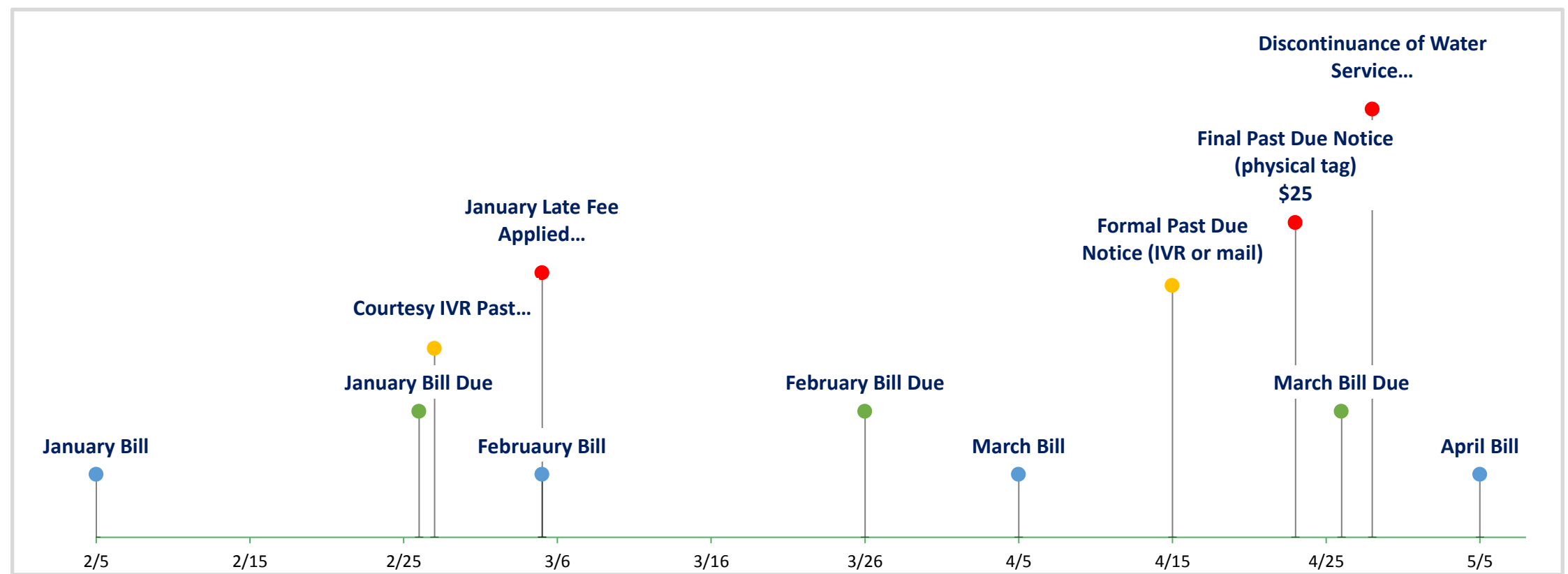
APPENDIX A

These are examples of a timeline for a January bill in each billing cycle for the discontinuance of water service process. This is only an example, exact dates will vary each month. Review your notices for effective dates. This is to help illustrate how multiple bills would come out before a customer had water service discontinued for non-payment.

BILLING DATE EXAMPLE - 20TH	
DATE	DESCRIPTION
1/20	January Bill
2/10	January Bill Due
2/11	Courtesy IVR Past Due Reminder
2/20	January Late Fee Applied \$10
2/20	February Bill
3/12	February Bill Due
3/20	March Bill
3/30	Formal Past Due Notice (IVR or mail)
4/9	Final Past Due Notice (physical tag) \$25
4/10	March Bill Due
4/14	Discontinuance of Water Service \$40
4/20	April Bill



BILLING DATE EXAMPLE - 5TH	
DATE	DESCRIPTION
2/5	January Bill
2/26	January Bill Due
2/27	Courtesy IVR Past Due Reminder
3/5	January Late Fee Applied \$10
3/5	February Bill
3/26	February Bill Due
4/5	March Bill
4/15	Formal Past Due Notice (IVR or mail)
4/23	Final Past Due Notice (physical tag) \$25
4/26	March Bill Due
4/28	Discontinuance of Water Service \$40
5/5	April Bill





NOSSAMAN LLP

Memorandum

TO: Board of Directors,
San Lorenzo Valley Water District

FROM: Gina R. Nicholls, General Counsel

DATE: December 5, 2019

RE: Establishment of San Lorenzo Valley Water District's Rates and Charges in Conjunction with Revisions to the District's Utility Billing Policy, as Follows: (1) Late Fee; (2) Re-establishment of Service After Business Hours Fee; and (3) Surplus Commercial Deposit
502665-0001

RECOMMENDATION:

Review and adopt, by motion of the Board, the proposed Resolution (Attachment A) which will update the District's administrative fees and fee structure by establishing the following administrative rates and charges as set forth in the Resolution: (1) late fee, (2) fee for re-establishment of service after business hours, and (3) surplus commercial deposit. Pursuant to the proposed Resolution, the fees would take effect as of February 1, 2020.

Alternative No. 1: The Board could request changes to the proposed Resolution. This alternative is not recommended because the fees and charges were carefully evaluated by staff and reviewed by committee and have been calculated to be fair and reasonable to payors, and no more than necessary to cover the reasonable costs of the governmental activity, as required by law. Any changes to the proposed fees and charges would need to be re-evaluated for consistency with applicable law before they can be adopted.

Alternative No. 2: The Board could take no action. This alternative is not recommended. The proposed new charges are needed to cover costs associated with the District's billing and collections activities, and/or to comply with Senate Bill 998.

BACKGROUND:

The District is updating its utility billing policies in order to comply with Senate Bill 998, which was signed by the Governor and became law on September 28, 2019. The new law requires all water systems to have a written policy on discontinuation of water service to certain types of residences for nonpayment available in prescribed languages. It also mandates that the written policy contain certain components prescribed by law, and it prescribes maximum amounts for certain types of fees and charges.

Memorandum
December 5, 2019
Page 2

Certain of the District's administrative fees and charges need to be updated in conjunction with Senate Bill 998 and corresponding revisions to the District's utility billing policies. As stated above, Senate Bill 998 establishes caps for certain types of fees and charges. Also, under California law including Propositions 218 and 26, all fees and charges must be fair and reasonable and no more than necessary to cover the reasonable costs of the governmental activity.

In order to cover the cost of District activities related to billing and collections, in a manner that is fair and reasonable to District customers, the District's administrative fees and charges have been re-evaluated and need to be updated as set forth in the proposed Resolution.

ATTACHMENTS:

Attachment A – Proposed Resolution to Adopt Rates and Charges: (1) Late Fee; (2) Fee for Re-Establishment of Service After Business Hours; and (3) Surplus Commercial Deposit

Attachment A

SAN LORENZO VALLEY WATER DISTRICT
RESOLUTION NO. 16 (19-20)

SUBJECT: UPDATES TO RATES AND CHARGES - (1) LATE FEE; (2) FEE FOR RE-ESTABLISHMENT OF SERVICE AFTER BUSINESS HOURS; AND (3) SURPLUS COMMERCIAL DEPOSIT

WHEREAS, on September 28, 2019 the Governor signed into law Senate Bill 998, which establishes new legal requirements for water system billing and discontinuation of water service to certain types of residences; and

WHEREAS, the San Lorenzo Valley Water District ("District") is subject to the new law, and the District has prepared an interim utility billing policy to facilitate its transition to compliance with the new law by early 2020;

WHEREAS, the District's schedule of administrative rates and charges needs to be updated in conjunction with the District's implementation of the new utility billing policy; and

WHEREAS, under California law especially Propositions 218 and 26 (California Constitution Article XIII(c), Section 1(e)), rates and charges imposed by local government agencies such as the District must be fair and reasonable to the payor and no more than necessary to cover the reasonable costs of the related governmental activity; and

WHEREAS, the District proposes, consistent with Senate Bill 998 and other applicable California law, in particular California Constitution Article XIII(c), Section 1(e), to establish the following rates and charges to take effect as of February 1, 2020: (1) Late Fee in the amount of \$10 per occurrence; (2) Re-establishment of Service After Business Hours Fee in the amount of \$100 per occurrence; and (3) Surplus Commercial Deposit in the amount of \$500 per account; and

WHEREAS, the District has determined that the rates and charges set forth above comply with California law, are fair and reasonable to the District's customers, and are no more than necessary to cover the District's reasonable costs associated with the District's related billing and collections activities for each type of fee or charge.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District that the (1) Late Fee; (2) Re-establishment of Service After Business Hours Fee;

and (3) Surplus Commercial Deposit are approved by the Board as set forth above, and shall take effect as of February 1, 2020.

FURTHER BE IT RESOLVED that, District staff is hereby authorized and directed to take any and all actions necessary to implement the fees and charges approved herein.

PASSED AND ADOPTED by the Board of Directors of the San Lorenzo Valley Water District, County of Santa Cruz, State of California, on the 5th day of December 2019, by the following vote of the members thereof:

AYES:
NOES:
ABSTAIN:
ABSENT:

Holly B. Hossack
District Secretary

MEMO

TO: BOARD OF DIRECTORS
FROM: DISTRICT MANAGER
SUBJECT: DISTRICT LOGO
DATE: December 5, 2019

RECOMMENDATION

It is recommended that the Board of Directors review the logo design concepts and select one to move further with.

BACKGROUND

The District is in the process of launching a new website. Through this process it was recommended that now would be the time if there was a desire to change the District logo.

The District has been working with a local creative director on logo ideas. He was able to produce multiple concepts to help encompass our area and the fact we are a water district. Staff has a few designs to develop out further for Board review.

The final product may not be ready prior to the Board meeting. If that is the case, staff will present the more original concepts for the Board to discuss. Printouts will be provided at the meeting.

MEMO

TO: Board of Directors
FROM: District Manager
SUBJECT: Personnel Rules & Regulations 2020
DATE: November 7, 2019

RECOMMENDATION:

It is recommended that the Board of Directors review this memo, review the attached Personnel System Rules and Regulations and approve the attached resolution which establishes the San Lorenzo Valley Water District Personnel System Rules and Regulations for 2020.

BACKGROUND:

On December 13, 2018 the Board adopted by resolution of the Board of Directors Resolution No. 21 (18-19) which established Personnel System Rules and Regulations for 2019. District Legal Counsel has reviewed the San Lorenzo Valley Water District Personnel System Rules and Regulations and is preparing necessary revisions with the assistance of Nossaman's employment law attorneys. However, the revisions require additional work and are not ready for Board review and approval. In the meantime the existing Rules and Regulations may remain in place.

The District is a member agency of the special District Risk Management Authority (SDRMA). SDRMA is a Joint Powers Agency consisting of OVER 660 member agencies throughout California formed to provide risk management services and insurance coverage. SDRMA has an Incentive Credit Program which provides incentive credits to reduce an agency's general, auto liability and worker's compensation premium contributions. The Incentive Credit Program provides credits for development and adoption of the Personnel System Rules and Regulations. Credit is provided upon initial adoption of the Personnel System Rules and Regulations by the Board of Directors, and thereafter credits are maintained upon annual review.

It is recommended that the Board of Directors review this memo, attached Personnel System Rules and Regulations for 2020, and approve the attached resolution which establishes the San Lorenzo Valley Water District Personnel System Rules and Regulations for 2020.

STRATEGIC PLAN:

Element 8.0 -Organizational Health/Personnel

FISCAL IMPACT:

None

SAN LORENZO VALLEY WATER DISTRICT
RESOLUTION NO. 11 (19-20)

SUBJECT: PERSONNEL SYSTEM RULES AND REGULATIONS 2019

WHEREAS, on December 13, 2018 the Board of Directors of the San Lorenzo Valley Water District adopted Resolution No. 21 (18-19); and

WHEREAS, the Board of Directors determines it is in the public interest to establish and adopt Personnel System Rules and Regulations; and

WHEREAS, the representatives of all employee organizations were consulted in good faith regarding the subject matter of the Personnel System Rules and Regulations.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Lorenzo Valley Water District that the San Lorenzo Valley Water District that the Personnel System Rules and Regulations for the San Lorenzo Valley Water District is hereby approved, a copy of which is incorporated by reference herein and made a part of this Resolution.

FURTHER BE IT RESOLVED that the Personnel System Rules and Regulations shall be submitted annually to the District Counsel for review and to the Board of Directors for review and adoption at the December meeting for subsequent years.

PASSED AND ADOPTED by the Board of Directors of the San Lorenzo Valley Water District, County of Santa Cruz, State of California, on the 7th day of November 2019, by the following vote of the members thereof:

AYES:
NOES:
ABSTAIN:
ABSENT:

Holly B. Hossack
District Secretary

SAN LORENZO VALLEY WATER DISTRICT
PERSONNEL SYSTEM
RULES AND REGULATIONS 2020

ADOPTED
NOVEMBER 7, 2019
RESOLUTION NO. 11 (19-20)

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SAN LORENZO VALLEY WATER DISTRICT PERSONNEL SYSTEM RULES AND REGULATIONS

SECTION 1-GENERAL PROVISIONS

1.1 General Provisions.

These Personnel System Rules and Regulations of the San Lorenzo Valley Water District are adopted pursuant to District Ordinance No. 99 dated November 16, 2000 and shall be known as the "Personnel System Policy" (hereinafter referred to as "Policy"), and may be cited and referred to herein as such.

1.2 Statement of Purpose.

The purpose of this Policy is to provide orderly, equitable and uniform procedures for administration of the personnel system.

1.3 Effect of Policy on Past Actions and Obligations.

This Policy which establishes rules and regulations for the administration of the personnel system completely supersedes and cancels all prior practices, policies and agreements whether written or oral, howsoever the same may be expressed, which are contrary to or in conflict with this Policy, including resolutions and ordinances of the Board of Directors, unless expressly stated to the contrary herein or expressly stated within a duly authorized and fully executed collective bargaining agreement by and between the District and a duly recognized employee organization prepared pursuant to the Government Code of the State of California (Section 3500 et. seq.). Notwithstanding the provisions of this Section, this Policy constitutes the complete and entire rules and regulations relative to this subject matter.

1.4 Severability.

If any provision, sentence, clause or phrase of this policy or the application of said provision, sentence, clause or phrase to any person or circumstance is for any reason held to be invalid or not in accordance with applicable provisions of Federal, State or local laws or regulation, the remainder of this policy, or the application thereof to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

1.5 Effect of Memorandum of Understanding.

Whenever the provisions of this Policy conflict with the provision of a duly authorized and fully executed collective bargaining agreement by and between the District and a duly recognized employee organization pursuant to the Government Code of the State of California (Section 3500 et. seq.), the provisions of the agreement shall prevail.

1.6 Fair Employment Practices.

All techniques or procedures used in recruitment and selection of employees shall be designed to measure only the job-related qualifications of applicants. No recruitment or selection technique shall be used which is not justifiably linked to successful job performance. The District Manager shall have the sole authority to make the final determination regarding which recruitment and/or selection techniques will be utilized for any given position or class.

1.7 District Manager Authority.

The District Manager shall have the authority to administer this Policy and may delegate any or all of the authorized powers and duties to his/her duly authorized representative(s) or designee(s), or may recommend that such powers and duties be performed under contract. The authority to appoint all officers and employees except those specifically excluded by Ordinance, to remove same and have general control and supervision over same is vested in the District Manager.

1.8 Definitions.

As used in this Policy, the following terms shall have the meanings indicated:

- a. "Advancement, means a salary increase within the limits of a pay range established for a class.
- b. "Allocation" means the assignment of a single position to its proper class in accordance with the duties performed, and the authority and responsibilities exercised.
- c. "Class" means all positions sufficiently similar in duties, authority, and responsibility, to permit grouping under a common title in the application with equity of common standards of selection, transfer, demotion and salary.

- d. "Competitive Service" means all positions of employment in the service of the District except those excluded by the personnel system ordinance.
- e. "Continuous Service" means an employee's length of continuous regular full-time or regular part-time service since their last date of hire, less any adjustments due to lay off, approved leaves of absence without pay or other breaks in service
- f. "Days" means calendar days unless otherwise stated.
- g. "Demotion" means the movement of an employee from one class to another class having a lower maximum base rate of pay.
- h. "Disciplinary Action" means the demotion, discharge, reduction in pay and/or written suspension or reprimand of a regular employee for just cause(s).
- i. "District" means the San Lorenzo Valley Water District, and, where appropriate herein, refers to any duly authorized representative(s) as herein defined.
- j. "District Manager" means the District Manager or his/her duly authorized representative or agent.
- k. "Eligible" means a person whose name is on an employment list.
 - 1. Eligible List:
 - (1) "Open Eligible List" means a list of names of persons who have taken an open competitive examination for a class in the competitive service and have qualified.
 - (2) "Promotional Eligible List" means a list of names of persons who have taken a promotional examination for a class in the competitive service and have qualified.
- m. Examination:

- (1) "Open Competitive Examination" means an examination for a particular class which is open to all persons meeting the qualifications for the class.
 - (2) "Promotional Examination" means an examination for a particular class which is open only to employees of the District meeting the qualifications for the class.
 - (3) "Continuous Examination" means an open competitive examination which is administered periodically and as a result of which names of qualified candidates are placed on an employment list, in order of final scores, for a period of not more than one (1) calendar year.
- n. "Lay-Off" means the separation of employees from the active work force due to lack of work or funds, or to the abolition of positions by the Board of Directors for the above reasons or due to organization changes.
- o. "Personnel Ordinance" means District Ordinance No. 99 which created a personnel system for the District.
- p. "Position" means a group of duties and responsibilities in the competitive service requiring the full-time or part-time employment of one person.
- q. "Probationary Period" means a period to be considered an integral part of the examination, recruiting, testing and selection process during which an employee is required to demonstrate fitness for the position to which the employee is appointed by actual performance of the duties of the position.
- r. "Promotion" means the movement of an employee from one class to another class having a higher maximum base rate of pay.
- s. "Provisional Appointment" means an appointment of a person who possesses the minimum qualifications established for a particular class and who has been appointed to a position in that class in the absence of available eligibles. In no instance shall a

provisional appointment exceed one (1) calendar year unless otherwise approved by the District Manager.

t. "Regular Employee" means an employee in the competitive service who has successfully completed the probationary period and has been retained as hereafter provided in these rules and regulations.

u. "Re-employment" means the restoration without examination of a former regular employee or probationary employee to a classification in which the employee formerly served and resigned with good standing.

v. "Reinstatement" means the restoration without examination of a former regular employee or probationary employee to a classification in which the employee formerly served and was laid off or demoted in accordance with the provisions of Section 11.

w. "Relief of Duty" means the temporary assignment of an employee to a status of leave with pay.

x. "Separation of Service" means the termination of employment by means of layoff, resignation or discharge.

y. "Suspension" means the temporary separation from service of an employee without pay for disciplinary purposes.

z. "Temporary Employee" means an employee who is appointed to a non-regular position for a limited period of time and/or fixed by the duration of a specific project or an employee appointed to fill a position in the competitive service for a limited period of duration not to exceed one (1) calendar year unless otherwise approved by the District Manager.

aa. "Transfer" means the reassignment of an employee from one position to another position in the same class or in a comparable class.

SECTION 2- CLASSIFICATION

2.1 Preparation of Plan.

The District Manager or a person or agency employed for that purpose, shall ascertain and record the duties and responsibilities of all positions in the competitive service and shall recommend a classification plan for such positions. The classification plan shall consist of classes of positions in the competitive service defined by class specifications, including the title. The classification plan shall be so developed and maintained that all positions substantially similar with respect to duties, responsibilities, authority, and character of work are included within the same class, and that the same schedules of compensation may be made to apply with equity under similar working conditions to all positions in the same class.

2.2 Adoption, Amendment and Revision of Plan.

The classification plan shall be adopted by the District Manager and may be amended from time to time. During the process of adoption and consideration of amendment and revision of the classification plan all recognized employee organizations affected shall be advised. Amendments and revisions of the plan may be suggested by any interested party, including any recognized employee organization, and shall be submitted in writing to the District Manager.

2.3 Allocation of Positions.

Following adoption of the classification plan and consultation with any recognized employee organization affected, the District Manager shall allocate every position in the competitive service to one of the classes established by the classification plan.

2.4 New Positions.

A new position in the competitive service shall not be created until the classification plan has been amended to provide therefore and shall not be filled until an appropriate employment list has been established for such position.

2.5 Reclassification.

The District Manager may make periodic studies of the classification plan and make any changes deemed desirable. When the assigned duties and responsibilities of a position have changed

significantly so as to necessitate reclassification, whether new or already created, the position may be reclassified by the District Manager to a more appropriate class. Reclassifications shall not be used for the purpose of avoiding restrictions concerning demotions and promotions, nor to effect a change in salary in the absence of a significant change in assigned duties and responsibilities.

2.6 Status of Reclassified Employees.

When occupied position(s) are reclassified pursuant to this Section the incumbent(s) shall be affected as follows:

- a. When the incumbent's status is regular employee, the incumbent(s) shall assume regular employee status in the new classification on such effective date without qualifying tests or probationary period.
- b. When the incumbent's status is probationary employee, the incumbent(s) must successfully serve the remainder of the probationary period to attain regular employee status.

SECTION 3-APPLICATIONS AND APPLICANTS

3.1 Announcement.

All examinations for classes in the competitive service shall be publicly advertised either by posting, by publication, or such other methods as the District Manager deems appropriate. Special recruiting shall be conducted, if necessary, to insure that all segments of the community are aware of the forthcoming examinations. The announcements shall specify the title and pay of the class for which the examination is announced; the nature of the work to be performed; preparation desirable for the performance of the work of the class; the manner of making application; and other pertinent information.

3.2 Application Forms.

Applications shall be made in the manner as prescribed on the examination announcements and on such application forms designated by the District. Application forms may require information covering education, training, experience, references and other pertinent information. All applications must be signed by the person applying.

3.3 Qualification of Applicants.

All applicants for examination must meet the qualification standards set forth in the announcement.

3.4 Disqualification.

The District Manager shall have the authority to disqualify applicants, candidates, or eligibles consistent with the provisions of these rules. The following shall constitute grounds for disqualification of an applicant, candidate or eligible:

- a. Failure to meet any of the requirements or qualifications, as published in the announcement
- b. Fraudulent conduct or false statements by an applicant, or by others with his/her concurrence, on any application or any selection procedure.
- c. Conviction (including pleas of guilty or nolo contendere) of a felony if the District Manager determines that the conviction has a rational relationship to the position for which applicant is made. In making the determination, the District Manager shall consider the duties and responsibilities of the position, the nature of the conviction, and the circumstances surrounding the crime, and the candidate's record since the conviction. Any applicant who is disqualified for employment under this subsection may appeal the determination of disqualification. Such appeal shall be in writing and filed with the District Manager within fourteen (14) calendar days of the date of the notice of disqualification. The District Manager shall hear and determine the appeal within thirty (30) calendar days after it is filed. The determination of the District Manager on the appeal is final.

3.5 Notice of Qualification.

All applicants and candidates shall be sent written notice of acceptance or rejection of their application and the results of their examination. Said notice shall be mailed to the address of record on the application filed for the examination.

SECTION 4- EXAMINATIONS

4.1 Examination Process.

The selection techniques used in the examination process shall be impartial and related solely to those subjects which will test fairly the qualifications of candidates and fairly measure the relative capacities of the persons examined to execute the duties and responsibilities of the class to which they seek to be appointed. Examinations shall be designed to provide equal opportunity to all candidates by being based on an analysis of the essential job requirements of the class, covering only factors related to such job requirements. The District Manager shall have the sole authority to make the final determination regarding which test or combination of tests will be utilized in the examination process for any given position or class. Examinations shall consist of job related selection techniques such as, but not necessarily limited to, achievement tests, written tests, performance tests, oral tests, physical agility tests, evaluation of daily work performance, work samples, or any combination of these or other tests. The probationary period shall be considered as a portion of the examination process.

4.2 Examination Administration.

The District Manager shall be responsible for the administration and scoring of all selection examinations. The District Manager shall have the sole authority to set minimum qualifying scores for each phase of the selection examination process. Applicants or candidates failing to achieve the qualifying score in any phase of the examination process shall be disqualified from further participation in the examination process. The final score of a candidate shall be based upon the compilation of all examinations in the selection examination process. Two or more candidates with the same final score shall be given the same rank on the eligibility list. The rank following the tie shall be left vacant.

4.3 Promotional Examinations.

Promotional examinations may be conducted whenever the needs of the service require. Promotional examinations may include any of the selection techniques mentioned in Section 4.1 of this Policy or any combination thereof. Only regular, probationary, provisional or temporary employees of the District who meet the requirements set forth in the promotional examination announcements may compete in promotional examinations. The District Manager shall have the sole

authority to make the final determination when the services of a promotional examination will be utilized for any given position or class.

4.4 Open Competitive Examinations.

Open competitive examinations may be administered for a single position or class, as the needs of the service require. Names of qualified candidates may be placed on an eligible list, and shall remain on said list, as prescribed in Section 5 of this policy.

4.5 Continuous Examinations.

At the discretion of the District Manager open or promotional continuous examinations may be administered periodically, as the needs of the service require. Names of qualified candidates may be placed on an eligible list in the order of final scores and shall remain on said lists for a period of not more than one (1) year.

4.6 Contract For Examinations.

The District may contract with any competent public or private agency or qualified individual(s) for the preparing and/or administering of examinations. In the absence of such a contract, the District Manager shall see that such duties are performed. The District Manager shall arrange for the use of public buildings and equipment for the conduct of examinations.

4.7 Review of Examinations.

All candidates and eligibles shall have the right to inspect their own test answer sheet within seven (7) calendar days after the notifications of examination results. Any error in computation, if called to the attention of the District Manager within this period, shall be corrected. Such corrections shall not, however, require invalidation of appointments previously made.

SECTION 5-ELIGIBLE LISTS

5.1 Eligible Lists.

As soon as possible after the completion of an examination, the District Manager shall prepare and maintain an eligible list consisting of the names of candidates who qualified in the examination.

5.2 Duration of Lists.

Eligible lists shall become effective on the date certified by the District Manager and shall remain in effect for a period of one (1) calendar year from said date unless exhausted or abolished by the District Manager, whichever occurs first. The District Manager may establish a new eligible list pursuant to the provision of Section 6.3 of this Policy.

5.3 Removal of Names from Lists.

The name of any person appearing on an eligible, re-employment or promotional list shall be removed by the District Manager if the eligible candidate requests in writing that the name be removed or if the eligible candidate fails to respond within seven (7) calendar days to a notice mailed to the last designated address. The person affected shall be notified of the removal of the name by a notice mailed to the last known address. The names of persons on promotional employment lists who resign from the service of the District shall automatically be dropped from such lists.

SECTION 6- FILLING OF VACANCIES

6.1 Types of Appointment.

The District Manager may fill a vacancy in the competitive service by transfer, demotion, reinstatement, or re-employment, or from persons from an appropriate eligible list, if available. In the absence of persons eligible for appointment in these ways the District Manager may make a provisional appointment pursuant to Section 6.5 of this Policy. The District Manager may make a temporary appointment pursuant to Section 6.6 of this Policy. All vacancies shall be filled in accordance with the provisions of this Section.

6.2 Competitive Service Vacancy.

When a vacancy exists in the competitive service the District Manager shall fill the vacancy in the following order:

- 1) From eligibles on a reinstatement list, if available.
- 2) From eligibles on an existing promotional eligible list, if available.
- 3) From eligibles on an existing open employment list, if available.
- 4) Announcement and examination process.

6.3 Certification of Eligibles.

When a vacancy is to be filled by appointment from an open eligible list or from a promotional eligible list, the District Manager shall certify from the specified list the names of the three (3) most highly qualified candidates available for appointment. If there are fewer than three (3) names available for appointment the District Manager may make an appointment from among such certified eligibles or may establish a new list. When a new list is to be established the District Manager shall conduct a new announcement and examination process.

6.4 Appointment.

After interview and inquire, the District Manager shall make appointments from among those certified. The person accepting appointment shall report to the District Manager, or the District Manager's duly designated representative(s), for processing on or before the date of appointment. If the applicant accepts the appointment and reports for duty within the prescribed time the applicant shall be deemed to be appointed; otherwise, the applicant shall be deemed to have declined the appointment.

6.5 Provisional Appointment.

In the absence of there being names of individuals willing to accept appointment from appropriate eligible lists, the District Manager may make a provisional appointment of a person meeting the minimum training and experience qualifications for the position. Such an appointment may be made during the period of suspension of an employee or pending final action on proceedings to review suspension, demotion or discharge of an employee. A provisional employee may be removed at any time without cause and without the right of grievance, hearing, or appeal. No provisional appointment shall exceed a time period of one (1) calendar year, unless otherwise approved by the District Manager.

6.6 Temporary Appointment.

Temporary appointments may be made by the District Manager to fill a non-regular employment status position for a limited period of time and/or fixed by the duration of a specific project; or to fill a position in the competitive service for a limited period of duration not to exceed on (1) calendar year, unless otherwise approved by the District Manager.

SECTION 7- PROBATIONARY PERIOD

7.1 Probationary Period.

All original and promotional appointments in the competitive service shall be tentative and subject to a probationary period of not less than six (6) calendar months of actual service. The probationary period shall be regarded as part of the examination process and shall be utilized for closely observing the employee's work, the employee's ability to work with other employees, and for securing the most effective adjustment of a new employee to their position. Time spent on leave without pay shall not count toward completion of the probationary period. The probationary period may be extended at the discretion of the District Manager. Extension of the probationary period shall be for appropriate circumstances and for a specific period of time up to and including six (6) months. No such extension shall exceed six (6) additional months, and no further extensions shall be granted. If the service of a probationary employee has been satisfactory said employee shall be certified in writing for regular employee status. Regular employee status shall begin with the day following the expiration date of the probationary period. During the probationary period an employee may be recommended for rejection at any time without cause and without right of grievance, hearing or appeal. The District Manager shall provide all probationary employees with written notification regarding the status of the probation period.

7.2 Rejection Following Promotion.

Any employee rejected during the probationary period following a promotional appointment shall be given the opportunity to be reinstated to a position in the class from which the employee was promoted. If there is no vacancy in such position, the employee may request to be placed on a reinstatement list. Such opportunity will not be given if the employee is discharged pursuant to disciplinary action under these rules and regulations.

SECTION 8- COMPENSATION

8.1 Preparation of Compensation Schedule.

The District Manager, or a person or agency employed for that purpose, shall prepare a compensation schedule consisting of a schedule of salary ranges allocated to each class in the position classification plan.

The compensation schedule shall also include a schedule of hourly wage rates applicable to positions which are not in the competitive service.

8.2 Adoption, Amendment and Revision of Compensation Schedule.

The compensation schedule shall be adopted and may be amended or revised from time to time by resolution of the Board of Directors. Amendments or revisions to the compensation schedule may be suggested by any interested party and shall be submitted in writing to the District Manager.

8.3 Schedule of Salary Ranges.

The compensation schedule shall be an integrated schedule consisting of seven (7) step salary ranges with a five percent (5%) differential between steps in each range.

SECTION 9- TRANSFER, PROMOTION, DEMOTION, SUSPENSION AND REINSTATEMENT

9.1 Transfer.

Transfer is defined as the reassignment of an employee from one position to another position in the same or in a comparable class. The District Manager may transfer an employee from one position to another position in the same class or in a comparable class. For transfer purposes, a comparable class is one with the same maximum salary, involves the performance of similar duties, and requires substantially the same basic qualifications. Transfer shall not be used to effectuate a promotion, demotion, advancement, or reduction, each of which may be accomplished only as provided in the personnel ordinance or these rules and regulations. No person shall be transferred to a position for which that person does not possess the minimum qualifications.

9.2 Promotion.

Promotion is defined as the movement of an employee from one class to another class having a higher maximum base rate of pay. Insofar as consistent with the best interests of the District all vacancies in the competitive service may be filled by promotion from within the competitive service, after a promotional examination has been given and a promotional list established.

The District Manger may fill a vacancy in the competitive service by an open competitive examination instead of promotional examination, in which event the District Manger shall arrange for an open competitive examination and for the preparation and certification of an open competitive eligible list.

9.3 Demotion.

Demotion is defined as the movement of an employee from one class to another class having a lower maximum base rate of pay. The District Manager may demote an employee for disciplinary purposes in accordance with Section 10 of this Policy. In addition, upon written request of an employee, and with written approval of the District Manager a voluntary non-disciplinary demotion may be made to a vacant position. No employee shall be demoted to a position who does not possess the minimum qualifications.

9.4 Suspension.

The District Manager may suspend an employee from a position for a disciplinary purpose in accordance with Section 10 of this policy. Suspension without pay shall not exceed thirty (30) calendar days.

9.5 Re-employment.

With approval of the District Manager, a regular employee who has resigned with good standing may be re-employed within one (1) year of the effective date of resignation, to a vacant position in the same or comparable class. Upon re-employment, the employee may be subject to the probationary period prescribed for the class. No credit for former employment shall be granted in computing salary, annual leave, or other benefits except on the specific recommendation of the District Manager at time of re-employment.

SECTION 10- DISCIPLINARY ACTION

10.1 Policy.

Prior to demotion, discharge, reduction in pay, reprimand or suspension of a regular employment status employee for disciplinary purposes, the District Manager shall comply with the procedures set forth in this Policy.

10.2 Notification of Disciplinary Action.

The District Manager may take disciplinary action for just cause against any employee who has completed their probationary period by notifying the employee of the action in writing. Employees who have not completed their probationary period pursuant to Section 7 of this Policy may be terminated at any time for any cause, without prior notice and without right of grievance, hearing or appeal. Notification of intended disciplinary action must be in writing and served on the employee in person or by registered mail at least seventy-two (72) hours prior to the effective date of the intended disciplinary action, except in an emergency situation. The notice must be included in the employee's personnel file, and shall include:

- a. **Nature of Action.** A statement of the nature of the disciplinary action. Disciplinary action is defined as demotion, discharge, reduction in pay, letters of reprimand and/or suspension.
- b. **Effective Date.** The effective date of action, which shall be at least seventy-two (72) hours after notice of intended discipline, is served on the employee, except in an emergency situation.
- c. **Basis for Action.** A statement in ordinary and concise language of the act or the omissions upon which the disciplinary action is based.
- d. **Representation.** A statement that any employee may be represented by any representative of the employee's choosing relative to disciplinary action. The employee shall provide written notice to the District Manager relative to designated representation.
- e. **Entitlement to Meet with District Manager.** A statement that the employee has the right to respond orally or in writing to the charges prior to said disciplinary action being taken. The employee shall advise the District Manager of the request for a meeting within seventy-two (72) hours after receiving the notice. If, at the employee's option, there is no meeting, the District Manager shall advise the employee in writing within five (5) calendar days after the seventy-two (72) hour period expires, of his/her decision regarding the intended disciplinary action.

10.3 Employee Review.

The employee shall be given an opportunity to review the documents or materials upon which the proposed disciplinary action is based, and, if practicable, the employee shall be supplied with a copy of the documents.

10.4 Relief of Duty.

Notwithstanding the provisions of this Section, the District Manager may approve the temporary assignment of an employee to a status of leave with pay pending conduct or completion of such investigations or opportunity to respond as may be required to determine if disciplinary action is to be taken.

SECTION 11 -LAYOFF POLICY AND PROCEDURE

11.1 Statement of Intent.

The District shall have the sole right and authority to determine when it is necessary to abolish any position(s) or employment in the interest of economy or efficiency, changes in duties or organization or any other reasons determined to be in the best interest of governmental operations. The Board of Directors may abolish any position(s) or employment for the purposes stated herein and the District Manger shall have the authority to layoff, demote or transfer the employee(s) holding such position(s) or employment pursuant to this Section without disciplinary action and without right of grievance, hearing or appeal.

11.2 Notification.

Employees to be laid off or displaced pursuant to this Section shall be given, whenever possible, at least thirty (30) calendar days prior written notice.

11.3 Order of Separation.

Layoffs and/or reductions in employment shall be made by classification. A classification is defined as a position or number of positions having the same title, job description and salary. Whenever in the judgment of the District layoffs and/or a reduction in employment are deemed necessary, the order of layoff within the affected layoff classification(s) shall be as follows:

- (a) Temporary employees;
- (b) Provisional employees;
- (c) Part time employees;
- (d) Probationary employees; and

- (e) In the event of further layoff(s) or reduction in employment, employees will be laid off from the affected classification(s) in accordance with seniority pursuant to this Section.

11.4 Demotion Procedures Due to Reduction in Force.

Except as otherwise provided pursuant to this Section, whenever there are layoffs or reductions in employment, the District Manager shall first demote to a vacancy if any, in the same or lower classification in the same class series which the employee(s) who are scheduled for layoff meet the minimum employment standards. Employees with the least seniority pursuant to Section 11.7 shall be demoted first. All employees demoted pursuant to this Section shall have their names placed on the classification reinstatement eligible list.

11.5 Displacement Due to Reduction in Force.

Displacement is defined as the movement in layoff(s) or reduction(s) in employment of an employee to an equal or lower classification (as determined by maximum base rate of pay) on the basis of seniority. An employee cannot displace to a higher classification. Any employee in the competitive service affected by layoff(s) or reduction(s) in employment shall have the right to displace an employee who has less seniority in the same classification or in a lower classification in the same class series. Any employee displaced pursuant to the Section if applicable may in the same manner displace another employee within the same classification or in a lower classification in the same class series.

11.6 Displacement Procedures.

In order to exercise displacement rights, an employee must have more seniority than at least one of the incumbent employees in the retreat classification(s) and request displacement action in writing to the District Manager within seven (7) calendar days of receipt of notice of layoff or reduction of employment. Employees who exercise displacement rights and retreat to an equal or lower classification shall be placed at the salary step representing the least loss of pay. In no case shall the salary be increased above that received in the classification from which the employee was laid off. Employees who retreat to a lower classification in the same class series shall serve a probationary period pursuant to Section 7.1 of this Policy unless they have previously successfully completed a probationary period for said classification.

11.7 Seniority for Purpose of Reduction in Force.

For the purpose of this Section seniority shall be defined as an employee's length of continuous regular full time service and/or part time service (pro-rated) at or above the classification level where layoff is to occur. If the above factor is equal, the date regular employment status with the District is achieved shall be determinative. If the foregoing factor is equal, the employee's position on the eligible list shall be determinative.

11.8 Reinstatement List.

The names of persons laid off or demoted in accordance with provisions of this Section shall be entered upon a reinstatement list. Lists from different departments or at different times for the same class of position shall be combined into a single list. The District Manager shall use such list when a vacancy arises in the same or lower classification in the same series before certification is made from an eligible list. Names shall be placed on reinstatement lists in order of their seniority in the classification with the highest seniority in the class being at the top of the reinstatement list.

11.9 Duration of Reinstatement List.

Names of persons laid off or demoted shall be carried on a reinstatement list for a period of one (1) calendar year, except that persons appointed to permanent positions of the same level as that which laid off, shall, upon such appointment, be dropped from the list. Persons who refuse reinstatement shall be dropped from the list. Persons reinstated in a lower class, or on a temporary basis, shall be continued on the reinstatement list for the higher position for the one (1) year period.

SECTION 12-SEPARATION FROM SERVICE

12.1 Discharge.

An employee in the competitive service may be discharged at any time by the District Manager. Disciplinary discharge action shall be in accordance with Section 10 of this policy.

12.2 Resignation.

An employee wishing to leave the competitive service in good standing shall file with the District Manager a written resignation stating the effective date and reasons for leaving at least fourteen (14) calendar

days before leaving the service, unless such time limit is waived by the District Manager.

SECTION 13-ADMINISTRATIVE LEAVES, REPORTS AND RECORDS

13.1 Attendance.

Employees shall be in attendance at their work in accordance with the rules regarding hours of work, holidays, and leaves. All departments shall keep daily attendance records of employees which shall be reported to the District Manager in the form and on the dates so specified.

13.2 Military Leave.

Military leave and regulations for payment pertaining thereto shall be in accordance with the provisions of the Military and Veterans Code of the State of California.

13.3 Leave of Absence Without Pay.

The District Manager, at his/her sole discretion, may grant a regular or probationary employee a leave of absence without pay for a period of time not to exceed six (6) months. No such leave of absence without pay shall be granted except upon written request of the employee setting forth the reason for the request, and the written approval of the District Manager. Upon expiration of an approved leave of absence without pay, the employee shall be reinstated in the position held at the time leave was granted.

13.4 Failure to Return.

Any employee who fails to return to duty at the time specified on application of authorized annual, sick, maternity, or other leaves of absence shall be considered to have resigned from service with the District in the absence of evidence of extenuating circumstances.

13.5 Jury Duty.

Every employee in the competitive service of the District who is called or required to serve as a trial juror, upon notification and appropriate verification submitted to his/her supervisor, shall be entitled to be absent from his/her duties with the District during the period of such service or while necessarily being present in court as a result of such call.

The employee's normal pay shall be lowered by the amount of pay received for jury duty.

13.6 Personnel Records.

The District Manager shall maintain a service or personnel record for each employee in the service of the District showing the name, title of position held, the department to which assigned, salary, changes in employment status and such other information as maybe considered pertinent by the District Manager.

13.7 Change of Status Report.

Every appointment, transfer, promotion, demotion, change of salary rate, or any other temporary or permanent change in status of an employee shall be reported in writing to the employee by the District Manager in such manner as he/she may prescribe.

SECTION 14-MISCELLANEOUS

14.1 Safety.

All employees of the District shall be responsible for following the general safety guidelines of the District, as well as any additional safety regulations which are defined by the employees' work area or position. Any variance or refusal to comply with these guidelines shall result in disciplinary action up to, and including, discharge, in accordance with these rules and regulations.

14.2 Identification Cards, Badges, or Insignia.

No employee in the service of the District who uses an identification card, badge, or insignia as either evidence of the employee's position or authority shall allow it to be used by any other individual nor shall the employee use it in any way to advance a private interest. All identification cards, badges, or insignia issued by the District shall be turned in to the District Manger upon change of status within the competitive service or termination of employment.

- END-

MEMO

TO: Board of Directors
FROM: District Manager
SUBJECT: Sexual Harassment Policy 2020
DATE: November 7, 2019

RECOMMENDATION:

It is recommended that the Board of Directors review this memo, the District's Sexual Harassment Policy, and approve the attached resolution which establishes the San Lorenzo Valley Water District Sexual Harassment Policy for 2020.

BACKGROUND:

Both state and federal laws prohibit sexual harassment. On December 13, 2018 the Board adopted Resolution No. 19 (18-19) which established the San Lorenzo Valley Water District Sexual Harassment Policy for 2019. District Legal Counsel has reviewed the Policy and is in the process of preparing necessary revisions with the assistance of Nossaman's employment law attorneys. However, the revisions require additional work and are not ready for Board review and approval. In the meantime, the existing Policy may remain in place.

The District is a member agency of the special District Risk Management Authority (SDRMA). SDRMA is a Joint Powers Agency consisting of over 660 member agencies throughout California formed to provide risk management services and insurance coverage. SDRMA has an Incentive Credit Program which provides incentive credits to reduce an agency's general, auto liability and worker's compensation premium contributions. The Incentive Credit Program provides credits for development and adoption of written policy and procedure manual relative to sexual harassment. Credit is provided upon initial adoption of the District's Sexual Harassment Policy and thereafter credits are maintained upon annual review.

STRATEGIC PLAN:

Element 9.0 - Administrative Management

FISCAL IMPACT:

None

SAN LORENZO VALLEY WATER DISTRICT
RESOLUTION NO. 12 (19-20)

SUBJECT: SAN LORENZO VALLEY WATER DISTRICT SEXUAL HARASSMENT
POLICY 2020

WHEREAS, state and federal laws prohibit sexual harassment; and

WHEREAS, San Lorenzo Valley Water District is committed to ensuring and providing a work place free of sexual harassment; and

WHEREAS, the Board of Directors of the San Lorenzo Valley Water District have reviewed the San Lorenzo Valley Water District Sexual Harassment Policy for 2020; and

WHEREAS, District Legal Counsel has reviewed the San Lorenzo Valley Water District Sexual Harassment Policy for 2020.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Lorenzo Valley Water District that the San Lorenzo Valley Water District Sexual Harassment Policy for 2020 is hereby adopted.

FURTHER BE IT RESOLVED that the San Lorenzo Valley Water District Sexual Harassment Policy shall be submitted annually to the District Counsel for review and to the Board of Directors for review and adoption for subsequent years.

PASSED AND ADOPTED by the Board of Directors of the San Lorenzo Valley Water District, County of Santa Cruz, State of California, on the 7th day of November 2019, by the following vote of the members thereof:

AYES:
NOES:
ABSENT:
ABSTAIN:

Holly B. Hossack
District Secretary

SAN LORENZO VALLEY WATER DISTRICT SEXUAL HARASSMENT POLICY 2020

Adopted: November 7, 2019
Resolution No. 12 (19-20)

PURPOSE. It is legally mandated by state and federal laws that all employees have a right to work in an environment that is free from all forms of discrimination, including sexual harassment. Sexual harassment is a form of discrimination that is prohibited by Title VII of the Civil Rights Act of 1964 and California Government Code Section 12940 et. seq. Sexual harassment is a costly form of discrimination that can result in expensive litigation that may result in back pay or punitive damage awards, withdrawal of federal support funds and/or other adverse actions. District employees have a grave responsibility for maintaining high standards of honesty, integrity, impartiality and conduct to assure proper performance of the District's business and the maintenance of confidence of the people it serves. It is the policy of the San Lorenzo Valley Water District that sexual harassment is unacceptable and will not be condoned or tolerated. San Lorenzo Valley Water District is committed to a workplace free of unlawful discrimination and harassment.

DEFINITION. Sexual harassment is generally defined as harassment based on sex or of a sexual nature; gender harassment; and harassment based on pregnancy, childbirth, or related medical conditions. The definition of sexual harassment includes many forms of offensive behavior, including harassment of a person of the same gender as the harasser. Sexual harassment may be written, verbal, physical and/or visual.

EXAMPLES. Sexual harassment manifests itself in many forms. The following provides a partial list of offensive conduct which would constitute sexual harassment:

- Written communications of a sexual nature, obscene letters, notes and/or invitations (this includes electronic formats).
- Verbal conduct such as making or using derogatory comments, slurs, jokes or epithets.
- Visual conduct such as leering, making sexual gestures, and/or displaying sexually suggestive objects, pictures, cartoons, calendars or posters.
- Physical conduct such as touching, assaulting, impeding and/or blocking movements.
- Sexual comments including graphic, verbal and/or visual commentary about an individual's body.
- Sexually degrading words used to describe an individual.
- Offering employment benefits in exchange for sexual favors (this may include situations where an individual is treated less favorably because others have acquiesced to sexual advances).
- Unwanted sexual advances or propositions (this may include situations which began as reciprocal attractions, but later ceased to be reciprocal).
- Implied, actual and/or threatened retaliation after negative response(s) to sexual advances.
- Implied, actual and/or threatened offering and/or withholding employment benefits in exchange for sexual favors, or if requests for sexual favors are not met.

POLICY PUBLICIZING. All District officers and employees shall be informed of the District's Sexual Harassment Policy and reporting process prior to their need to know. Also, said policy and reporting process shall be readily available to all officers, employees and members of the general public utilizing the District's facilities and services.

All new District officers and employees shall be given a copy of this Sexual Harassment

Policy at the time of appointment or hiring. The contents of this policy shall be discussed with said officers and employees at said times by the responsible managing employee. All employees, at the time of hire, shall be required to sign an acknowledgment of this Sexual Harassment Policy stating that he or she has read the policy and knows its contents, including reporting procedures.

Whenever the Board of Directors adopts revisions to this Sexual Harassment Policy, the District Manager shall promptly distribute a copy of the revised policy to all officers and employees of the District.

At least annually, on or about June 15th of each calendar year, the District Manager shall distribute a copy of this Sexual Harassment Policy to all officers and employees of the District.

SUPERVISORY EMPLOYEE EDUCATION AND TRAINING. In accordance with California Government Code Section 12950.1, all supervisory employees of the District, at a minimum shall be provided no less than two (2) hours of sexual harassment education and training at least once every two (2) years. Solely for the purpose of this policy, supervisory employees shall be defined as individuals having the authority to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward or discipline other employees, or effectively to recommend said actions. The District Manager shall designate supervisory employees for the purpose of this policy.

REPORTING PROCEDURES. Any officer or employee of the District or member of the public, who feels or believes that they have been or are being harassed by an officer or employee of the District is strongly encouraged to report such incident either verbally or in writing to the District Manager as promptly as feasible after the occurrence. Individuals who report an incident of alleged harassment can do so without fear of reprisal, regardless of the outcome of the report.

- a) Any supervisory employee who receives, witnesses or becomes aware of an incident of alleged harassment shall immediately report the matter to the District Manager.
- b) Upon receipt of a report of alleged harassment by an officer of the District, the District Manager shall assign the investigation of the alleged misconduct to an outside party.
- c) Upon receipt of a report of alleged harassment by an employee of the District, the District Manager shall promptly conduct a thorough and impartial investigation of the incident. All reports shall be kept confidential to the extent possible. Witnesses to sexual harassment and victims of sexual harassment shall not be retaliated against in any way for making a report or cooperating in an investigation. Any incident of implied, actual and/or threatened retaliation should be reported as set out in this policy. The District Manager may assign the investigation of a report of alleged harassment to an outside party.
- d) In the event the report of alleged harassment involves the District Manager, the incident shall be reported to the President of the Board of Directors. Thereafter, the President of the Board of Directors shall be responsible for processing the investigation and appropriate necessary actions.
- e) Any person who initiates a report of an alleged incident of harassment shall have the right to be accompanied by advocates(s) when discussing the incident. Said person shall be advised of this right prior to the commencement of discussions.
- f) A written record of any investigation of an alleged incident of harassment shall be maintained.

ENFORCEMENT PROCEDURES. The District's Sexual Harassment Policy shall be enforced by the District Manager unless otherwise stated in this policy. Upon conclusion of the investigation of an alleged incident of harassment, if it has been determined that

harassment has occurred in violation of this policy, the District may impose appropriate disciplinary action up to and including discharge.

- a) Officers and employees of the District who report harassment, and/or individuals cooperating in an investigation of a report of harassment shall be protected thereafter from any form of reprisal and/or retaliation regardless of the outcome of the report.
- b) Officers and employees of the District who knowingly make false reports will be subject to appropriate disciplinary actions.

-END OF POLICY-

MEMO

TO: Board of Directors

FROM: District Manager

SUBJECT: Respectful Workplace Policy 2020

DATE: November 7, 2018

RECOMMENDATION:

It is recommended that the Board of Directors review this memo, review the attached proposed Respectful Workplace Policy, and approve the attached resolution which establishes the San Lorenzo Valley Water District Respectful Workplace Policy for 2019.

BACKGROUND:

On December 13, 2018 the Board adopted Resolution No. 20 (18-19) which established the San Lorenzo Valley Water District Respectful Workplace Policy for 2019. District Legal Counsel has reviewed the Policy and is preparing a necessary revision; however, the revision requires additional work with the assistance of Nossaman's employment law attorneys and is not yet ready for Board review and approval. In the meantime, the existing Policy may remain in place.

It is recommended that the Board of Directors review this memo, review the attached proposed Respectful Workplace Policy and approve the attached resolution which establishes the San Lorenzo Valley Water District Respectful Workplace Policy for 2020.

STRATEGIC PLAN:

Element 9.0 - Administrative Management

FISCAL IMPACT:

None

**SAN LORENZO VALLEY WATER DISTRICT
RESOLUTION NO. 10 (19-20)**

SUBJECT: RESPECTFUL WORKPLACE POLICY 2020

WHEREAS, San Lorenzo Valley Water District is committed to creating and sustaining a professional and respectful work and public service environment free from violence, discrimination, and other offensive or degrading conduct; and

WHEREAS, San Lorenzo Valley Water District desires a workplace which promotes and maintains an environment in which all members of the Board of Directors, employees and the public are treated with respect and dignity; and

WHEREAS, the Board of Directors of the San Lorenzo Valley Water District is charged with the responsibility of establishing policies to guide the District; and

WHEREAS, District Legal Counsel has reviewed the San Lorenzo Valley Water District Respectful Workplace Policy for 2020; and

WHEREAS, the Board of Directors of the San Lorenzo Valley Water District has reviewed and considered the San Lorenzo Valley Water District Respectful Workplace Policy for 2020;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the San Lorenzo Valley Water District that the San Lorenzo Valley Water District Respectful Workplace Policy for 2020 is hereby adopted.

FURTHER BE IT RESOLVED that the San Lorenzo Valley Water District Respectful Workplace Policy shall be submitted annually to the District Counsel for review and to the Board of Directors for review and adoption in December for subsequent years.

PASSED AND ADOPTED by the Board of Directors of the San Lorenzo Valley Water District, County of Santa Cruz, State of California, on the 7th day of November 2019, by the following vote of the members thereof:

AYES:
NOES:
ABSENT:
ABSTAIN:

Holly B. Hossack
District Secretary
San Lorenzo Valley Water District

SAN LORENZO VALLEY WATER DISTRICT RESPECTFUL WORKPLACE POLICY 2020

Adopted: November 7, 2019
Resolution No. 10 (19-20)

Purpose

The intent of this policy is to provide and establish general guidelines about conduct that is, and is not appropriate in the workplace. San Lorenzo Valley Water District is committed to creating and sustaining a professional and respectful work and public service environment free from violence, discrimination, and other offensive or degrading remarks or conduct. A workplace which promotes and maintains an environment in which all members of the Board of Directors, employees, and the public are treated with respect and dignity. The District acknowledges that this policy cannot possibly predict all situations that might arise. The District also recognizes that conflicts or disagreements may occur. The District expects these issues to be resolved in a manner that contributes to a healthy and productive workplace.

Applicability

Maintaining a respectful work environment is a shared responsibility. This policy is applicable to District personnel including regular and temporary employees, volunteers, and Board of Directors.

Abusive Customer Behavior

While the District has a strong commitment to customer service, the District does not expect that employees accept verbal abuse from any customer. An employee may request that a supervisor intervene when a customer is abusive, or they may defuse the situation themselves, including if necessary, ending the contact. If there is a concern over the possibility of physical violence, a supervisor should be contacted immediately. When extreme conditions dictate, 911 may be called. Employees should leave the area immediately when violence is imminent unless their duties require them to remain. Employees must notify their supervisor about the incident as soon as possible.

Types of Disrespectful Behavior

The following types of behaviors cause a disruption in the workplace and are, in many instances, unlawful.

Violent Behavior:

Violent behavior includes the use of physical force, harassment, or intimidation.

Discriminatory Behavior:

Discriminatory behavior includes inappropriate remarks about or conduct related to a person's race, color, creed, religion, national origin, disability, sex, marital status, age, sexual orientation, or status with regard to public assistance.

Disruptive and Disrespectful Behavior:

Disruptive and disrespectful behavior is any conduct or behavior that disrupts civility and co-operation in the workplace and interferes with efficient and effective work flow. Disruptive behavior is any behavior in the form of hostile or unwanted conduct, verbal comments, actions or gestures that affect an employee's dignity and psychological or physical integrity. A single serious incident of such behavior that has a lasting harmful effect on an employee may also constitute disruptive and disrespectful behavior. Such behavior may include but is not limited to the following:

- Rudeness, angry outbursts, inappropriate humor, vulgar obscenities, name calling, disrespectful language, or any other behavior regarded as offensive to a reasonable person.
- Abuse of authority where an employee uses authority unreasonably to interfere with another's performance.
- Non-constructive criticism addressed in such a way as to intimidate or undermine confidence.

Disruptive and disrespectful behavior is a serious offense, however it must be distinguished from an employee's legitimate right to:

- Express opinions freely and to support positions whether or not they are in agreement with those of other employees.
- Engage in honest differences of opinion with respect to work related issues that are discussed in appropriate forums.
- Engage in good faith constructive criticism of others.
- Comply with supervisory responsibilities to address concerns regarding the performance or competence of employees.

It is not possible to anticipate in this policy every example of offensive behavior. Accordingly, employees are encouraged to discuss with their fellow employees and supervisor what is regarded as offensive, taking into account the sensibilities of employees and the possibility of public reaction. Although the standard for how employees treat each other and the general public will be the same throughout the District, there may be differences between work groups about what is appropriate in other circumstances unique to a work group. If an employee is unsure whether a particular behavior is appropriate, the employee should request clarification from their supervisor or the District Manager.

Sexual Harassment:

Sexual harassment can consist of a wide range of unwanted and unwelcome sexually

directed behavior such as unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature when:

- Submitting to the conduct is made either explicitly or implicitly a term or condition of an individual's employment; or
- Submitting to or rejecting the conduct is used as the basis for an employment decision affecting an individual's employment; or
- Such conduct has the purpose or result of unreasonably interfering with an individual's work performance or creating an intimidating, hostile or offensive work environment.

Sexual harassment includes, but is not limited to, the following:

- Unwelcome or unwanted sexual advances. This means stalking, patting, pinching, brushing up against, hugging, cornering, kissing, fondling or any other similar physical contact considered unacceptable by another individual.
- Verbal or written abuse, kidding, or comments that are sexually-oriented and considered unacceptable by another individual. This includes comments about an individual's body or appearance where such comments go beyond mere courtesy, telling "dirty jokes" or any other tasteless, sexually oriented comments, innuendos or actions that offend others.
- Requests or demands for sexual favors. This includes subtle or obvious expectations, pressures, or requests for any type of sexual favor, along with an implied or specific promise of favorable treatment (or negative consequence) concerning one's current or future job.

Employee Response to Disrespectful Workplace Behavior

Employees who believe that disrespectful behavior is occurring are encouraged to deal with the situation in one of the ways listed below. The District encourages the prompt identification and resolution of alleged disrespectful workplace behavior by all involved and affected persons through collaborative efforts, but recognizes that such resolution may be impractical. However, if the allegations involve violent behavior, sexual harassment, or discriminatory behavior, then the employee shall immediately contact their supervisor or the District Manager.

Resolution Procedures

Step 1(a). Politely, but firmly, tell whoever is engaging in the disrespectful behavior how

you feel about their actions. Politely request the person to stop the behavior because you feel intimidated, offended, or uncomfortable. If practical, bring a witness with you for this discussion.

Step 1(b). If you fear adverse consequences could result from telling the offender or if the matter is not resolved by direct contact, go to your supervisor or District Manager. The person to whom you speak is responsible for documenting the issues and for giving you a status report on the matter no later than ten (10) business days after your report.

Step 1(c). In the case of violent behavior, all employees are required to report the incident immediately to their supervisor, District Manager or Santa Cruz County Sheriff's Department.

Supervisor's Response to Allegations of Disrespectful Workplace Behavior

Employees who have a complaint of disrespectful workplace behavior will be taken seriously. In the case of sexual harassment or discriminatory behavior, a supervisor must report the allegations within two (2) business days to the District Manager, who will determine whether an investigation is warranted. A supervisor must act upon such a report even if requested otherwise by the victim. In situations other than sexual harassment and discriminatory behavior, supervisors will use the following guidelines when an allegation is reported:

Step 1. If the nature of the allegations and the wishes of the victim warrant a simple intervention, the supervisor may choose to handle the matter informally. The supervisor may conduct a coaching session with the offender, explaining the impact of his/her actions and requiring that the conduct not reoccur. This approach is particularly appropriate when there is some ambiguity about whether the conduct was disrespectful.

Step 2. If a formal investigation is warranted, the individual alleging a violation of this policy will be interviewed to discuss the nature of the allegations. The person being interviewed may have someone of his/her own choosing present during the interview.

The investigator will obtain the following description of the incident, including date, time and place.

- Corroborating evidence.
- A list of witnesses.
- Identification of the offender.

Step 3. The supervisor must notify the District Manager about the allegations.

Step 4. As soon as practical after receiving the written or verbal complaint, the alleged policy violator will be informed of the allegations. The alleged violator will have the opportunity to answer questions and respond to the allegations.

Step 5. After adequate investigation and consultation with the appropriate personnel, a decision will be made regarding whether or not disciplinary action will be taken.

Step 6. The alleged violator and complainant will be advised of the findings and conclusions as soon as practicable.

Special Reporting Requirements

When the supervisor is perceived to be the cause of a disrespectful workplace behavior incident, a report will be made directly to the District Manager who will assume the responsibility for investigation and discipline.

If the District Manager is perceived to be the cause of a disrespectful workplace behavior incident, a report will be made directly to the District Counsel who will confer with the Board of Directors regarding appropriate investigation and action.

If a Board Member is perceived to be the cause of a disrespectful workplace behavior incident involving District personnel, the report will be made directly to the District Manager and referred to the District Counsel who will undertake the necessary investigation. The District Counsel will report his/her findings to the Board of Directors, which will take the action it deems appropriate.

Pending completion of the investigation, the District Manager may at his/her discretion take appropriate action to protect the alleged victim, other employees, or citizens.

Confidentiality

A person reporting or witnessing a violation of this policy cannot be guaranteed anonymity. The person's name and statements may have to be provided to the alleged offender. All complaints and investigative materials will be contained in a file separate from the involved employees' personnel files. If disciplinary action does result from the investigation, the results of the disciplinary action will then become a part of the employee(s) personnel file(s).

Retaliation

Consistent with the terms of applicable statutes and District personnel policies the District may discipline any individual who retaliates against any person who reports alleged violations of this policy. The District may also discipline any individual who retaliates against any participant in an investigation, proceeding or hearing relating to the report of alleged violations. Retaliation includes, but is not limited to, any form of intimidation, reprisal, or harassment.

- END OF POLICY -



**BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER DISTRICT
MINUTES
NOVEMBER 7, 2019**

Thursday, November 7, 2019 at 5:30 p.m., SLVWD, 13057 Highway 9, Boulder Creek, CA 95006.

1. Convene Meeting at 5:30 p.m.
Roll Call: S. Swan, L. Farris, B. Fultz, L. Henry, R. Moran were all present.
Staff: R. Rogers, G. Nicholls, H. Hossack
2. Additions and Deletions to Closed Session Agenda: None
3. Oral Communications Regarding Items in Closed Session: None
4. Adjournment to Closed Session at 5:33 p.m.
 - a. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
 - b. PUBLIC EMPLOYEE ANNUAL PERFORMANCE EVALUATION
5. Convene to Open Session at 6:32 p.m.
6. Report of Actions Taken in Closed Session
The Board unanimously appointed G. Nicholls as co-negotiator in negotiations regarding real property.
7. Roll Call (Open Session):
S. Swan, L. Farris, B. Fultz, L. Henry, R. Moran were all present.
Staff: R. Rogers, J. Furtado, S. Hill, D. Langfield, G. Nicholls, H. Hossack
8. Additions and Deletions to Open Session Agenda: None
9. Oral Communications: None
10. Unfinished Business:
 - a. BOARD POLICY MANUAL
G. Nicholls introduced this item. It is coming back from the 10.17.19 meeting. She summarized the recommendations.
L. Farris questioned why alt. 2 instead of alt.1?
G. Nicholls explained alt.1 is clunky and discourages consultations with counsel. She can live with any of the alternatives.
Discussion by the Board and staff regarding alternate options.

B. Fultz recommended that sentences 2 and 4 be deleted.
L. Farris agreed with B. Fultz changes.

R. Moran agreed as well.

S. Swan didn't have a problem with either alternative.

L. Henry said that she didn't have a concern with 1 or 2.

D. Loewen-Lompico, said that she was in favor of alternative 2.

L. Henry asked how

G. Nicholls recommended a motion to direct Counsel to prepare a revision to reflect changes.

L. Henry made a motion to accept alternative 2. The motion was seconded.

G. Nicholls said that this pertains to item 2 Communications with District Counsel.

B. Fultz questioned if steps one and two

All present voted in favor of the motion. Motion passed.

G. Nicholls explained that D would tie the Board's hands to make it quite a bit harder approve defense and indemnification. If you take D out it provides some extra cautions that don't necessarily make it difficult.

B. Fultz questioned if they could strike D from alternative 1.

G. Nicholls asked for specifics.

Discussion by Board and staff regarding differences between alternatives 1 & 2.

L. Henry made a motion to go with alternative 2. The motion was seconded.

All present voted in favor of the motion. The motion passed.

B. Fultz thanked Counsel for her work on that item.

b. PUBLIC ADVISORY COMMITTEE ON FACILITIES - UPDATE

R. Rogers introduced this item and read the memo.

B. Fultz suggested an alternative. The Board can assign the task to the Admin Committee.

L. Farris said he likes Bob's suggestion.

S. Swan said he also likes Bob's suggestion.

Discussion by the Board and staff regarding the suggestion that the Admin Committee take on the PACOF.

R. Moran made a motion to follow the staff recommendation to extend the closing date of the PACOF applications to 12:00 p.m. on December 2, 2019.

C. Baughman suggested that this be an evening meeting.

Discussion by the Board and staff regarding the meeting.

L. Henry asked if we have a consensus to go ahead with this.

Discussion by the Board and staff regarding outreach.

11. New Business:

a. SANTA MARGARITA GROUNDWATER AGENCY - QUESTIONS

R. Rogers introduced this item and read from the memo.

Discussion by the Board and staff regarding the possible questions.

L. Farris asked if Counsel would be present for this meeting.

Discussion by Board and staff regarding availability of Counsel.

L. Henry would like more information on technical issues from Mr. Fio.

L. Farris questioned if we are asking for questions just from the Board of from everybody.

R. Rogers said we have had questions from the general public. Anybody can submit questions.

D. Loewen commented on her opinion about what happened at the last meeting of SMGWA.

b. MULTIPLE USER VARIANCE RENEWALS FOR 2019/20

S. Hill explained the Multiple User Variance Renewal process.

Discussion by the Board and staff regarding Multiple User Variance.

B. Fultz requested that the policy be brought to the Budget & Finance Committee.

S. Hill explained the reason for the process.

Discussion by the Board and staff regarding the revisiting of this item.

L. Farris made a motion to approve Resolution No. 9 (19-20). The motion was seconded.

All present voted in favor of the motion. Motion passed.

c. SCHEDULING A SPECIAL BOARD OF DIRECTORS MEETING ON NOVEMBER 13, 2019 - STRATEGIC PLAN

R. Rogers introduced this item and read from his memo.

Discussion by the Board and staff regarding the facilitator and the process.

D. Loewen questioned the intent of the 11.13.19 meeting. R.

Rogers explained that the meeting is to discuss the process but not start on the Strategic Plan.

E. Frech asked where the meeting will be held.

Discussion by the Board and staff regarding the time for the meeting.

d. DISTRICT MANAGER CONTRACT REVIEW

G. Nicholls read from the memo. She noted that the District Manager was given a satisfactory performance evaluation at the last Board meeting this triggers an automatic 3.7% COLA adjustment for the year that started October 19, 2019. She said that the Board should decide whether to provide upto 5% merit based on performance for the Dist. Mgr. based on a based salary of \$180,998.

L. Henry said that the 3.7% would be an increase of \$6,696.92. If he was given a 3% merit increase along with the 3.7 that would be \$12,126.87. At 4% it would be \$13,936.85. At 5% it would be \$15,746.83. That amounts to \$1810 each year.

Discussion by the Board and staff regarding the Dist. Mgr. salary review and staff merit increases.

L. Farris pointed out that R. Rogers is head the District in the right direction. Discussion by Board and staff if they are going to decide this issue tonight.

L. Farris recommended that the Board award the District Manager a 5% merit increase. The motion was seconded.

Directors Swan, Farris, Henry and Moran voted in favor of the motion. Director Fultz voted no. Motion passed.

Questioned if the increases would be retroactive back to October 19, 2019. District Counsel responded yes.

e. BOARD MEMBER SYMPOSIUM ATTENDANCE

R. Rogers introduced this item and read from the memo.
R. Moran said that he would like to attend.
L. Farris suggested that Dir. Moran present a report when he returns.
L. Henry said that she believes that is a requirement.
S. Swan said it is a great idea.
C. Baughman said he paid his own way when he was a Board member.
L. Henry made a motion to approve that R. Moran be sent to the
symposium. The motion was seconded.
All present voted in favor of the motion. Motion passed.

12. Consent Agenda:

- a. MINUTES FROM BOARD OF DIRECTORS MEETING OCTOBER 17, 2019

13. District Reports:

- DEPARTMENT STATUS REPORTS
Receipt and consideration by the Board of Department Status Reports regarding ongoing projects and other activities.
 - Engineering
 - Finance & Business
 - LegalDiscussion by Board and staff regarding missing Operations status report, costs related to PSPS and Probation Tank.
Discussion by Board and staff regarding Engineering status.
Discussion by Board and staff regarding PSPS and Finance and Business services status.
L. Farris recapped information from Engineering Committee.
Discussion by Board and staff regarding Lyon Slide.
- COMMITTEE REPORTS
 - Future Committee Agenda Items
 - Committee Meeting Notes/Minutes
 - Environmental Meeting - 10.16.19
 - Santa Margarita Groundwater Agency - 10.24.19
L. Farris recapped information from Engineering Committee.
Discussion by Board and staff regarding Lyon Slide.
B. Fultz talked about B & F Committee meeting.
Discussion by Board and staff regarding SB998.

14. Written Communication:

- Letter from B. Herbert 10.17.19
 - Email from M. Johnston 10.24.19
- Discussion by Board, staff and public regarding email from M. Johnston.

15. Informational Material:

- Is Santa Cruz County Water Ready - SC Sentinel 10.17.19

16. Adjournment 8:08 p.m.



**SPECIAL BOARD OF DIRECTORS
SAN LORENZO VALLEY WATER DISTRICT
MINUTES
November 13, 2019**

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 special meeting of the Board of Directors of the San Lorenzo Valley Water District will be held on Wednesday, November 13, 2019 at 5:30 p.m., SLVWD Boardroom, 13057 Highway 9, Boulder Creek, CA.

1. Convene Meeting

Roll Call: Farris, Fultz, Henry, Moran were present. Dir. Swan was absent but expected to arrive later.

Staff: R. Rogers, H. Hossack

2. Additions and Deletions to Closed Session Agenda: None

3. Oral Communications Regarding Items in Closed Session:

4. Adjournment to Closed Session 5:31 pm

- a. PUBLIC EMPLOYEE ANNUAL PERFORMANCE EVALUATION
Government Code Section 54957
Title: District Manager

5. Convene to Open Session at 6:30 p.m.

7. Roll Call (Open Session): Farris, Fultz, Henry, Moran were present. Swan was absent.

A motion was made by B. Fultz to excuse S. Swan. Motion was seconded.

All present voted in favor of the motion. Motion passed.

Staff: R. Rogers, J. Furtado, D. Langfield, S. Hill, H. Hossack

6. Report of Actions Taken in Closed Session: None

8. Additions and Deletions to Open Session Agenda: None

9. Oral Communications:

An unidentified woman asked for more notice for meetings.

10. New Business:

STRATEGIC PLAN - PLANNING SESSION presented by Greg Larson with Management Partners. (The first part of the presentation was not recorded due to technical difficulties.)

B. Fultz said that the Admin Committee recommended that the facilitator focus on 4 meetings and the editing would be done by Directors Farris and Fultz.

L. Farris questioned who does G. Larson think is the primary stakeholder for the process and the plan.

G. Larson responded to L. Farris' question that the Board needs to be in the driver's seat for both the process and the product.

Discussion by the Board and facilitator regarding the process and timeframe.

R. Rogers asked for more information regarding the on line survey.

G. Larson described the survey as a way for everyone to participate even if they can't come to the meetings.

L. Henry asked if this is a good time to start this process.

G. Larson perhaps the second week in December would be a good time to start with Board and staff interviews.

L. Ford-Felton, questioned if G. Larson has been hired as the facilitator.

G. Larson said only for this session.

L. Ford would like to know more about the data collection and analyses.

G. Larson explained the process.

N. Macy-Boulder Creek, noted that every person on the Board is new this year. She said she is happy about community involvement in the process.

Discussion by the Board and facilitator regarding Board experience with Strategic Planning.

P. Gelblum- Boulder Creek, questioned how frequently do public agencies change the Strategic Plan.

G. Larson responded, every 5 to 6 years.

P. Gelblum questioned why change the Plan now.

G. Larson speculated that needs, conditions and focuses change.

D. Loewen-Lompico, said she looked at other plans and their length varies. It needs to be a workable document.

G. Larson respond that one person sees a strategy where someone else sees a goal.

J. Martin-Felton, asked about the timing of the community forum she requested that it not be before January 2020.

G. Larson said there are 3 levels of strategic plans. He will determine what this Board wants as far as involvement.

Cynthia-Felton, said that the budget determines what we can afford to do.

G. Larson said as a utility the District is mandated to do 5-year rate studies.

S. Hill explained the rate studies cannot be for longer than 5 years.

M. Wilson-Ben Lomond, questioned if the Board is pushing to streamline the process, is there a process that you as the facilitator won't buy in to.

G. Larson responded that he won't do anything unethical or hide data.

M. Shurgell, Felton- he said that the Board came up with a mission statement that reinvents the Water District. That was either bold and visionary or a radical departure from the status quo that risks alienating the community values.

G. Larson responded that this is a delegate body where the Board has to make the decisions. His role is to get as much community input as possible.

Robin, Felton- asked if the Board would ever make a decision without public input.

Discussion by Board and public regarding public input.

C. Baughman, Boulder Creek, said that he likes the idea of bringing 2 proposals to the Board.

P. Gelblum asked for clarification from G. Larson.

G. Larson explained what is meant by Environmental Scan, it's scanning the environment of relevant data.

P. Gelblum continued that he would encourage the Board ask should they even do this. He also questioned what is the purpose of this meeting.

Discussion by the Board, staff and facilitator regarding the purpose for the meeting and moving forward with the Strategic Plan.

M. Shurgle asked if the public would be given the opportunity to address the Board on this issue.

L. Farris noted that it is clear that public engagement should be put off until January.

G. Larson said that the community survey and the community forum would have similar information so that the community can choose how they want to participate.

B. Fultz said that depends on whether the Board decides to spend the money.

L. Henry said that the Board represents the entire the District, not just the people that voted for them. She personally, would like the Board members to be interviewed.

R. Moran said that he hears that there needs to be buy in from staff and public.

B. Fultz said that the folks here tonight don't represent the entire community.

L. Farris said that his concern is not the cost of implementing a Strategic Plan, his concern is that the Board implements a Strategic Plan that the Board develops.

R. Rogers asked if G. Larson if he has enough input.

G. Larson has a sense of the Board to put together a proposal.

Discussion by staff and facilitator regarding survey.

D. Loewen pointed out that the 2016 Strategic Plan had only one public meeting.

M. Wilson said there is a lot of diversity in the community. He said he heard intentionality of the voters that he doesn't think is supported. He thought the Board committed to being more effective stewards of the public interest that the last Board. He doesn't think that means that there has to be large scale change.

P. Gelblum he agreed with Mr. Wilson. The proposed changes are contrary to what you promised during the election. Second, it concerns him that Dir. Fultz said that people that supported him in the election may not come out to public meetings and that doesn't matter to him.

J. Martin said that the second week in January would be better than the first week in January for a public meeting.

Cynthia said that she thinks there is consensus in community that they care about the environment. Will the survey have room for open ended comments?

G. Larson said, very few. The open ended is difficult to extrapolate the data.

M. Shurgell questioned why hasn't this process been noticed.

Discussion by the Board and staff regarding how to proceed. Consensus being that if the Board decides to go forward, the interviews with Board and staff can start in December. Public meetings will begin in January. Proposals from G.

Larson will be available at the December 5th BoD meeting.

11. Adjournment 8:47 p.m.

MEMO

To: District Manager
From: Engineering Manager
Subject: December 2019 Engineering Department Monthly Report
Date: December 5, 2019

Recommendation:

It is recommended that the Board of Directors review and file the Engineering Department Monthly Report for December 2019.

Projects in Construction:

Probation Tank Replacement: Construction work on the Probation Tank is nearing completion. As of the writing of this report, the contractor is working on punch list items.

Lompico PRV Replacement: Construction work on the Lompico PRV stations is continuing. Three of the six PRVs have been installed and are operational. This project has been delayed several weeks by the PG&E shutdowns and paving work at the Probation Tank. Project completion is anticipated in early December.

Quail Well 5A & Olympia Well 3 Rehabilitation Project: Construction rehabilitation work on the wells is continuing. The Olympia Well 3 rehab was very successful. Pumping rates increased from 90 to 350 gallon per minute. Work on the Olympia Well is now complete and work has started on Quail Well 5A.

Projects in Design:

Lompico Tanks Replacement: Design work on the Lompico Tanks is continuing. Schaaf and Wheeler has submitted final plans, specifications and estimate for District review. District staff have completed their review and written comments have been sent to Schaff and Wheeler. Project design completion is anticipated in December. Bidding of the project is slated for January 2020 and construction is slated for Spring 2020.

Swim Tank Replacement: Survey, geotechnical and appraisal work has been completed. The General Manager and District attorney are working on property acquisition.

2019 Pipeline Replacement Project: The contract and insurance are in place. Work on the design of the 2019 Pipeline Project has begun. Survey work is scheduled for mid-November.

Bear Creek Estates Wastewater Alternative Analysis: The contract and insurance are in place. A kick-off meeting was conducted on November 22. Consultant contract work is underway.

RFP/RFQ:

Glen Arbor Bridge Water Main Replacement Project: The District is currently circulating a RFP for design services for the replacement of the leaking water main inside of the Glen Arbor Bridge. Proposals are due by December 20th.

Fire Management Plan Consulting Services: The District is currently circulating a RFQ for services related to the District's Fire Management Plan. Proposals are due by December 19th.

M E M O

TO: Board of Directors
FROM: District Manager
PREPARED BY: Director of Finance & Business Services
SUBJECT: FINANCE & BUSINESS SERVICES STATUS REPORT
DATE: December 5, 2019

RECOMMENDATION:

It is recommended that the Board of Directors review and file the Finance & Business Services Department Status Report.

BACKGROUND:

AUDIT/YEAR END

The draft audit is included in this agenda for review. This was also presented at the last Budget & Finance Committee.

CUSTOMER SERVICE SUPPORT

- Monthly Consumption by Customer Class
- Customer Service stat and information
- Weekly Call Log

REVENUE STABILIZATION RATE ANALYSIS

This packet contains the current consumption as compared to the prior 3 year averages for the revenue rate stabilization. As of October 2019 consumption, the cumulative consumption is 5% below the baseline. There are no triggers identified per the revenue stabilization rate policy.

WEBSITE

The District did an update/preview at the Administration Committee meeting on the website progress. We are hoping to launch the new site towards the end of January.

Also included in this agenda is a preview of some of the logo designs we are looking for the Board to select from.

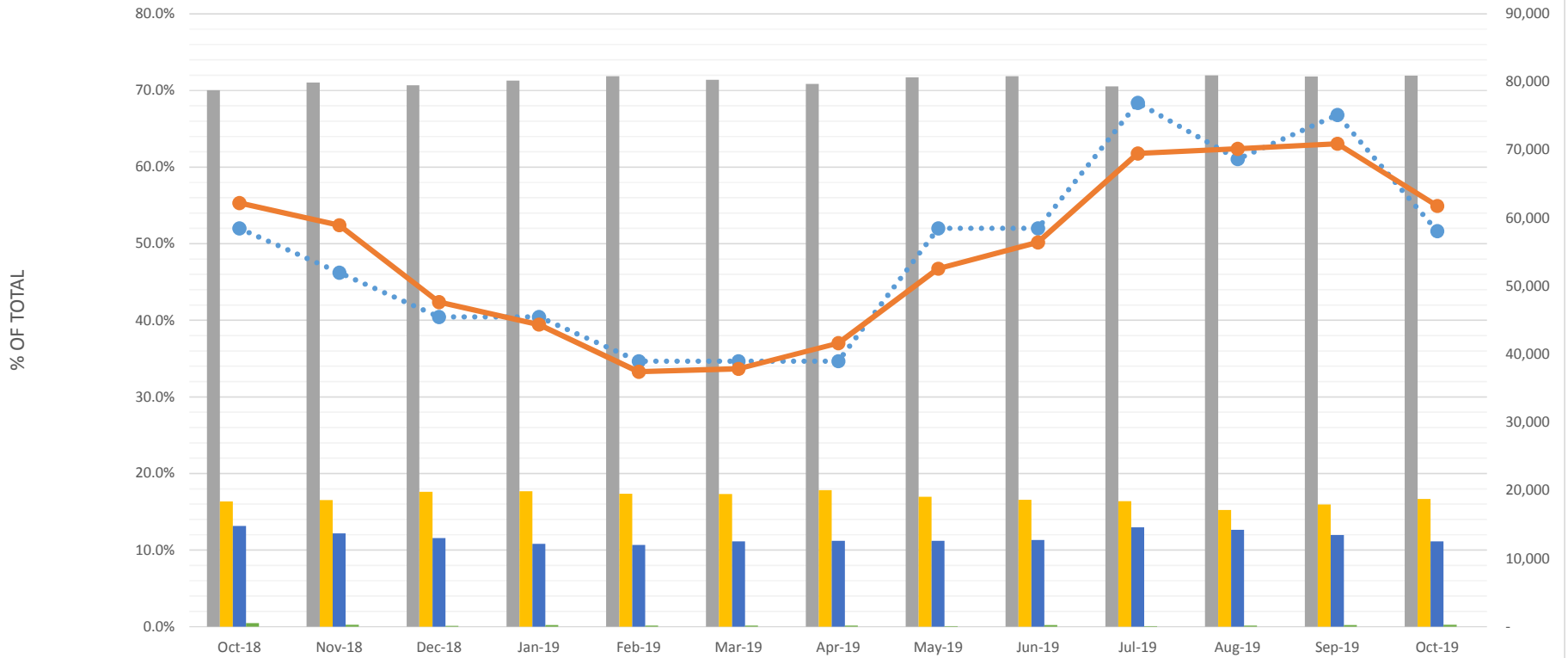
FINANCIAL SUMMARY

October YTD is tracking relatively as expected. Consumption has been lower than anticipated, so we will continue to monitor. Expenses always track slightly higher the beginning of the year, this is due to a lot of once a year invoices being paid, such as the workman comp and liability insurances. Please see the Monthly Financial report for further detail.

- Operating Revenue: Consumption has been tracking slightly below prior years averages, but it is too early to tell how significantly it could impact the full year. Based on the current trend, it is anticipated consumption revenue is tracking \$100,000 below the anticipated budget.
- Operating Expenses: Expenses are in line with expectations, given the large volume of annual invoices typically paid in July of each year. The PG&E power shut offs are anticipated to cost approximately \$100K. Invoices have still been coming in, but we will have a full reconciliation with the November report.
- Operating Income (loss): Summer months typically carry a higher operating income, that helps carry us through the lower winter consumptions months.
- Overall Outlook: October numbers are in line with expectations. We will continue to monitor consumption trends for any significant shifts from expectations.

	October		Full Year	
	Current Month	YTD	Budget	% of Budget
Operating Revenue	\$ 959,879	\$ 3,653,139	\$ 10,817,670	34%
Operating Expenses	\$ 622,545	\$ 2,566,300	\$ 7,817,156	33%
Operating Income	\$ 337,334	\$ 1,086,839	\$ 3,000,514	36%

13 MONTH CONSUMPTION TRENDS



	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19
Residential	70.0%	71.0%	70.7%	71.3%	71.8%	71.4%	70.8%	71.7%	71.9%	70.5%	72.0%	71.8%	71.9%
Multi Residential	16.4%	16.5%	17.6%	17.7%	17.4%	17.3%	17.8%	17.0%	16.6%	16.4%	15.2%	16.0%	16.7%
Commercial	13.2%	12.2%	11.6%	10.8%	10.7%	11.1%	11.2%	11.2%	11.3%	13.0%	12.6%	12.0%	11.2%
Bulk Water	0.5%	0.3%	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.2%	0.1%	0.1%	0.2%	0.2%
Other Systems	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
BUDGETED UNITS	58,500	52,000	45,500	45,500	39,000	39,000	39,000	58,500	58,500	76,946	68,660	75,158	58,092
ACTUAL UNITS	62,230	58,962	47,684	44,397	37,442	37,870	41,646	52,584	56,456	69,511	70,199	70,935	61,797

CUSTOMER SERVICE DEPT SUMMARY

These statistics are meant to show some of the trends and fluctuations in utility billing related items. Management will use these to look for abnormalities or seasonal trends that can impact staff time. For example, the cut in/out process is typically correlated to the real estate market.

	*	*			*	*	*	*		*			
Monthly Stats:	Oct-19	Sep-19	Aug-19	Jul-19	Jun-19	May-19	Apr-19	Mar-19	Feb-19	Jan-19	Dec-18	Nov-18	Oct-18
Cut In/Outs	42	58	83	142	97	105	83	60	38	58	34	63	66
Tags	90	120	184	169	95	256	95	238	124	210	157	191	158
Turn-offs	14	30	38	23	21	30	35	19	34	38	25	26	42

These statistics were initially used to help show growth of online use with Springbrook. These will become even more meaningful as the District does a push to encourage people to savetime and money by signing up online to pay bills and e-bills.

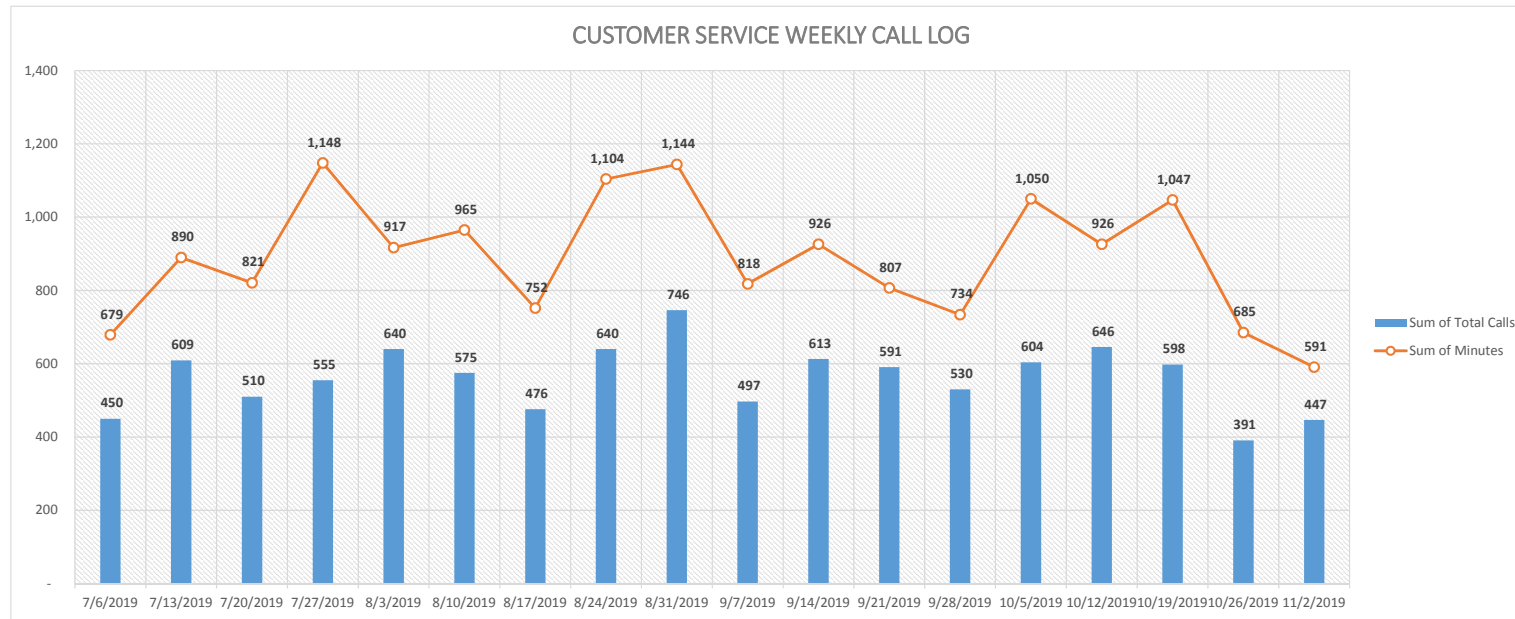
Online / Going Green [1]

As of 10/10/2019

Online Sign-ups	4,589	4,504	4,439	4,414	4,334	4,293	4,240	4,184	4,120	4,078	4,033	3,980	3,938
E-Bills	1,763	1,727	1,697	1,686	1,624	1,590	1,522	1,413	1,378	1,356	1,326	1,302	1,284
Auto Pay	2,901	2,874	2,778	2,707	2,518	2,551	2,725	2,706	2,659	2,716	2,673	2,638	2,603

* Due to timing, had abnormal tag periods

[1] Please note these numbers are slightly higher than actuals being utilized. When a person closes their account, they typically leave their online account active for a while for their own personal records. We currently do not have an easy way to break down to only active customers.



Week Ending	Incoming Calls		Outgoing Calls		Total Calls	
	# Calls	Minutes	# Calls	Minutes	# Calls	Minutes
7/6/2019	307	578	143	101	450	679
7/13/2019	373	753	236	137	609	890
7/20/2019	316	592	194	230	510	821
7/27/2019	346	808	209	340	555	1,148
8/3/2019	454	748	186	169	640	917
8/10/2019	361	779	214	185	575	965
8/17/2019	335	663	141	89	476	752
8/24/2019	353	779	287	325	640	1,104
8/31/2019	513	984	233	160	746	1,144
9/7/2019	317	717	180	100	497	818
9/14/2019	408	799	205	127	613	926
9/21/2019	338	613	253	194	591	807
9/28/2019	292	572	238	162	530	734
10/5/2019	391	890	213	160	604	1,050
10/12/2019	405	741	241	184	646	926
10/19/2019	345	794	253	254	598	1,047
10/26/2019	243	502	148	183	391	685
11/2/2019	228	499	159	92	447	591

Weekly Notes
Tags, Main Breaks: 15131 Two Bar, Scenic Wy & Hillcrest, 455 Lockwood, Oak Ave., 540 Primevera. Turn off, Main Breaks: 168 Willow Brook Dr., 1115 Forest Dr., 285 Hoot Owl Wy, 11545 Alta Via, Zayante School Rd, 280 Miraflored Rd, 220 Sylvan, 415 Fairview Ave., Prospect, 14705 Bear Creek Rd, 1111 Forest Way, 525 Hillcrest Dr., Kirby.
Tags, Main Breaks: 10341 California Dr., 750 Park Dr., 206/216 Crecent Dr., 364 Brimblecom Rd., 555 Cook Wy., Scenic Wy, Manzanita Rc Turn off, Main Breaks: 145 Grove St., 433 Manzanita Ave., Mountain St., 225 Brier, 15245 Bear Creek Rd, 221 Amity Way.,
Tags, Main Breaks: 13728 Bear Creek Rd, 550 El Solyo Heights Dr., Scenic Wy & Hillcrest, 9460 Sunnyside Ave. Turn off, Main Breaks: 609 Redwood Dr., 225 Brier Dr., Scenic Way & Greenbank, 12704 Hwy 9, 8215 & 8225 Glen Arbor Rd., 5995 Plaeau Dr., 9675 Brookside Ave., 320 Blue Ridge Dr., 1610 Jackson Ave.
Tags, Main Breaks: 123 Baywood Rd., 12520 Boulder St., 240 Main St., Blue Ridge Dr., 10610 Visitar St., 315 St. Francis, 100 Brookside Dr., 15745 Kings Creek Rd., 255 Glenwood Rd., 212 riverside Park Dr., Turn off, Main Breaks: 8195 Oak Ave., 12704 Hwy 9, 455 Lockwood Ln, 140 Sweet Pea Ln, 230 Brackney Rd., 498 Ralston Ridge, 11871 Van Allen, 1191 Laurel Ave.
Tags, Main Breaks: 550 El Solyo Heights Dr., 14320 Big Basin Way, 280 Mesa Dr., 410 Rincon Way, 340 Bernstein Dr, 17990 Hwy 9, W. Zayante & Storm, 595 Romona Dr, 12520 Ramona Dr., 12520 Boulder ST, 825 Boulder St.
Turn off, 155 Amity Way, 8500 Glen Arbor Rd., 131 Redwood Wy, 505 Estates Dr., Strom Ln, 9341 Mill St., Hwy 236 Tags, 150 Lovers Ln., 7134 Hwy 9, 9355 Mill St., 8680 Hwy 9, 5600 Lincoln Wy., 13101 Hwy 9, 100 Brookside Ave., 380 Railroad Ave., 100 Brookside Ave., 380 RailRoad Ave.
Turn off, 100 Brookside Dr., 15610 Hwy 9, Middleton Ave.
Forest Way, 360 Hallsons Ln, Blackstone Dr., Payone Dr., 605 Spring Creek, 10300 Alba Rd., La Lena St., Intersection Hwy 9 & Main St., Tags, Main Breaks: 7605 Hihn Rd., 558 Winifred Wy., End of Redwood Dr., More Dr., Irwin Wy., 10720 Lake Blvd. Turn off, Main Breaks: 7700 E Zayante Rd., Lorenzo Ave., Upper Redwood, 386 Meadow Dr., Dundee Ave., 15605 Hwy 9, 175 Shadowbrook Ln., High St., Country Club, Irwin Wy., 585 Orman Rd., Rowardennan Dr. & Hwy 9, 10649 Visitar St.
Tags, Main Breaks: 1555 Jackson Ave., 335 Vista Terrace, Nellie Ln., 235 Circle Wy.,
Turn off, Main Breaks: N/A
No tags due to the power outages; 14660 West Park, 215 Ridge, 7766 Hwy 9, Park Dr., Scenic Dr.

REVENUE STABILIZATION RATE ANALYSIS FY1920

In accordance with the District's Revenue Stabilization Rates Policy & Procedures, the District Manager shall provide the Board of Directors with the average units of water sales (by month) for the rolling previous three years, which will serve as the baseline against which current annual sales to date will be compared. If the District Manager determines that budget-year water sales (in units) to date, and corresponding revenue, is more than 10% below expected year-to-date levels (based on monthly averages over the previous three years), the District Manager shall notify, at a public meeting, the Board of Directors of this determination at or before the next regularly scheduled Board meeting. For more information, please refer to the District's full Policy & Procedures.

MONTHLY CONSUMPTION IN UNITS BY FISCAL YEAR (BASELINE)

	July	August	September	October	November	December	January	February	March	April	May	June	TOTAL
FY1617	74,199	73,414	71,825	59,518	41,777	45,698	45,401	37,667	41,173	42,898	52,932	68,388	654,889
FY1718	81,254	78,331	76,259	65,658	58,601	42,693	48,947	40,431	42,401	41,263	52,088	69,321	697,247
FY1819	69,843	76,594	70,487	62,230	58,962	47,684	44,397	37,442	37,870	41,646	52,584	56,456	656,195
3 YR AVERAGE (BASELINE)	75,099	76,113	72,857	62,469	53,113	45,358	46,248	38,513	40,481	41,936	52,535	64,722	669,444

ACTUAL FY1920 CONSUMPTION

FY1920	69,511	70,199	70,935	61,797									272,443
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CUMULATIVE ANALYSIS

% Above or Below Average	-7%	-8%	-3%	-1%									
Cumulative %	-7%	-8%	-6%	-5%									

NOTES:

Consumption is cumulatively slightly below the prior three year average baseline. As of October 2019 consumption, the cumulative consumption is 5% below the baseline. There are no triggers identified per the revenue stabilization rate policy.

OPERATING ANALYSIS - OCTOBER 2019

REVENUE BY CATEGORY

DESCRIPTION	COMPARING AGAINST PRIOR YEAR					COMPARING AGAINST BUDGET		
	ACTUALS	% OF TOTAL	PRIOR YEAR	\$ Diff.	% Diff.	Act. % of Budget	ANNUAL BUDGET	% of Annual
WATER USAGE	\$ 682,882	71.1%	\$ 645,508	\$ 37,374	6%	9%	\$ 7,395,500	68%
BASIC CHARGES	260,905	27.2%	245,212	15,693	6%	8%	3,163,000	29%
METERS, PENALTIES & OTHER	6,080	0.6%	6,135	(55)	-1%	5%	127,000	1%
SEWER CHARGES	10,012	1.0%	8,344	1,668	20%	8%	132,170	1%
TOTAL OPERATING REVENUE	\$ 959,879	100.0%	\$ 905,199	\$ 54,680	6%	9%	\$ 10,817,670	100%

REVENUE COMMENTS

Water Usage: Oct 19 was 1% below the same time in Oct of the prior year. Remaining basic charge increase was due to the rate increase.

Sewer Charges: New rates went into effect Dec 18.

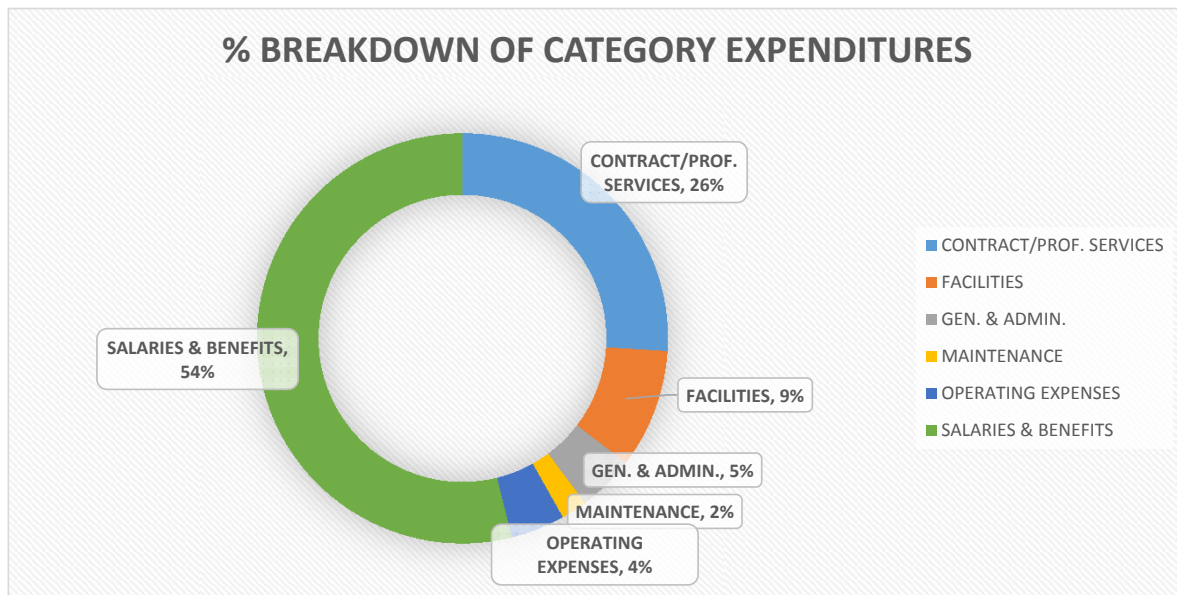
EXPENSES BY CATEGORY

DESCRIPTION	COMPARING AGAINST PRIOR YEAR					COMPARING AGAINST BUDGET		
	ACTUALS	% OF TOTAL	PRIOR YEAR	\$ Diff.	% Diff.	Act. % of Budget	ANNUAL BUDGET	% of Annual
SALARIES & BENEFITS	\$ 335,364	53.9%	\$ 327,440	\$ 7,924	2%	6%	\$ 5,164,975	66%
CONTRACT/PROF. SERVICES	161,807	26.0%	220,894	(59,087)	-27%	15%	1,070,711	14%
OPERATING EXPENSES	26,514	4.3%	32,378	(5,864)	-18%	6%	435,250	6%
MAINTENANCE	12,671	2.0%	11,277	1,394	12%	6%	218,850	3%
FACILITIES	58,349	9.4%	58,815	(465)	-1%	10%	591,700	8%
GEN. & ADMIN.	27,839	4.5%	25,456	2,383	9%	8%	335,670	4%
TOTAL OPERATING EXPENSES	\$ 622,545	100%	\$ 676,260	\$ (53,716)	-8%	8%	\$ 7,817,156	100%

EXPENSE COMMENTS

Overall expenses tracked similar to prior year.

Legal Bills: Oct 19 legal bills were \$18K, compared to prior year \$70K



OPERATING ANALYSIS - YTD FY1920 (JULY-OCTOBER)

REVENUE BY CATEGORY

DESCRIPTION	COMPARING AGAINST PRIOR YEAR					COMPARING AGAINST BUDGET		
	ACTUALS	% OF TOTAL	PRIOR YEAR	\$ Diff.	% Diff.	Act. % of Budget	ANNUAL BUDGET	% of Annual
WATER USAGE	\$ 2,565,227	70.2%	\$ 2,488,281	\$ 76,947	3%	35%	\$ 7,395,500	68%
BASIC CHARGES	1,022,551	28.0%	956,653	65,898	7%	32%	3,163,000	29%
METERS, PENALTIES & OTHER	25,305	0.7%	27,905	(2,600)	-9%	20%	127,000	1%
SEWER CHARGES	40,056	1.1%	33,377	6,678	20%	30%	132,170	1%
TOTAL OPERATING REVENUE	\$ 3,653,139	100.0%	\$ 3,506,216	\$ 146,923	4%	34%	\$ 10,817,670	100%

REVENUE COMMENTS

YTD revenues are higher due to the rate increase that went into effect Nov 2018. The change in rate structure is still seen in the Basic Charge shift. Offsetting is the fact consumption was down 5% compared to prior year.

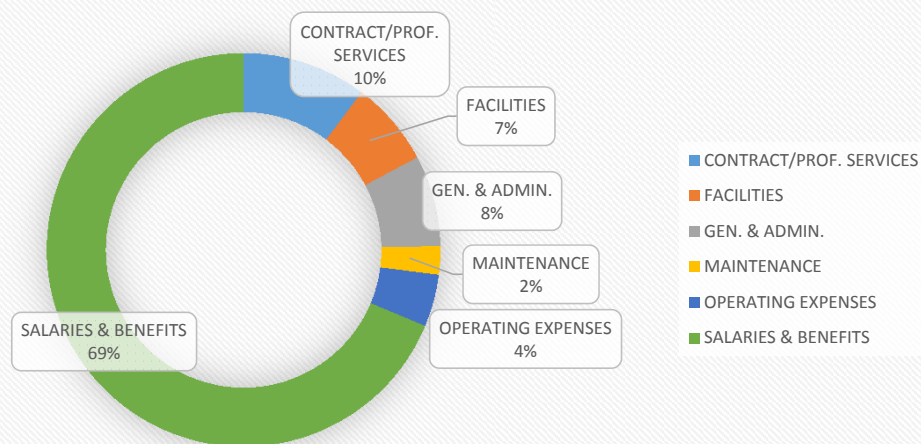
EXPENSES BY CATEGORY

DESCRIPTION	COMPARING AGAINST PRIOR YEAR					COMPARING AGAINST BUDGET		
	ACTUALS	% OF TOTAL	PRIOR YEAR	\$ Diff.	% Diff.	Act. % of Budget	ANNUAL BUDGET	% of Annual
SALARIES & BENEFITS	\$ 1,762,776	68.7%	\$ 1,673,151	\$ 89,626	5%	34%	\$ 5,164,975	66%
CONTRACT/PROF. SERVICES	262,532	10.2%	356,373	(93,840)	-26%	25%	1,070,711	14%
OPERATING EXPENSES	110,042	4.3%	119,734	(9,693)	-8%	25%	435,250	6%
MAINTENANCE	59,901	2.3%	43,228	16,673	39%	27%	218,850	3%
FACILITIES	179,091	7.0%	162,619	16,473	10%	30%	591,700	8%
GEN. & ADMIN.	191,958	7.5%	174,730	17,228	10%	57%	335,670	4%
TOTAL OPERATING EXPENSES	\$ 2,566,300	100%	\$ 2,529,834	\$ 36,467	1%	33%	\$ 7,817,156	100%

EXPENSE COMMENTS

Contract/Prof. Serv.: Legal prior year was \$35K higher.
Maintenance was high due to major truck bed repair, this was budgeted for.
Facilities were higher due to timing of bills yr over yr
Gen&Admin: \$18K increase to liability insurance year over year.

% BREAKDOWN OF CATEGORY EXPENDITURES



OPERATING ANALYSIS - YTD TREND FY1920

REVENUE BY CATEGORY

DESCRIPTION	JULY	AUGUST	SEPTEMBER	OCTOBER	YTD	BUDGET	% OF BUD.
WATER USAGE	358,244	754,239	769,863	682,882	2,565,227	7,395,500	35%
BASIC CHARGES	253,518	253,941	254,187	260,905	1,022,551	3,163,000	32%
METERS, PENALTIES & OTHER	5,620	9,985	3,620	6,080	25,305	127,000	20%
SEWER CHARGES	10,013	9,857	10,174	10,012	40,056	132,170	30%
TOTAL OPERATING REVENUE	627,395	1,028,021	1,037,844	959,879	3,653,139	10,817,670	34%

EXPENSES BY CATEGORY

DESCRIPTION	JULY	AUGUST	SEPTEMBER	OCTOBER	YTD	BUDGET	% OF BUD.
SALARY & BENEFITS	764,139	305,763	357,510	335,364	1,762,776	5,164,975	34%
CONTRACT/PROF. SERVICES	21,644	34,367	44,713	161,807	262,532	1,070,711	25%
OPERATING EXPENSES	20,127	30,756	32,644	26,514	110,042	435,250	25%
MAINTENANCE	6,890	25,710	14,630	12,671	59,901	218,850	27%
FACILITIES	11,977	52,999	55,767	58,349	179,091	591,700	30%
GEN. & ADMIN.	131,372	18,702	14,045	27,839	191,958	335,670	57%
TOTAL OPERATING EXPENSES	956,149	468,298	519,309	622,545	2,566,300	7,817,156	33%
OPERATING INCOME (LOSS)	(328,754)	559,723	518,535	337,334	1,086,839	3,000,514	36%

COMMENTS

REVENUE/EXPENSES:

Current year to date revenue and expenses are tracking as expected overall. Please refer to the current month analysis for any further detail on revenue or expenses.

GENERAL/PROCESS:

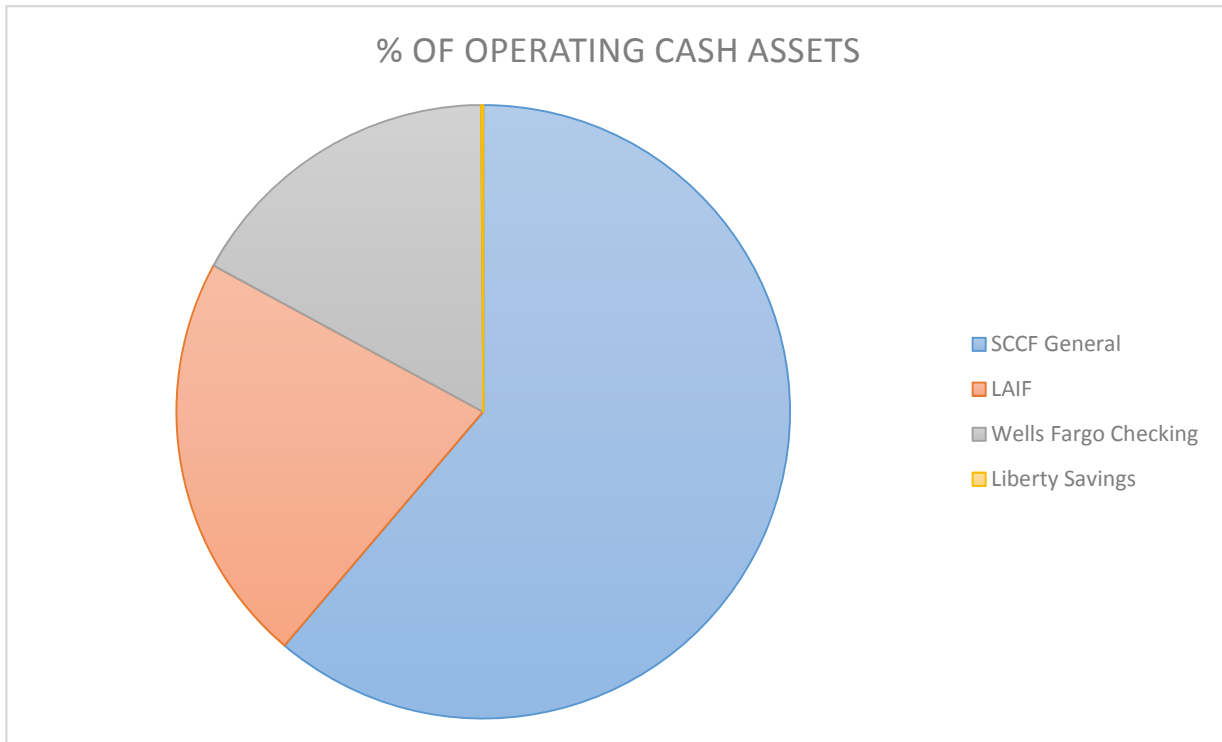
There are annual/one-time expenses paid upfront that could cause individual months to appear skewed or accrual based accounting that will impact June/July more so. An example of this would be some insurances are paid in July, this causes July expenses to appear higher than other months. The District operates on an annual budget and performs accrual based accounting procedures for a hard year end close, this is typical for governmental accounting.

Data is continuously being reviewed, so it is not un-common for a prior report balance to change slightly throughout the year as accounts are reconciled.

CASH BALANCES AS OF

10/31/2019

	CASH BALANCE	Ave Interest Rate
OPERATING ACCOUNTS		
Wells Fargo Checking	\$ 680,001	0.35%
Liberty Savings	\$ 4,519	0.15%
LAIF	\$ 869,347	2.19%
SCCF General	<u>\$ 2,452,039</u>	2.25%
OPERATING BALANCE	\$ 4,005,906	
RESTRICTED ACCOUNTS		
SCCF Lompico Assessment District	\$ 332,638	2.25% <i>For AD Projects</i>
SCCF Olympia Assessment District	\$ 57,486	2.25% <i>For Debt Repayment</i>
SCCF Probation Tank Loan Proceeds	\$ 286,526	2.25% <i>Loan Proceeds</i>
SCCF \$14.5M COP Proceeds	\$ 14,554,719	2.25% <i>Loan Proceeds</i>
CB&T Escrow Fund SRF	\$ 108,826	0.09% <i>For Debt Repayment</i>
CB&T Escrow Fund DOWR	<u>\$ 231,135</u>	0.09% <i>For Debt Repayment</i>
RESTRICTED BALANCE	\$ 15,571,330	



California State Treasurer
Fiona Ma, CPA



Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

November 27, 2019

[LAIF Home](#)
[PMIA Average Monthly Yields](#)

SAN LORENZO VALLEY WATER DISTRICT

DISTRICT MANAGER
13060 HIGHWAY 9
BOULDER CREEK, CA 95006

[Tran Type Definitions](#)

October 2019 Statement

Effective Date	Transaction Date	Tran Type	Confirm Number	Authorized Caller	Amount
10/15/2019	10/15/2019	QRD	1621114	SYSTEM	5,322.14

Account Summary

Total Deposit:	5,322.14	Beginning Balance:	864,025.26
Total Withdrawal:	0.00	Ending Balance:	869,347.40

G/L Balances

Criteria: As Of = 10/31/2019; Fund = 76644, 76530

G/L Account	Title	Beginning Balance	Year-To-Date Debits	Year-To-Date Credits	End Balance
Fund 76530 -- SLV-LOMPICO WTR, EFF 6/2/16					
Sub-Fund 76530001 -- SLV-WTR, EFF 6/2/16					
000	NOT APPLICABLE	0.00	5.57	(3,485.06)	(3,479.49)
101	EQUITY IN POOLED CASH	167,067.65	3,484.42	(4.93)	170,547.14
240	STALE DATED WARRANTS LIABILITY	(1,363.90)	0.00	0.00	(1,363.90)
344	FUND BALANCE	(165,703.75)	0.00	0.00	(165,703.75)
Total Sub-Fund 76530001		0.00	3,489.99	(3,489.99)	0.00
Sub-Fund 76530200 -- SLV-LOMPICO WTR-ASSESSMENTS					
000	NOT APPLICABLE	0.00	78,167.37	(11,146.42)	67,020.95
101	EQUITY IN POOLED CASH	557,702.39	11,146.42	(78,167.37)	490,681.44
344	FUND BALANCE	(557,702.39)	0.00	0.00	(557,702.39)
Total Sub-Fund 76530200		0.00	89,313.79	(89,313.79)	0.00
Total Fund 76530		0.00	92,803.78	(92,803.78)	0.00
Fund 76644 -- SAN LORENZO VALLEY WATER TRUST					
Sub-Fund 76644001 -- SAN LORENZO VALLEY WATER TRUST					
000	NOT APPLICABLE	0.00	700,047.81	(1,113,521.38)	(413,473.57)
101	EQUITY IN POOLED CASH	1,681,679.61	1,113,515.92	(700,042.35)	2,095,153.18
201	VOUCHERS PAYABLE (VENDOR)	0.00	700,000.00	(700,000.00)	0.00
344	FUND BALANCE	(1,681,679.61)	0.00	0.00	(1,681,679.61)
Total Sub-Fund 76644001		0.00	2,513,563.73	(2,513,563.73)	0.00
Sub-Fund 76644100 -- SAN LORENZO VLY WTR-OLYMPIA MU					
000	NOT APPLICABLE	0.00	24,360.00	(535.63)	23,824.37
101	EQUITY IN POOLED CASH	81,310.01	535.63	(24,360.00)	57,485.64
344	FUND BALANCE	(81,310.01)	0.00	0.00	(81,310.01)
Total Sub-Fund 76644100		0.00	24,895.63	(24,895.63)	0.00
Sub-Fund 76644200 -- SLV WATER-SUBFD FOR LOAN CASH					
000	NOT APPLICABLE	0.00	1,537,228.67	(11,334.64)	1,525,894.03
101	EQUITY IN POOLED CASH	1,839,265.23	11,334.64	(1,537,228.67)	313,371.20
201	VOUCHERS PAYABLE (VENDOR)	0.00	565,157.38	(565,157.38)	0.00
344	FUND BALANCE	(1,839,265.23)	0.00	0.00	(1,839,265.23)
Total Sub-Fund 76644200		0.00	2,113,720.69	(2,113,720.69)	0.00

G/L Balances

Criteria: As Of = 10/31/2019; Fund = 76644, 76530

<u>G/L Account</u>	<u>Title</u>	<u>Beginning Balance</u>	<u>Year-To-Date Debits</u>	<u>Year-To-Date Credits</u>	<u>End Balance</u>
Fund 76644 -- SAN LORENZO VALLEY WATER TRUST					
Sub-Fund 76644300 -- SLV WATER 2019 COP-SUBFD					
000	NOT APPLICABLE	0.00	9,000.75	(14,565,170.06)	(14,556,169.31)
101	EQUITY IN POOLED CASH	0.00	14,565,170.06	(9,000.75)	14,556,169.31
Total Sub-Fund 76644300		0.00	14,574,170.81	(14,574,170.81)	0.00
Total Fund 76644		0.00	19,226,350.86	(19,226,350.86)	0.00

Accounts Payable

Checks by Date - Detail by Check Number

User: rachelmunoz
Printed: 11/26/2019 11:05 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
ACH	00054	PACIFIC GAS AND ELECTRIC	11/18/2019		
	1019_365802406A	UTILITIES_ADMIN			735.57
	1019_365802406B	UTILITIES_OPS			9,992.53
	1019_365802406C	UTILITIES_WTP			27,986.98
	1019_365802406D	UTILITIES_BCE WASTEWATER			250.18
Total for this ACH Check for Vendor 00054:				0.00	38,965.26
ACH	10005 226457	ICMA RETIREMENT C/O M & T RETIRI RETIREMENT WITHHOLDING_PP ENDING	11/07/2019		3,155.00
Total for this ACH Check for Vendor 10005:				0.00	3,155.00
ACH	00178	CALPERS	11/01/2019		
	NOV 2019.1	HEALTH INSURANCE_ADMIN			2,367.94
	NOV 2019.2	HEALTH INSURANCE_FINANCE			13,756.51
	NOV 2019.3	HEALTH INSURANCE_ENGINEERING			768.25
	NOV 2019.4	HEALTH INSURANCE_OPS			18,647.54
	NOV 2019.5	HEALTH INS_RETIREE EMP MEDICAL			900.00
	NOV 2019.6	HEALTH INSURANCE_WTP			10,491.43
	NOV 2019.7	HEALTH INSURANCE_ADMIN FEE			143.81
	NOV 2019.8	HEALTH INSURANCE			2,189.11
Total for this ACH Check for Vendor 00178:				0.00	49,264.59
ACH	10005 234604	ICMA RETIREMENT C/O M & T RETIRI RETIREMENT WITHHOLDING_PP ENDING	11/20/2019		3,155.00
Total for this ACH Check for Vendor 10005:				0.00	3,155.00
18202	00589 7809_OCT19	ALLARD'S SEPTIC SERVICE KIRBY PLANT	10/30/2019		300.00
Total for Check Number 18202:				0.00	300.00
18203	00729 9101899 9103131	ALPHA ANALYTICAL LABS LAB FEES-ANALYTICAL SERVICES LAB FEES-ANALYTICAL SERVICES	10/30/2019		590.00 1,032.00
Total for Check Number 18203:				0.00	1,622.00
18204	00309 71749805606A 71749805606B 71749805606C	AT&T IP SERVICES IP SERVICES_ADMIN IP SERVICES_OPS IP SERVICES_WTP	10/30/2019		396.35 396.34 396.35
Total for Check Number 18204:				0.00	1,189.04
18205	00145 P19668360	BATTERIES PLUS PHONE CHARGER CABLE	10/30/2019		23.93

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 18205:	0.00	23.93
18206	00788 101619_1018662	COMCAST INTERNET_264 ORCHARD ROAD	10/30/2019		148.38
			Total for Check Number 18206:	0.00	148.38
18207	00788 101919_1028380	COMCAST INTERNET_7400 HIGHWAY 9	10/30/2019		153.38
			Total for Check Number 18207:	0.00	153.38
18208	00286 49493-C0S5L6	CSBA DISTRICT SERVICES GASB AMM REPORT	10/30/2019		1,500.00
			Total for Check Number 18208:	0.00	1,500.00
18209	00505 10342230161	DELL MARKETING LP POWER ADAPTER FOR HOLLY	10/30/2019		45.12
			Total for Check Number 18209:	0.00	45.12
18210	00409 OCT2019_409	EASYPERMIT POSTAGE POSTAGE METER REFILL	10/30/2019		500.00
			Total for Check Number 18210:	0.00	500.00
18211	10271 B90116.00-01A B90116.00-01B	EKI ENVIRONMENT & WATER AS NEEDED HYDROGEOLOGICAL CONSU AS NEEDED HYDROGEOLOGICAL CONSU	10/30/2019		212.00 2,054.00
			Total for Check Number 18211:	0.00	2,266.00
18212	00450 L0475824	EUROFINS WATER ANALYSIS-PASO 5A_PASO 7	10/30/2019		60.00
			Total for Check Number 18212:	0.00	60.00
18213	00991 980062A31	EWING IRRIGATION PRODUCTS FELTON ACRES DRAIN PIPE_WO#1363	10/30/2019		1,240.64
			Total for Check Number 18213:	0.00	1,240.64
18214	00118 69532804	FARMER BROTHERS COFFEE COFFEE SUPPLIES_OPS	10/30/2019		222.57
			Total for Check Number 18214:	0.00	222.57
18215	00210 0249328	FISHER SCIENTIFIC LAB THERMOMETER_WTP	10/30/2019		151.64
			Total for Check Number 18215:	0.00	151.64
18216	UB*00676	PAUL FROMMHERZ Refund Check	10/30/2019		14.86
			Total for Check Number 18216:	0.00	14.86
18217	10208 SIO3249	GOLDEN STATE COMUNICATIONS, IN REPEATER REPAIR_OPS	10/30/2019		840.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 18217:	0.00	840.00
18218	UB*00675	MARK RODUNDER Refund Check	10/30/2019		42.51
			Total for Check Number 18218:	0.00	42.51
18219	00329 9320054738 9324498006 9326128254	GRAINGER PASO 8 CL2 BLDG_WO#814 DUAL CONTAINMENT DRUM_WTP DANGER DIESEL STICKERS	10/30/2019		295.39 302.63 26.21
			Total for Check Number 18219:	0.00	624.23
18220	00080 1683404 1683459	GRANITE CONSTRUCTION CO QUAIL BINS PINE TANK ACCESS ROAD PAVING	10/30/2019		47.09 1,213.17
			Total for Check Number 18220:	0.00	1,260.26
18221	10262 890	SMILING GRILLE AUTO REPAIR TRAILER REPAIR_VE-710	10/30/2019		416.26
			Total for Check Number 18221:	0.00	416.26
18222	00256 102119_256	JESSE GUIVER OT MEAL	10/30/2019		15.00
			Total for Check Number 18222:	0.00	15.00
18223	00722 EA0220-2117	SWRCB - ELAP LYON PLANT LAB_PERMIT CERTIFICATIO	10/30/2019		3,289.00
			Total for Check Number 18223:	0.00	3,289.00
18224	10246 R-34988A R-34988B R-34988C	OVISS LABS INCORPORATED NEW VIDEO SECURITY SYSTEM (KIRBY W NEW VIDEO SECURITY SYSTEM (FALL CR NEW VIDEO SECURITY SYSTEM (LYON W'	10/30/2019		64.31 64.31 64.31
			Total for Check Number 18224:	0.00	192.93
18225	10184 269498 269501	THATCHER COMPANY, INC CHLORINE EMPTIES_REFUND	10/30/2019		3,144.08 -760.00
			Total for Check Number 18225:	0.00	2,384.08
18226	10205 20191010033845	RED WING BUSINESS ADVANTAGE AC SAFETY BOOTS FOR 207	10/30/2019		301.78
			Total for Check Number 18226:	0.00	301.78
18229	00125 181918 342831 589243 589301	SCARBOROUGH LUMBER KIRBY PLANT UNIT #1 MISC SUPPLIES_OPS MISC SCREWS_OPS CHAINSAW REPAIR	10/30/2019		31.22 41.29 1.05 69.03
			Total for Check Number 18229:	0.00	142.59
18231	00168	SCOTTS VALLEY SPRINKLER	10/30/2019		

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	154609	KIRBY PLANT FILTER #1			49.84
			Total for Check Number 18231:	0.00	49.84
18233	00047	SOIL CONTROL LAB	10/30/2019		
	9100056	WATER ANALYSIS_5 LOCATIONS			145.00
	9100293	WATER ANALYSIS_5 LOCATIONS			145.00
			Total for Check Number 18233:	0.00	290.00
18234	10231	TIAA COMMERCIAL FINANCE, INC.	10/30/2019		
	6638027	5 YR LEASE NEW COPIER			253.45
			Total for Check Number 18234:	0.00	253.45
18235	01053	WATERWAYS CONSULTING, INC.	10/30/2019		
	13-0548-01	REVISED CONCEPT LEVEL DESIGNS_WO#			1,635.00
			Total for Check Number 18235:	0.00	1,635.00
18236	10152	WESTAMERICA BANK	10/30/2019		
	102019_10152A	TRUCK LOAN_INTEREST_OCT2019			175.36
	102019_10152B	TRUCK LOAN_PRINCIPAL_OCT2019			1,925.32
			Total for Check Number 18236:	0.00	2,100.68
18237	00362	ACCELA, INC #774375	11/06/2019		
	ACC48916	ANNUAL SOFTWARE_11/21/19-11/20/20			24,723.00
	ACC48917	CIVICPAY ONLINE_11/21/19-11/20/20			2,200.00
	ACC88342CM	CREDIT MEMO PER MARK MCCLENAHAN			-5,000.00
			Total for Check Number 18237:	0.00	21,923.00
18238	10269	AKEL ENGINEERING GROUP, INC.	11/06/2019		
	19523-02	SLVWD 2019 WATER MASTER PLAN			7,484.50
			Total for Check Number 18238:	0.00	7,484.50
18239	00055	AT&T	11/06/2019		
	1019_8313355273	PHONE_FELTON ACRES			189.96
			Total for Check Number 18239:	0.00	189.96
18240	00686	AT&T LONG DISTANCE	11/06/2019		
	1019_834287386	LONG DISTANCE			1.15
			Total for Check Number 18240:	0.00	1.15
18241	UB*00436	ALBERT BRUSH	11/06/2019		
		Refund Check			119.73
			Total for Check Number 18241:	0.00	119.73
18242	00415	CA BANK & TRUST/GOV SVC DEPT_10	11/06/2019		
	NOV2019_415	1976 SAFE DRINKING WATER BOND_NOV2			15,581.43
			Total for Check Number 18242:	0.00	15,581.43
18243	00363	CINCINNATI LIFE INSURANCE CO	11/06/2019		
	OCT19_363	LIFE INSURANCE_OCTOBER 2019			28.00
			Total for Check Number 18243:	0.00	28.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
18244	01050 4377735-1013098	COLONIAL LIFE 2019 INSURANCE PREMIUMS_PP ENDING	11/06/2019		559.04
			Total for Check Number 18244:	0.00	559.04
18245	00172 103019_172	JOSEPH F. CONE TROWEL	11/06/2019		10.89
			Total for Check Number 18245:	0.00	10.89
18246	00076 798056	ERNIE'S AUTO CENTER BLOWER REPAIR_VE#280	11/06/2019		49.30
			Total for Check Number 18246:	0.00	49.30
18247	00343 80335 80359	ERNIE'S SERVICE CENTER BATTERY_OIL SERVICE_VE-121 VE-249_HEAT A/C REPAIR	11/06/2019		269.67 735.43
			Total for Check Number 18247:	0.00	1,005.10
18248	00329 9171154223	GRAINGER APRONS_WTP	11/06/2019		141.89
			Total for Check Number 18248:	0.00	141.89
18249	00245 102119_245	DONALD F. LONG, JR AFTER HOURS MEALS	11/06/2019		15.00
			Total for Check Number 18249:	0.00	15.00
18250	01052 102819_1052A 102819_1052B	SCOTT MATTOCH PSPS EVENT_WO#1570 FOLDING TABLE	11/06/2019		162.24 32.69
			Total for Check Number 18250:	0.00	194.93
18251	00082 240999	MID VALLEY SUPPLY SUPPLIES_ADMIN	11/06/2019		93.34
			Total for Check Number 18251:	0.00	93.34
18252	10139 S1121217.001 S1121289.001	NATIONAL METER & AUTOMATION METER 5/8" X 3/4" BADGER MODEL 25 CO ME ENDPOINT DRIVE-BY_NICOR CONNEC	11/06/2019		3,274.96 4,435.29
			Total for Check Number 18252:	0.00	7,710.25
18253	10246 R-35351A R-35351B R-35351C	OVISS LABS INCORPORATED NEW VIDEO SECURITY SYSTEM (KIRBY W NEW VIDEO SECURITY SYSTEM (FALL CR NEW VIDEO SECURITY SYSTEM (LYON W	11/06/2019		64.31 64.31 64.31
			Total for Check Number 18253:	0.00	192.93
18254	UB*00679	GARY REITSMA Refund Check	11/06/2019		95.22
			Total for Check Number 18254:	0.00	95.22
18255	UB*00680	EDWARD REYES Refund Check	11/06/2019		4.29

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 18255:	0.00	4.29
18256	00711	ROBERTS & BRUNE CO.	11/06/2019		
	S1882720.003	METER BOX LID B16 -BADGER ORION			607.21
	S1882728.005A	UNION GALV 2"			156.48
	S1882728.005B	COUPLING GALV 2"			135.64
	S1882728.005C	MTR VLV COPR-MTR STRT 1X1"			420.51
	S1882728.005D	ADPT.RINGS(PR)3/4-1"MTR SPUDS			208.50
	S1882728.005E	MTR CPLG PIPE-MTR 3/4" X 2"			202.99
	S1882728.005F	CORP PIPE-COPPER IP 1"			587.91
	S1882728.005G	SADDLE DS 4.40-4.80 X 2"			299.38
	S1882728.005H	VALVE BOX ALIGNER POSI-CAP			41.73
	S1882728.005I	BLUE PAINT WATERBASE #3620			99.19
	S1888056.001	LOMPICO PRV_WO#837			582.62
	S1888159.001	GATE VALVE 2" SQ NUT/250 PSI			1,743.40
	S1888159.002A	FLANGE RING GASKETS 6" NO BLT			40.93
	S1888159.002B	COMPRESSION COUPLING 3/4" G/T			335.93
			Total for Check Number 18256:	0.00	5,462.42
18257	00102	ANDY ROBUSTELLI	11/06/2019		
	102119_102	AFTER HOURS MEALS			15.00
	102919_102	T-2 CERTIFICATION			60.00
			Total for Check Number 18257:	0.00	75.00
18258	00100	RICK ROGERS	11/06/2019		
	102719_100	ICE_PSPS EVENT_WO#1570			6.53
			Total for Check Number 18258:	0.00	6.53
18259	00047	SOIL CONTROL LAB	11/06/2019		
	9100057	WATER ANALYSIS			39.00
	9100294	WATER ANALYSIS			39.00
	9100483	WATER ANALYSIS			145.00
	9100683	WATER ANALYSIS			145.00
			Total for Check Number 18259:	0.00	368.00
18260	00129	UNITED RENTALS (NORTH AMERICA)	11/06/2019		
	174729417-001	FIREHOUSE GENERATOR_PSPS #1_WO#15'			3,442.56
	175117776-001	BORING SERVICE LINE_OPS			358.83
			Total for Check Number 18260:	0.00	3,801.39
18261	10080	RICARDO VILLA	11/06/2019		
	102119_10080	AFTER HOURS MEALS			13.35
			Total for Check Number 18261:	0.00	13.35
18262	UB*00678	COLLEEN VILLEGAS	11/06/2019		
		Refund Check			41.07
			Total for Check Number 18262:	0.00	41.07
18263	00398	WATSONVILLE METAL CO.,INC	11/06/2019		
	8425823	DUMPSTER SERVICE_OPS			600.00
			Total for Check Number 18263:	0.00	600.00
18264	00013	CENTRAL HOME SUPPLY	11/06/2019		

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	47570	ASPHALT RAKE			84.90
			Total for Check Number 18264:	0.00	84.90
18265	UB*00677	SCOTT WILLIAMS Refund Check	11/06/2019		75.00
			Total for Check Number 18265:	0.00	75.00
18266	00141 431701	B & B SMALL ENGINE HONDA GENERATOR FOR PSPS_WO#1570	11/13/2019		1,253.44
			Total for Check Number 18266:	0.00	1,253.44
18267	10025 80039825	BADGER METER, INC BEACON SERVICES_OCT2019	11/13/2019		1,684.73
			Total for Check Number 18267:	0.00	1,684.73
18268	01077 102419_01077 102819_01077 110619_01077	JOSEPH B BEASLEY AFTER HOURS MEALS AFTER HOURS MEALS D-3 CERTIFICATION	11/13/2019		14.50 15.00 90.00
			Total for Check Number 18268:	0.00	119.50
18269	00566 1076810222019	C S S C ANSWERING SERVICE_09/22/19-10/21/19	11/13/2019		390.68
			Total for Check Number 18269:	0.00	390.68
18270	00788 102619_0987198	COMCAST INTERNET_195 KIRBY STREET	11/13/2019		153.38
			Total for Check Number 18270:	0.00	153.38
18271	00788 110119_1236033	COMCAST INTERNET_215 BLACKSTONE DRIVE	11/13/2019		175.19
			Total for Check Number 18271:	0.00	175.19
18272	00788 110119_1368455	COMCAST INTERNET_345 QUAIL TERRACE	11/13/2019		113.38
			Total for Check Number 18272:	0.00	113.38
18273	00265 2721	COMMUNITY TELEVISION BOARD MEETING COVERAGE 09/05/19 & 0	11/13/2019		817.00
			Total for Check Number 18273:	0.00	817.00
18274	00290 12079	CONTRACTOR COMPLIANCE & MONI PROBATION TANK_WO#823	11/13/2019		500.00
			Total for Check Number 18274:	0.00	500.00
18275	00076 798809 798922	ERNIE'S AUTO CENTER JUMPER CABLES WHEEL CHOCK	11/13/2019		31.05 38.13
			Total for Check Number 18275:	0.00	69.18
18276	00750	FEDAK & BROWN, LLP	11/13/2019		

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	102919_750	PROFESSIONAL SERVICES OCTOBER 2019			7,063.00
			Total for Check Number 18276:	0.00	7,063.00
18277	00080 1689749 1691062 1691612	GRANITE CONSTRUCTION CO HOT MIX_PAVING_OPS BACKFILL MATERIAL_OPS BASE ROCK_OPS	11/13/2019		366.24 444.78 67.85
			Total for Check Number 18277:	0.00	878.87
18278	10274 101619	TOM HAVLICK UNIFORMS	11/13/2019		244.08
			Total for Check Number 18278:	0.00	244.08
18279	00615 5344928	HOME DEPOT CREDIT SERVICES GAS CAN & EXTENSION CORD_WO#1570	11/13/2019		84.95
			Total for Check Number 18279:	0.00	84.95
18280	00367 160381A 160381B	INFOSEND, INC POSTAGE FEES MAILING FEES	11/13/2019		2,529.49 1,050.35
			Total for Check Number 18280:	0.00	3,579.84
18281	10245 1207760554	LOGMEIN USA, INC, AUDIO SERVICE_OCT2019	11/13/2019		56.25
			Total for Check Number 18281:	0.00	56.25
18282	10158 501659A 501659B	NOSSAMAN, LLP FEES FOR PROFESSIONAL SERVICES_09/30/ DISBURSEMENTS MADE THROUGH_09/30/	11/13/2019		17,730.00 436.85
			Total for Check Number 18282:	0.00	18,166.85
18283	10214 2141	MIKE PODLECH CONJUNCTIVE USE PLAN_OCTOBER 2019	11/13/2019		2,970.00
			Total for Check Number 18283:	0.00	2,970.00
18284	00512 A145804 E154280	RIVERSIDE LIGHTING PSPS#2 WIRING_WO#1570 PSPS#2 WIRING_WO#1570	11/13/2019		225.33 18.78
			Total for Check Number 18284:	0.00	244.11
18285	10151 627933	OSCAR RODAS MAINTENANCE_OCT2019	11/13/2019		250.00
			Total for Check Number 18285:	0.00	250.00
18286	10227 8_OCT19	RSH CONSTRUCTION SERVICES WO#823_REMAINDER OF SEPT PYMT	11/13/2019		30,364.43
			Total for Check Number 18286:	0.00	30,364.43
18287	00142 61-0149599 61-0149831 61-0150085	SAN LORENZO LUMBER SIDE BOARDS_VE-480 LOMPICO MADRONE BOOSTER WELL FREEZE PROTECTION	11/13/2019		21.98 15.92 124.58

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 18287:	0.00	162.48
18288	00125	SCARBOROUGH LUMBER	11/13/2019		
	342777	OLY 1			17.58
	343341	OLY 1			10.78
	343349	LYON PLANT SUPPLIES			81.20
	343399	TRASH BAGS_OPS			22.10
	343589	HYDRANT FAUCET_WO#1570			21.02
	589364	LEAK REPAIR			17.36
	589372	LEAK REPAIR			17.36
	589452	MISC-OIL_BATTERIES			71.18
			Total for Check Number 18288:	0.00	258.58
18289	00768	USA BLUEBOOK	11/13/2019		
	044717	CHLORINE PUMP PARTS			200.40
			Total for Check Number 18289:	0.00	200.40
18290	00399	VISION SERVICE PLAN - (CA)	11/13/2019		
	807719477A	ADMIN VISION_NOVEMBER			28.44
	807719477B	FINANCE VISION_NOVEMBER			150.34
	807719477C	ENGINEERING VISION_NOVEMBER			38.58
	807719477D	OPS VISION_NOVEMBER			333.74
	807719477E	WTP VISION_NOVEMBER			170.34
			Total for Check Number 18290:	0.00	721.44
18291	10156	VORTEX INDUSTRIES, INC	11/13/2019		
	44-1391288A	QUAIL GATE REPAIR_WTP			797.50
	44-1391288B	QUAIL GATE REPAIR_OPS			797.50
			Total for Check Number 18291:	0.00	1,595.00
18292	10225	WATER DISTRICT JOBS	11/13/2019		
	1281909	RECRUITMENT AD			175.00
			Total for Check Number 18292:	0.00	175.00
18293	UB*00681	PAUL REGEN	11/13/2019		
		Refund Check			123.93
		Refund Check			34.61
			Total for Check Number 18293:	0.00	158.54
18294	00545	AFLAC	11/15/2019		
	218182	2019 MONTHLY INS. PREMIUMS			221.77
			Total for Check Number 18294:	0.00	221.77
18295	00055	AT&T	11/15/2019		
	N19_9607360489A	PHONE_ADMIN			263.79
	N19_9607360489B	PHONE_OPS			4,340.35
	N19_9607360489C	PHONE_WTP			2,131.24
	N19_9607360489D	PHONE_BCE WASTEWATER			441.65
			Total for Check Number 18295:	0.00	7,177.03
18296	00609	BALANCE HYDROLOGICS, INC	11/15/2019		
	219018-1019	WY19 STREAMFLOW & TEMP MONITORIN			1,426.25
	219019-1019	WY19 OPERATIONAL GAGING			1,335.33

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 18296:	0.00	2,761.58
18297	00788 110319_0956185	COMCAST INTERNET_545 FALL CREEK DR	11/15/2019		173.46
			Total for Check Number 18297:	0.00	173.46
18298	00788 110419_0302438	COMCAST INTERNET_1075 WHISPERING PINES DRIV	11/15/2019		193.38
			Total for Check Number 18298:	0.00	193.38
18299	00788 110519_1236165	COMCAST INTERNET_280 BLUE RIDGE DRIVE	11/15/2019		175.19
			Total for Check Number 18299:	0.00	175.19
18300	00336 AUG2019_336 OCT2019_336 SEPT2019_336	LAND TRUST OF SANTA CRUZ COUN OLYMPIA WATERSHED PATROLS_AUG OLYMPIA WATERSHED PATROLS_OCT2019 OLYMPIA WATERSHED PATROLS_SEPT19	11/15/2019		80.70 152.70 128.40
			Total for Check Number 18300:	0.00	361.80
18301	00296 1019020 1019021 1019022 1019023 1019024 1019025	MESITI-MILLER ENGINEERING,INC TESTING LABORATORY_WO#823 CONSTRUCTION SUPPORT_WO#823 ELECTRIAL ENGINEERING SERVICES_WO CONSULTING ENGINEER_WO#823 GEOTECHNICAL ENGINEERING_WO#823 CONSTRUCTION ADMIN_WO#823	11/15/2019		16,197.50 731.50 198.00 11,133.28 270.87 10,564.00
			Total for Check Number 18301:	0.00	39,095.15
18302	10158 502208A 502208B	NOSSAMAN, LLP FEES FOR PROFESSIONAL SERVICE_10/31/ DISURSEMENTS THROUGH 10/31/19	11/15/2019		8,843.00 513.49
			Total for Check Number 18302:	0.00	9,356.49
18303	10217 103119_7268A 103119_7268AA 103119_7268B 103119_7268BB 103119_7268C 103119_7268CC 103119_7268D 103119_7268DD 103119_7268E 103119_7268EE 103119_7268F 103119_7268FF 103119_7268G 103119_7268GG 103119_7268H 103119_7268HH 103119_7268I 103119_7268II 103119_7268J 103119_7268K	UMPQUA BANK ACADEMY X TRAINING PEETS_PSPS_WO#1570 INDEED_JOB POSTING SAFEWAY_PSPS_WO#1570 APRRIVER_Tech SUPPORT TAQUERIA_PSPS_WO#1570 LINKEDIN_TRAINING NEW LEAF_PSPS_WO#1570 LINKEDIN_ADVERTISING FOXIT SOFTWARE_ADMIN MAILCHIMP FOXIT SOFTWARE_FINANCE AMAZON PRIME FOXIT SOFTWARE_ENGINEERING SAFEWAY_PSPS EVENT_WO#1570 FOXIT SOFTWARE_OPS ROUND TABLE_PSPS EVENT_WO#1570 FOXIT SOFTWARE_WTP TOGOS_PSPS EVENT_WO#1570 AMAZON_OFFICE SUPPLIES	11/15/2019		175.00 47.60 124.08 19.10 222.00 79.90 29.99 25.89 156.00 517.56 59.99 1,035.12 129.71 345.04 74.77 517.56 135.95 345.04 181.75 16.69

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
	103119_7268L	AMAZON_OFFICE SUPPLIES			16.69
	103119_7268M	AMAZON_OFFICE SUPPLIES			133.52
	103119_7268N	AMAZON_OFFICE SUPPLIES			165.38
	103119_7268O	AMAZON_OFFICE SUPPLIES			64.10
	103119_7268P	AMAZON_OFFICE SUPPLIES			12.29
	103119_7268Q	CUSTOM NETWORKS_APC BATTERIES			372.18
	103119_7268R	CUSTOM NETWORKS_APC BATTERIES			372.19
	103119_7268S	CUSTOM NETWORKS_APC BATTERIES			372.18
	103119_7268T	CUSTOM NETWORKS_APC BATTERIES			372.19
	103119_7268U	CUSTOM NETWORKS_APC BATTERIES			372.19
	103119_7268V	CUSTOM NETWORKS_APC BATTERIES			372.19
	103119_7268W	CUSTOM NETWORKS_APC BATTERIES			372.19
	103119_7268X	CUSTOM NETWORKS_APC BATTERIES			372.19
	103119_7268Y	CUSTOM NETWORKS_APC BATTERIES			372.19
	103119_7268Z	CUSTOM NETWORKS_APC BATTERIES			372.19
		PEETS_PSPS_WO#1570			343.30
		PEETS_PSPS_WO#1570			61.10
		FELTON PIT STOP_ICE FOR SAMPLING			5.29
		PEETS_PSPS_WO#1570			48.00
		MISSION VALLEY FORD_VE-155			1,892.82
			Total for Check Number 18303:	0.00	8,842.16
18304	00599	WEX BANK	11/15/2019		
	62110435A	GAS_ADMIN			169.62
	62110435B	GAS_FINANCE			957.58
	62110435C	GAS_OPS			11,463.50
	62110435D	GAS_WTP			3,848.26
			Total for Check Number 18304:	0.00	16,438.96
18305	10230	DAWN STILES	11/19/2019		
	112819_10230	CALPERS FORUM			910.90
			Total for Check Number 18305:	0.00	910.90
18306	00383	A TOOL SHED	11/21/2019		
	1384657-5	MADRONE BOOSTER			561.54
			Total for Check Number 18306:	0.00	561.54
18307	00362	ACCELA, INC #774375	11/21/2019		
	ACC49128A	ONLINE BILLS			185.00
	ACC49128B	TRANSACTION FEES			1,459.00
			Total for Check Number 18307:	0.00	1,644.00
18308	00589	ALLARD'S SEPTIC SERVICE	11/21/2019		
	7835	KIRBY PLANT_NOV2019			300.00
			Total for Check Number 18308:	0.00	300.00
18309	00300	APOLLO DRAIN SERVICE	11/21/2019		
	1186	OPS KITCHEN SINK DRAIN			278.00
			Total for Check Number 18309:	0.00	278.00
18310	10023	AT & T CAPITAL SERVICES, INC	11/21/2019		
	3091895	PHONE LEASE AVAYA			396.07
			Total for Check Number 18310:	0.00	396.07
18311	00309	AT&T IP SERVICES	11/21/2019		
	7053331507	PHONE SYSTEM KIRBY PLANT			281.90
			Total for Check Number 18311:	0.00	281.90

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
18312	00687 110519_13745873	AT&T U-VERSE U-VERSE_13057 HWY 9	11/21/2019		85.60
			Total for Check Number 18312:	0.00	85.60
18313	00687 110619_13216688	AT&T U-VERSE U-VERSE_MANANA WOODS	11/21/2019		96.30
			Total for Check Number 18313:	0.00	96.30
18314	00687 110719_13218201	AT&T U-VERSE U-VERSE_345 QUAIL TERRACE	11/21/2019		85.60
			Total for Check Number 18314:	0.00	85.60
18315	UB*00683	ATLANTIS PROPERTIES Refund Check	11/21/2019		66.45
			Total for Check Number 18315:	0.00	66.45
18316	00096 7001721006	AWWA MEMBERSHIP DUES_01/01/20-12/31/20	11/21/2019		2,305.00
			Total for Check Number 18316:	0.00	2,305.00
18317	10025 80033418 80034698	BADGER METER, INC BEACON SERVICES_MAY2019 BEACON SERVICES_JUNE2019	11/21/2019		1,680.97 1,592.36
			Total for Check Number 18317:	0.00	3,273.33
18318	00220 32857	BAY BUILDING JANITORIAL,INC JANITORIAL SERVICES_NOVEMBER2019	11/21/2019		474.42
			Total for Check Number 18318:	0.00	474.42
18319	00342 951925	BRASS KEY LOCKSMITH GATE OPENER_GATE LOCK	11/21/2019		37.68
			Total for Check Number 18319:	0.00	37.68
18320	00067 2020_252	CALIFORNIA SPECIAL DISTRICT 2020 CSDA MEMBERSHIP RENEWAL	11/21/2019		7,615.00
			Total for Check Number 18320:	0.00	7,615.00
18321	10239 00028461599	CDTFA WRSTF094-018348_07/01/19-06/30/20	11/21/2019		342.84
			Total for Check Number 18321:	0.00	342.84
18322	10239 00028579680	CDTFA WRSTF094-020224_07/01/19-06/30/20	11/21/2019		1,423.60
			Total for Check Number 18322:	0.00	1,423.60
18323	10239 00028625874	CDTFA WRSTF094-018349_07/01/19-06/30/20	11/21/2019		325.00
			Total for Check Number 18323:	0.00	325.00
18324	10239 00028643054	CDTFA WRSTF094-018346_07/01/19-06/30/20	11/21/2019		389.17

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 18324:	0.00	389.17
18325	10239 00028661872	CDTFA WRSTF094-023893_07/01/19-06/30/20	11/21/2019		301.44
			Total for Check Number 18325:	0.00	301.44
18326	10239 00028702752	CDTFA WRSTF094-018350_07/01/19-06/30/20	11/21/2019		323.89
			Total for Check Number 18326:	0.00	323.89
18327	10239 00028728156	CDTFA WRSTF094-018330_07/01/19-06/30/20	11/21/2019		308.67
			Total for Check Number 18327:	0.00	308.67
18328	10239 00028734767	CDTFA WRSTF094-018331_07/01/19-06/30/20	11/21/2019		308.67
			Total for Check Number 18328:	0.00	308.67
18329	10207 110719_10207A 110719_10207B 110719_10207C 110719_10207D 110719_10207E 110719_10207F	CITI CARDS_COSTCO TONY & ALBAS_PSPS TOGO'S_PSPS JOHNNIES MARKET_PSPS COSTCO_HALLOWEEN CANDY COSTCO BC PIZZA	11/21/2019		371.47 194.00 52.85 146.89 21.96 305.20
			Total for Check Number 18329:	0.00	1,092.37
18330	00788 110619_1236017	COMCAST INTERNET_295 EAST ROAD	11/21/2019		175.19
			Total for Check Number 18330:	0.00	175.19
18331	00788 110619_1318955	COMCAST INTERNET_1150 REBECCA DRIVE	11/21/2019		143.38
			Total for Check Number 18331:	0.00	143.38
18332	00788 110719_1236124	COMCAST INTERNET_15819 FOREST HILL DRIVE	11/21/2019		175.19
			Total for Check Number 18332:	0.00	175.19
18333	00788 110819_1236058	COMCAST INTERNET_17277 HIGHWAY 9	11/21/2019		175.19
			Total for Check Number 18333:	0.00	175.19
18334	00788 110819_1323583	COMCAST INTERNET_365 MADRONE DRIVE	11/21/2019		265.12
			Total for Check Number 18334:	0.00	265.12
18335	00788 110819_1323641	COMCAST INTERNET_365 MADRONE DR OFC	11/21/2019		265.12
			Total for Check Number 18335:	0.00	265.12

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
18336	00788 110919_1318922	COMCAST INTERNET_3652 GRAHAM HILL RD	11/21/2019		143.38
			Total for Check Number 18336:	0.00	143.38
18337	00788 111119_1171123	COMCAST INTERNET_23 SUMMIT AVE	11/21/2019		153.38
			Total for Check Number 18337:	0.00	153.38
18338	00265 2732	COMMUNITY TELEVISION 10/17 BOARDMEETING	11/21/2019		408.50
			Total for Check Number 18338:	0.00	408.50
18339	00290 12118 12119	CONTRACTOR COMPLIANCE & MONI COMPLIANCE MONITORING_WO#1543 LOMPICO PRV PROJECTS_WO#837	11/21/2019		529.00 1,560.00
			Total for Check Number 18339:	0.00	2,089.00
18340	00273 30447893	CORELOGIC, INC. REALQUEST SERVICES_OCT2019	11/21/2019		206.00
			Total for Check Number 18340:	0.00	206.00
18341	00133 965083 965084 965087 994253 994254 994255 994256 994257 994408 994860	DASSEL'S ADMIN BLDG PROPANE MITCHELL BOOSTER NINA TANK ADMIN BLDG OPERATIONS BLUE RIDGE BOOSTER BCE WASTEWATER MITCHELL BOOSTER REDWOOD PARK BOOSTER NINA TANK	11/21/2019		576.81 393.24 372.65 461.10 387.60 405.00 459.90 269.40 336.30 192.90
			Total for Check Number 18341:	0.00	3,854.90
18342	00037 36646A 36646B 36646C	CO. OF SANTA CRUZ DEPT OF PUBLIC TOILET REBATE WOODWASTE PALLETS	11/21/2019		10.00 24.96 16.00
			Total for Check Number 18342:	0.00	50.96
18343	10268 18027A 18027B 18027C 18027D 18027E 18027F	ECLIPSE MAPPING AND GIS EOS ARROW 100 GNSS KIT ARROW 100 POLE MOUNT KIT LIGHTWEIGHT COLLAPSABLE POLE W/AI RUGGED POLE MOUNT FOR IPHONE RUGGED POLE MOUNT FOR IPAD NANUK 935 HARD CASE	11/21/2019		3,304.55 267.05 109.00 54.50 54.50 190.75
			Total for Check Number 18343:	0.00	3,980.35
18344	00076 799614 800226	ERNIE'S AUTO CENTER WHEELCHOCKS SUPPLIES_VE-338	11/21/2019		156.85 64.31

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 18344:	0.00	221.16
18345	00450	EUROFINS	11/21/2019		
	L0479651	WATER ANALYSIS			100.00
	L0479652	WATER ANALYSIS			120.00
	L0481732	WATER ANALYSIS			1,000.00
			Total for Check Number 18345:	0.00	1,220.00
18346	00991	EWING IRRIGATION PRODUCTS	11/21/2019		
	1224707A2	DRAIN PIPE COUPLINGS			73.42
			Total for Check Number 18346:	0.00	73.42
18347	00204	FEDERAL EXPRESS CORP	11/21/2019		
	683259568	SHIPPING FEE_WTP			107.21
			Total for Check Number 18347:	0.00	107.21
18348	00397	FERGUSON ENTERPRISES, INC	11/21/2019		
	8119753	FELTON LIBRARY PROJECT			347.42
			Total for Check Number 18348:	0.00	347.42
18349	00210	FISHER SCIENTIFIC	11/21/2019		
	2056925	FILTER FOR STERILIZER			56.68
			Total for Check Number 18349:	0.00	56.68
18350	00080	GRANITE CONSTRUCTION CO	11/21/2019		
	1694958	PAVING_BASEROCK_SAND			534.46
	1695008	QUAIL 5 BINS			965.59
			Total for Check Number 18350:	0.00	1,500.05
18351	00016	GREENWASTE RECOVERY,INC	11/21/2019		
	4396428	MONTHLY DUMPSTER SERVICE_OCTOBEI			413.08
			Total for Check Number 18351:	0.00	413.08
18352	00550	HACH COMPANY	11/21/2019		
	11669239	CHLORINE PUMPS			8,033.19
			Total for Check Number 18352:	0.00	8,033.19
18353	UB*00685	NIKKO HICKENBOTTOM	11/21/2019		
		Refund Check			60.66
			Total for Check Number 18353:	0.00	60.66
18354	00058	IHWY	11/21/2019		
	05396	MONTHLY SERVER SUPPORT_NOV19			25.00
			Total for Check Number 18354:	0.00	25.00
18355	00608	LLOYD'S TIRE SERVICE, INC	11/21/2019		
	380460	TIRES_ALIGNMENT_VE-181			1,166.73
			Total for Check Number 18355:	0.00	1,166.73
18356	UB*00682	JAYSON MADANI	11/21/2019		
		Refund Check			31.27

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 18356:	0.00	31.27
18357	01052 111519_1052	SCOTT MATTOCH CELL CASE FOR #216	11/21/2019		16.34
			Total for Check Number 18357:	0.00	16.34
18358	00313	MET LIFE	11/21/2019		
	DECEMBER2019.A	DENTAL_ADMIN			192.14
	DECEMBER2019.B	DISABILITY_ADMIN			84.83
	DECEMBER2019.C	LIFE INSURANCE_ADMIN			33.30
	DECEMBER2019.D	DENTAL_FINANCE			1,425.60
	DECEMBER2019.E	DISABILITY_FINANCE			287.43
	DECEMBER2019.F	LIFE INSURANCE_FINANCE			138.19
	DECEMBER2019.G	DENTAL_ENGINEERING			258.32
	DECEMBER2019.H	DISABILITY_ENGINEERING			96.24
	DECEMBER2019.I	LIFE INSURANCE_ENGINEERING			33.30
	DECEMBER2019.J	DENTAL_OPS			1,778.27
	DECEMBER2019.K	DISABILITY_OPS			310.11
	DECEMBER2019.L	LIFE INSURANCE_OPS			176.49
	DECEMBER2019.M	DENTAL_WTP			1,243.97
	DECEMBER2019.N	DISABILITY_WTP			314.81
	DECEMBER2019.O	LIFE INSURANCE_WTP			139.86
			Total for Check Number 18358:	0.00	6,512.86
18359	00944 4216	PDNC, INC. MONTHLY SERVER SUPPORT_NOVEMBER	11/21/2019		562.68
			Total for Check Number 18359:	0.00	562.68
18360	10205 20191110033845	RED WING BUSINESS ADVANTAGE AC WORK BOOTS_WO#216	11/21/2019		241.41
			Total for Check Number 18360:	0.00	241.41
18361	00711	ROBERTS & BRUNE CO.	11/21/2019		
	S1888159.003A	PLUG GALV 2"			63.82
	S1888159.003B	CAP GALV 3"			35.44
	S1888159.003C	BUSHING GALV 2" X 1"			155.37
	S1888159.003D	BUSHING GALV 4" X 2"			101.58
	S1888159.003E	COUPLING GALV 1-1/4"			79.95
	S1888159.003F	ELL 45 GALV 2"			128.20
	S1888159.003G	ELL 90 GALV 1-1/4"			46.06
	S1888159.003H	ELL 90 GALV 2"			137.81
	S1888159.003I	NIPPLE GALV 1/2" X 4"			14.18
	S1888159.003J	NIPPLE GALV 1" X 6"			38.35
	S1888159.003K	NIPPLE GALV 1-1/4" X 6"			48.53
	S1888159.003L	NIPPLE GALV 2" X 0"			73.58
	S1888159.003M	NIPPLE GALV 2" X 3"			44.65
	S1888159.003N	NIPPLE GALV 3" X 0"			60.76
	S1888159.003O	MTR VLV COPR-MTR ANG 1X5/8"			637.38
	S1888159.004A	AIR RELIEF VALVE 2"			402.36
	S1888159.004B	REPAIR CLAMP 6OD" X 3"			22.29
	S1888159.004C	FULL CIRCLE 5.95-6.35 7.50"			179.32
	S1888159.004D	SADDLE DS 4.74-5.63 X 2"			91.13
	S1888159.004E	SADDLE DS 6.84-7.60 X 1"			172.60
	S1888159.004F	SADDLE DS 6.84-7.60 X 2"			257.83
	S1894377.001A	6" MEGA LUG_ITEM#1108-105			396.40
	S1894377.001B	SERVICE & FIRE LINE RELOCATION			255.75

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 18361:	0.00	3,443.34
18362	00125	SCARBOROUGH LUMBER	11/21/2019		
	342183	PASO WELL 8			83.27
	342329	OLY 1 REPAIR			239.91
	343681	MISC SAW SUPPLIES			145.06
	343806	WELL FREEZE PROTECTION			96.63
	343845	DRILL KITS			490.91
	344200	TANK LEVEL INDICATOR REPAIR			38.36
	589101	PASO WELL 8			7.32
	589590	MISC SUPPLIES			28.68
			Total for Check Number 18362:	0.00	1,130.14
18363	10233	SCHAAF & WHEELER, CONSULTING C	11/21/2019		
	31929	LOMPICO TANKS			17,392.27
			Total for Check Number 18363:	0.00	17,392.27
18364	00168	SCOTTS VALLEY SPRINKLER	11/21/2019		
	154751	FELTON LIBRARY SERVICE MOVE			398.20
			Total for Check Number 18364:	0.00	398.20
18365	00047	SOIL CONTROL LAB	11/21/2019		
	9100484	WATER ANALYSIS			39.00
	9100684	WATER ANALYSIS			39.00
	9100685	WATER ANALYSIS			78.00
	9100890	WATER ANALYSIS			145.00
	9100891	WATER ANALYSIS			39.00
			Total for Check Number 18365:	0.00	340.00
18366	UB*00684	Han Songshou Refund Check	11/21/2019		
			Total for Check Number 18366:	0.00	21.18
18367	00555	STORDOK, INC.	11/21/2019		
	53542561	SHREDDING SERVICES			45.00
			Total for Check Number 18367:	0.00	45.00
18368	00722	SWRCB - ELAP	11/21/2019		
	WD-0162137	ANNUAL PERMIT FEE_07/01/19-06/30/20			2,625.00
			Total for Check Number 18368:	0.00	2,625.00
18369	00722	SWRCB - ELAP	11/21/2019		
	WD-0162175	ANNUAL PERMIT			7,037.00
			Total for Check Number 18369:	0.00	7,037.00
18370	00722	SWRCB - ELAP	11/21/2019		
	WD-0167736	ANNUAL PERMIT FEE_07/01/19-06/30/20			874.00
			Total for Check Number 18370:	0.00	874.00
18371	00722	SWRCB - ELAP	11/21/2019		
	WD-0167869	ANNUAL PERMIT FEE_07/01/19-06/30/20			624.00

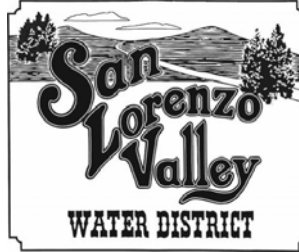
Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 18371:	0.00	624.00
18372	00727 113964111	ULINE SHIPPING SUPPLIES BUILDING SUPPLIES	11/21/2019		95.33
			Total for Check Number 18372:	0.00	95.33
18373	00268 12434	WATTS ON BLUE_CHARLIE GENERATOR	11/21/2019		5,103.25
			Total for Check Number 18373:	0.00	5,103.25
18374	00057 NOV19_57	AFSCME COUNCIL 57 UNION DUES_NOV2019	11/25/2019		911.82
			Total for Check Number 18374:	0.00	911.82
18375	10269 19523-03	AKEL ENGINEERING GROUP, INC. SLVWD 2019 WATER MASTER PLAN	11/25/2019		12,963.50
			Total for Check Number 18375:	0.00	12,963.50
18376	00729 9111758 9113716	ALPHA ANALYTICAL LABS LAB FEES-ANALYTICAL SERVICES LAB FEES-ANALYTICAL SERVICES	11/25/2019		1,032.00 1,032.00
			Total for Check Number 18376:	0.00	2,064.00
18377	00162 100009703	ANTHEM BLUE CROSS RETIRED EMPLOYEE MEDICAL_12/01/19-1	11/25/2019		355.77
			Total for Check Number 18377:	0.00	355.77
18378	00767 986476551	ANTHEM BLUE CROSS MEDICARE RX_12/01/19-01/01/2020	11/25/2019		116.90
			Total for Check Number 18378:	0.00	116.90
18379	00309 6049151507A 6049151507B 6049151507C	AT&T IP SERVICES IP SERVICES_ADMIN IP SERVICES_OPS IP SERVICES_WTP	11/25/2019		252.72 252.73 252.72
			Total for Check Number 18379:	0.00	758.17
18380	10223 INVOICE#9_10223	BANNER BANK_ESCROW NO 1474 OCTOBER RETENTION PAYMENT_WO#823	11/25/2019		23,168.38
			Total for Check Number 18380:	0.00	23,168.38
18381	00034 DEC19_34	DAVE BASLER RETIREE MEDICAL_DEC2019	11/25/2019		75.00
			Total for Check Number 18381:	0.00	75.00
18382	00099 DEC2019_99	JOEL BUSA RETIREE MEDICAL_DEC2019	11/25/2019		125.00
			Total for Check Number 18382:	0.00	125.00
18383	00788 111519_1236074	COMCAST INTERNET_200 ANNIES WAY	11/25/2019		175.19

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
			Total for Check Number 18383:	0.00	175.19
18384	00080 1704972	GRANITE CONSTRUCTION CO HOT MIX_PAVING	11/25/2019		375.40
			Total for Check Number 18384:	0.00	375.40
18385	00208 DEC19_208	LEONARD KUHNLEIN RETIREE MEDICAL_DEC2019	11/25/2019		125.00
			Total for Check Number 18385:	0.00	125.00
18386	00610 M19-213 M19-227	MAGGIORA BROS DRILLING WO#1543_QUAIL 5A & 3 WELL REHAB GENERATORS_PSPS#2_WO#1570	11/25/2019		42,987.50 4,930.00
			Total for Check Number 18386:	0.00	47,917.50
18387	00662 DEC19_662	JAMES A. MUELLER RETIREE MEDICAL_DEC2019	11/25/2019		50.00
			Total for Check Number 18387:	0.00	50.00
18388	00711 S1862170.009 S1882728.007A S1882728.007B S1882728.007C S1882728.007D S1882728.007E S1882728.007F S1882728.007G S1882728.007H	ROBERTS & BRUNE CO. RETURN FOR QTY 5 OF #6004-009 REPAIR CLAMP 3/4" X 3" REPAIR CLAMP 1" X 6" REPAIR CLAMP 6" X 6" FULL CIRCLE 1-1/4-3 REDI-CL244 COLLAR LEAK CLAMP 2" X 7.5" FLEX COUPLING 1" X 5" SADDLE DS 1.61-1.92 X 1" SADDLE DS 4.40-4.80 X 2"	11/25/2019		-433.61 229.40 109.41 260.02 88.19 212.16 233.07 25.21 63.22
			Total for Check Number 18388:	0.00	787.07
18389	10227 INVOICE#9_10227	RSH CONSTRUCTION SERVICES OCTBOER PROGRESS PAYMENT_WO#823	11/25/2019		440,199.13
			Total for Check Number 18389:	0.00	440,199.13
18390	00125 344253 360 402960 590009 590237	SCARBOROUGH LUMBER LEAK REPAIR LEAF SKIMMER FOR INTAKES MISC HARDWARE CHARGER PLUG ADAPTOR	11/25/2019		6.92 19.41 21.26 21.57 6.79
			Total for Check Number 18390:	0.00	75.95
18391	10184 270437 270438	THATCHER COMPANY, INC CHLORINE DRUMS CHLORINE DRUM RETURN	11/25/2019		3,789.08 -480.00
			Total for Check Number 18391:	0.00	3,309.08
18392	00369 DEC19_369	CAROLE TRIANTAFILLOS RETIREE MEDICAL_DEC2019	11/25/2019		125.00
			Total for Check Number 18392:	0.00	125.00

Check No	Vendor No Invoice No	Vendor Name Description	Check Date Reference	Void Checks	Check Amount
18393	00129 175467107-001	UNITED RENTALS (NORTH AMERICA) GENERATORS PSPS_WO#1570	11/25/2019		12,414.36
Total for Check Number 18393:				0.00	12,414.36
18394	00011	VERIZON WIRELESS	11/25/2019		
	9842149770A	CELL PHONE_ADMIN			46.00
	9842149770B	CELL PHONE_FINANCE			97.18
	9842149770C	CELL PHONE_ENG			45.99
	9842149770D	CELL PHONE_OPS			497.59
	9842149770E	CELL PHONE_WTP			411.01
Total for Check Number 18394:				0.00	1,097.77
18395	00011	VERIZON WIRELESS	11/25/2019		
	9842149771A	CELL PHONE_ADMIN			24.65
	9842149771B	CELL PHONE_OPS			309.60
	9842149771C	CELL PHONE_ENVIRON			51.46
	9842149771D	CELL PHONE_WTP			102.90
Total for Check Number 18395:				0.00	488.61
18396	00054 7866293-8	PACIFIC GAS AND ELECTRIC ENGINEERING ADVANCE_1121 PINE DRIV	11/26/2019		2,500.00
Total for Check Number 18396:				0.00	2,500.00
Report Total (195 checks):				0.00	986,199.47

EFT & DIRECT CHECK TRANSACTIONS

Nov-19



13060 Highway 9
 Boulder Creek, CA 95006-9119
 (831) 338-2153 phone
 (831) 338-7986 fax

Date	Check No	Vendor	Description	Amount
10/31/2019	EFT	BLUEFIN	BANK FEES	\$ 7,230.67
10/31/2019	EFT	WELLS FARGO	BANK FEES	\$ 838.13
10/31/2019	EFT	CIVIC PAY	BANK FEES	\$ 751.17
11/6/2019	EFT	PAYCHEX	ADMIN & DELIVERY FEES	\$ 233.75
11/5/2019	EFT	PAYCHEX	PAYROLL	\$ 115,653.01
11/6/2019	DIRECT CHECK	PAYCHEX	PAYROLL	\$ 7,362.17
11/18/2019	EFT	PAYCHEX	ADMIN & DELIVERY FEES	\$ 248.75
11/19/2019	EFT	PAYCHEX	PAYROLL	\$ 121,691.34
11/20/2019	DIRECT CHECK	PAYCHEX	PAYROLL	\$ 8,299.29
11/15/2019	EFT	PAYCHEX	PAYCHEX INVOICE	\$ 408.66
11/4/2019	EFT	CALPERS	RETIREMENT BENEFITS	\$ 18,515.73
TOTAL EFT TRANSACTIONS				\$ 272,412.70



TO: Board of Directors,
San Lorenzo Valley Water District

FROM: Gina R. Nicholls, District Counsel

DATE: December 5, 2019

RE: Legal Department Status Report
502665-0001

I have been asked by the San Lorenzo Valley Water District (“District”) to provide information about the District’s legal expenditures in a format that is suitable for public disclosure.¹ Since the last legal department status report dated November 1, 2019, the most significant broad categories of expenses arise from providing legal advice and support in the following areas, listed in descending order of their approximate significance in terms of cost to the District:²

- Board meetings
- Personnel & employment matters
- District policies & procedures
- Real property
- Bankruptcy
- Financing post-closing issues
- Other

¹ Legal work performed for the District is confidential and privileged. Accordingly, the information provided herein is written in broad and general terms to avoid waiver and any disclosures that might compromise the District’s interests in pending or future legal matters.

² List includes general and special counsel work by Nossaman and other law firms, if any, representing the District; however, it excludes any such work performed by counsel appointed and paid by the District’s insurance providers (i.e., counsel not paid by the District).

Memorandum
December 5, 2019
Page 2

The most significant areas of effort over the next month are likely to include the following:

- Board meetings
- District policies & procedures
- Real property

MEMO

TO: District Manager
FROM: Director of Operations
SUBJECT: OPERATIONS DEPARTMENT STATUS REPORT
OCTOBER 2019
DATE: DECEMBER 05, 2019

RECOMMENDATION:

It is recommended that the District Manager review and file the Operations Department Project Status Report for the month of October 2019.

BACKGROUND:

PG&E PUBLIC SAFETY POWER SHUT-OFF

In October 2019 the District experienced two PG&E shut-offs along with the community. District staff worked diligently and long hours to keep water flowing to our tanks and customers. Operations obtained and deployed 8 rental generators along with the 15 District owned generators. Multiple small suit case generators were deployed as well at communication sites. These small generators have to be fueled every 6-8 hours as they have small capacity fuel tanks.

These PG&E shut-offs are going to be implemented and the District is and has been gearing up and preparing for these instances. District staff did an excellent job in communication and implementing the Districts plan for an emergency of this caliber.

PROBATION TANK REPLACEMENT

Painting and coating of the new 500,000 gallon Probation tank was completed in the month of October 2019. As this was being done the contractor was working on plumbing and apparatuses of the tank. November 2019 paving, disinfection and filling of the tank were complete with getting approval from the state to put the tank online November 19, 2019. Though the project is not complete, the District has begun use of the newly constructed tank.

The Old 100,000 gallon redwood tank at the probation site was in very poor condition and at the end of its life expectancy. Temporary poly tanks were installed by District staff in the summer of 2018. The system is running on minimal storage through construction. The residents of this area have been cautioned to conserve water during this time.

PASO WELL #8

The new Paso Well #8 District staff has worked on sampling and completing power runs to the chlorine room. Sampling of the well has gone good and the State is reviewing sample reports and working on completing the permitting process.

Paso Well #8 is a replacement to Paso Well #6 that began splitting in its casing in 2015, which was allowing sand to overcome the pump and motor. Many attempts to fix and seal the casing on the Well were unsuccessful leading to full replacement of the Well.

FELTON WATER SYSTEM WATER METER REPLACEMENT

Domestic water meters are being replaced as existing meters have reached their life expectancy. Meters are being changed to the new Beacon "Eye on Water" system that will allow customers to monitor their water usage over the internet.

LOMPICO PRV'S

Construction of the PRV stations was put on hold due to the PG&E shut-offs. District staff did not have the time to work with the contractor with the moving and fueling of generators, and manual checks of the distribution system and all its components due to lack of communications. Construction and installation of the PRV stations began in mid September 2019 and will continue through mid December 2019.

The District is in contract to have the Lompico PRV's replaced as part of the assessment. Having functioning PRV's is important to a system like this with a large span of elevations. Pressures have to be reduced as the water gets lower in elevation from the tanks as they gain pressure the lower the elevation gets. With non-functioning PRV's the pressure gets very high in the lower elevations and causes failure of main lines and service lines.

MAINTENANCE ISSUES

System Wide

- Moved service for county drain line on Gushee St. Felton
- 6 inch Main break Hwy 9 in Brookdale
- Replace 20 feet of 4 inch main line in Zayante due to a leak
- Abandoned meter at 380 Brackney Rd. Ben Lomond Service was upgraded
- Abandoned 30 feet of 2 inch dead end main line Boulder Creek
- Abandoned old plumbing at Olympia well 1 old location
- Approximately 23 leaks repaired

James Furtado

Director of Operations
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SAN LORENZO VALLEY WATER DISTRICT PRODUCTION COMPARRISON

Source	October-19	September-19	October-13	Difference This Year To 2013
North System				
Surface Water Sources				
Foreman Creek	5,003,481	6,815,583	7,303,000	
Peavine Creek + Hydro	680,913	635,594	1,740,000	
Clear Creek	5,258,164	6,464,294	0	
Sweetwater Creek	3,505,442	4,309,529	0	
Sub-Total (Streams)	14,448,000	18,225,000	9,043,000	59.77%
Wells (North)				
Olympia No. 2	11,387,000	8,623,000	15,339,000	
Olympia No. 3	-	-	4,942,000	
Quail Well No. 4-A	9,046,000	8,310,000	8,358,000	
Quail Well No. 5-A	2,572,100	2,672,000	5,312,000	
Sub Total North Wells	23,005,100	19,605,000	33,951,000	-32.24%
South System Wells				
Pasatiempo 5A	7,396,200	7,049,600	N/A	
Pasatiempo 6	-	-	8,724,000	
Pasatiempo 7	1,406,000	1,515,000	2,713,000	
Sub Total Pasatiempo Wells	8,802,200	8,564,600	11,437,000	-23.04%
North South All Sources Combined	46,255,300	46,394,600	54,431,000	-15.02%
Felton System - Surface Water				
Fall Creek	5,695,400	6,498,224	9,166,410	
Bennett Spring	3,299,428	3,039,872	3,272,500	
Bull 1 & 2	1,171,368	1,008,304	0	
Total Felton System Sources	10,166,196	10,546,400	12,438,910	-18.27%
Manana Woods System				
Well 1	-	-	847,107	
Total Manana Woods Sources	-	-	847,107	
Sub - Total Production				
North / Felton / Manana	56,421,496	56,941,000	67,717,017	-16.68%
Surface	24,614,196	28,771,400	21,481,910	14.58%
Wells	31,807,300	28,169,600	46,235,107	-31.21%
Total Surface Water Percentage	43.63	50.53	31.72	37.52%
Total Wells Percentage	56.37	49.47	68.28	-17.43%

**SAN LORENZO VALLEY WATER DISTRICT
PRODUCTION BY SYSTEM
+/- INTERTIES
October 2019**

North System All Sources	46,255,300
Interties IN +	106
Interties OUT -	2,932,904
TOTAL NORTH SYSTEM	43,322,502
Felton Water system All Sources	10,166,196
Interties IN +	0
Interties OUT -	0
TOTAL FELTON SYSTEM	10,166,196
Manana Woods System	
Manana Woods Well 1	0
Interties IN +	0
TOTAL MANANA WOODS	0

**SAN LORENZO VALLEY WATER DISTRICT
INTERTIE USAGE
October 2019**

INTERTIE 2

SLVWD to SVWD 0

SVWD to SLVWD 0

INTERTIE 3

SLV SOUTH to SLV NORTH 106

SLV NORTH to SLV SOUTH 771,341

INTERTIE 4

SLVWD to MHWD 0

MHWD to SLVWD 0

INTERTIE 6

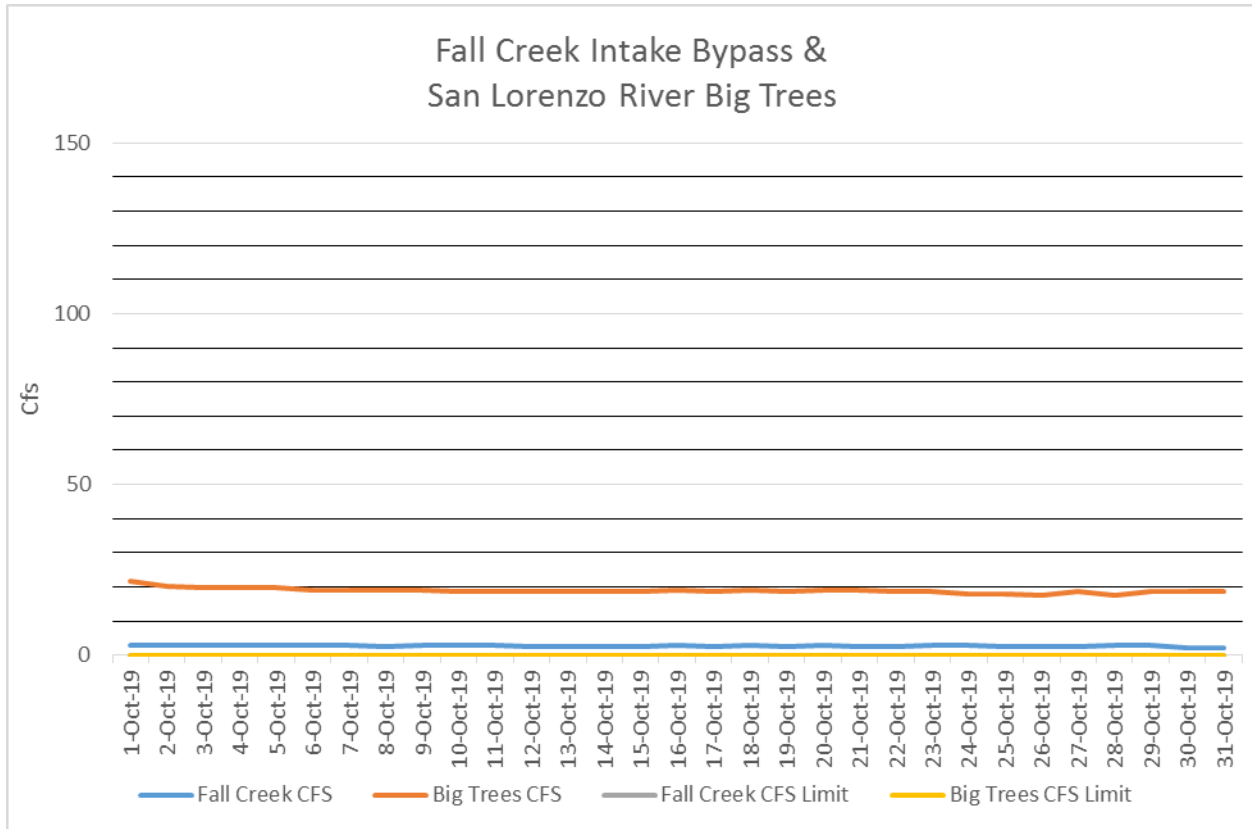
SLV NORTH to SLV FELTON -

SLV FELTON to SLV NORTH -

LOMPICO INTERTIE

SLV NORTH to LOMPICO 2,161,563

Fall Creek Intake October 2019



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 0.5 cfs or below, ZERO **days**

San Lorenzo River USGS Big Trees Flow Requirements

September 11 cubic feet per second

October 26 cubic feet per second

November 1 through May 31 21 cubic feet per second

June - August No Requirements

Fall Creek Intake October 2019

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

Agenda: 12.5.19

	Month:	October	Year:	2019	Big Trees > 26,500 Acre-ft Oct-Feb Normal Year	Big Trees <26,500 Acre-ft Oct-Feb Dry Year
					<input checked="" type="checkbox"/>	<input type="checkbox"/>

Date	Time	Initials	Pump #	Fall Cr. GPM into Kirby plant	Weir Board Height (inches)	Fall Creek Bypass (CFS)	Big Trees Bypass (CFS)	Rainfall (Felton gauge)	Met Fall Cr, Bypass Requirement: Normal Year April 1 - Oct 31 1.0 cfs; Nov 1 - March 31 1.5 cfs Dry Year Oct 31 0.5 cfs Nov. 1 - March 31 0.75 cfs (yes/no)	Met Big Trees Requirement Nov-May 20cfs Sept 10 cfs Oct 25 cfs (yes/no)	Notes
1	0845	SS	2	153	25	2.96	21.7	0	yes	no	
2	0930	SS	1	90	25	3.04	20.3	0	yes	no	
3	0745	JG	1	85	25	3.05	19.8	0	yes	no	
4	0800	JG	1	138	25	2.932	19.8	0	yes	no	
5	0930	JT	1	99	25	2.96	19.8	0	yes	no	
6	0900	JT	1	107	25	2.80	19.2	0	yes	no	
7	0930	JG	1	172	25	2.805	18.9	0	yes	no	
8	0900	JG	1	193	25	2.717	18.9	0	yes	no	
9	0815	JG	1	187	25	2.72	18.9	0	yes	no	
10	*0630	JG	off	off	25	2.99	18.5	0	yes	no	* PSPS
11	0730	JG	2	72	25	2.88	18.5	0	yes	no	
12	0820	SS	2	136	25	2.71	18.5	0	yes	no	
13	0900	SS	2	144	25	2.67	18.5	0	yes	no	
14	0900	SS	2	135	25	2.69	18.5	0	yes	no	
15	0800	JG	2	130	25	2.707	18.5	0	yes	no	
16	0930	JG	2	86	25	2.834	18.9	0	yes	no	
17	0815	JG	2	185	25	2.580	18.5	0	yes	no	
18	0930	JG	2	117	25	2.727	18.9	0	yes	no	
19	1045	JG	2	127	25	2.688	18.5	0	yes	no	
20	0745	JG	2	109	25	2.746	18.9	0	yes	no	
21	0815	SS	2	139	25	2.67	18.9	0	yes	no	
22	0743	SS	2	142	25	2.53	18.5	0	yes	no	
23	0930	JG	2	181	25	2.920	18.5	0	yes	no	
24	0750	SS	2	150	25	2.88	18.1	0	yes	no	
25	0930	JG	2	144	25	2.482	18.1	0	yes	no	
26	0800	HO	2	151	25	2.44	17.6	0	yes	no	
27	0845	TH	2	108	25	2.66	18.5	0	yes	no	*PSPS
28	0900	JG	off	off	25	2.756	17.6	0	yes	no	

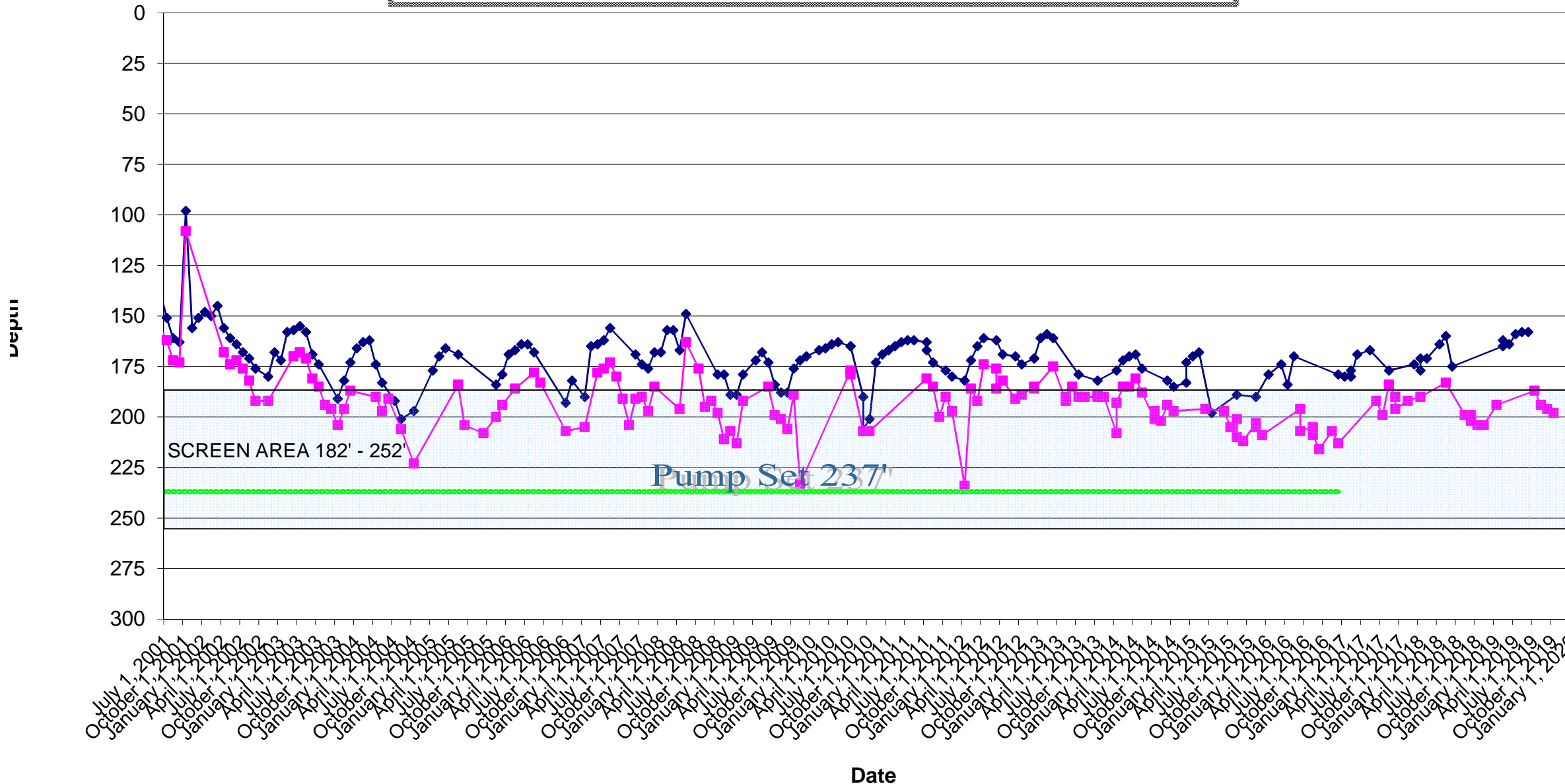
29	1000	JG	2	120	25	2.766	18.5	0	yes	no	Agency: 12.5.19
30	0930	JG	2	167	25	2.306	18.5	0	yes	no	Item: 13.4
31	0815	JG	2	200	25	2.267	18.5	0	yes	no	

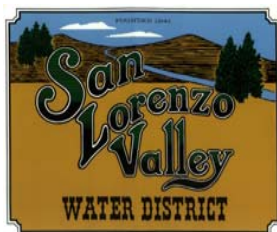
SAN LORENZO VALLEY WATER DISTRICT

Well Drawdown Report

Quail Well 4-A

Location: Cumora Ln. Ben Lomond
Elevation: 596.54 ft @ Pad
Installed: 6-07-2001
State Well #: 4410014-026
Completed Depth: 265



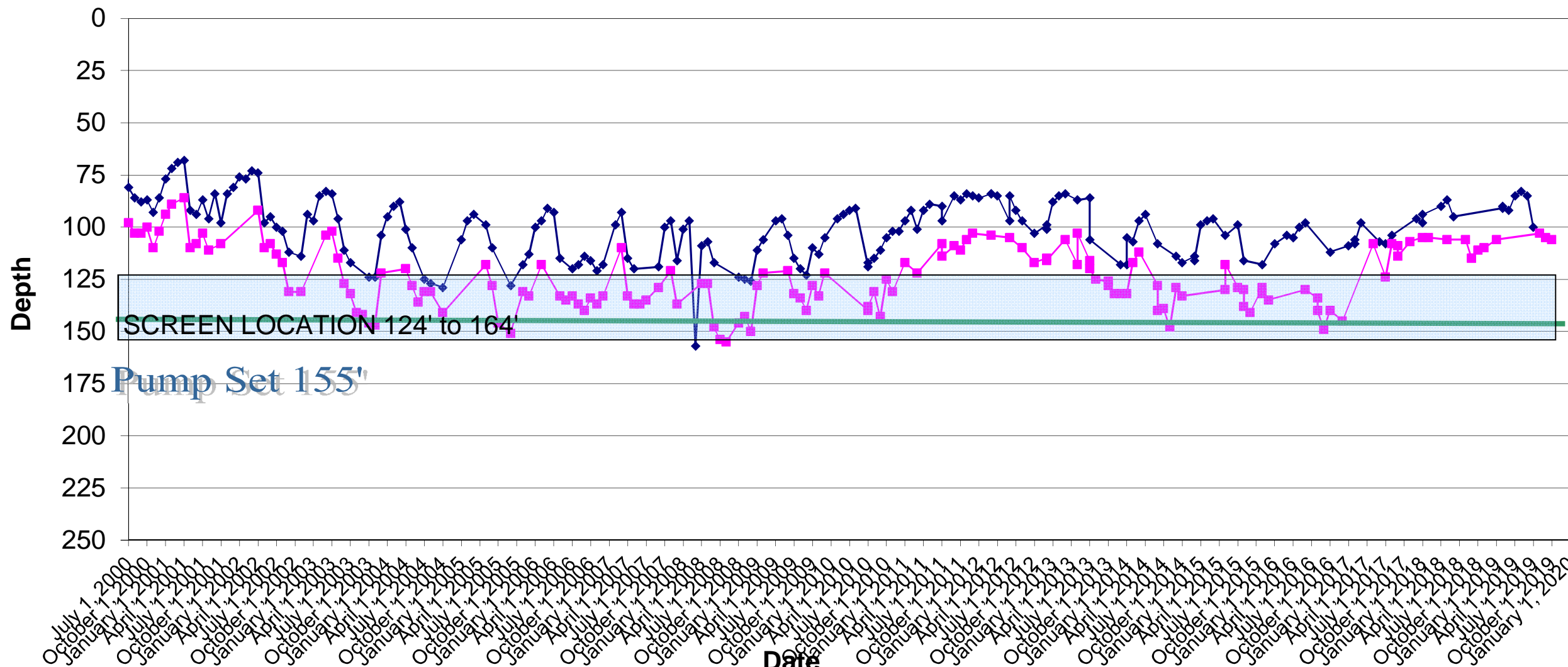
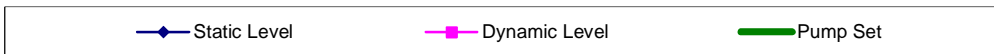


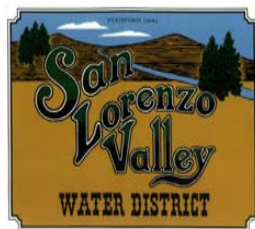
SAN LORENZO VALLEY WATER DISTRICT

Well Drawdown Report

Quail Well 5-A

Location: 1161 Quail Hollow Rd.
Ben Lomond
Elevation: 517.65 ft. @ Pad
Installed: March 2000
State Well #: 4410014-025
Completed Depth: 174'



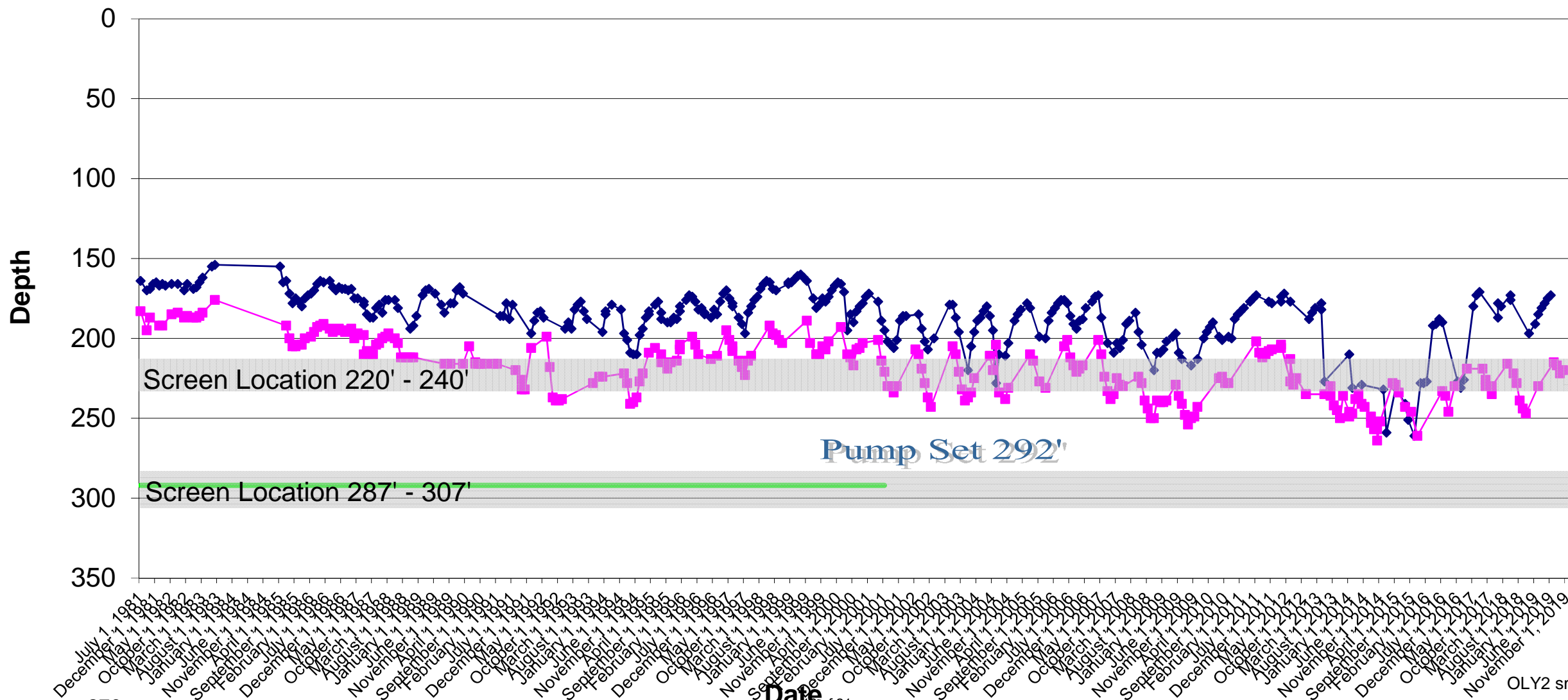
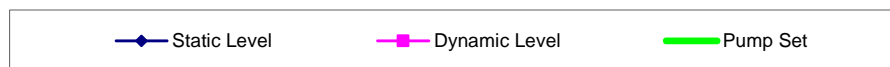


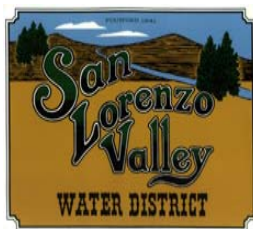
SAN LORENZO VALLEY WATER DISTRICT

Well Drawdown Report

Olympia 2

Location: 7701 E. Zayante Rd.
Elevation: 525'
Installed: April 28, 1980
State Well #: 10S/O2W-11P01
New #: 4410014-010
Completed Depth: 300'



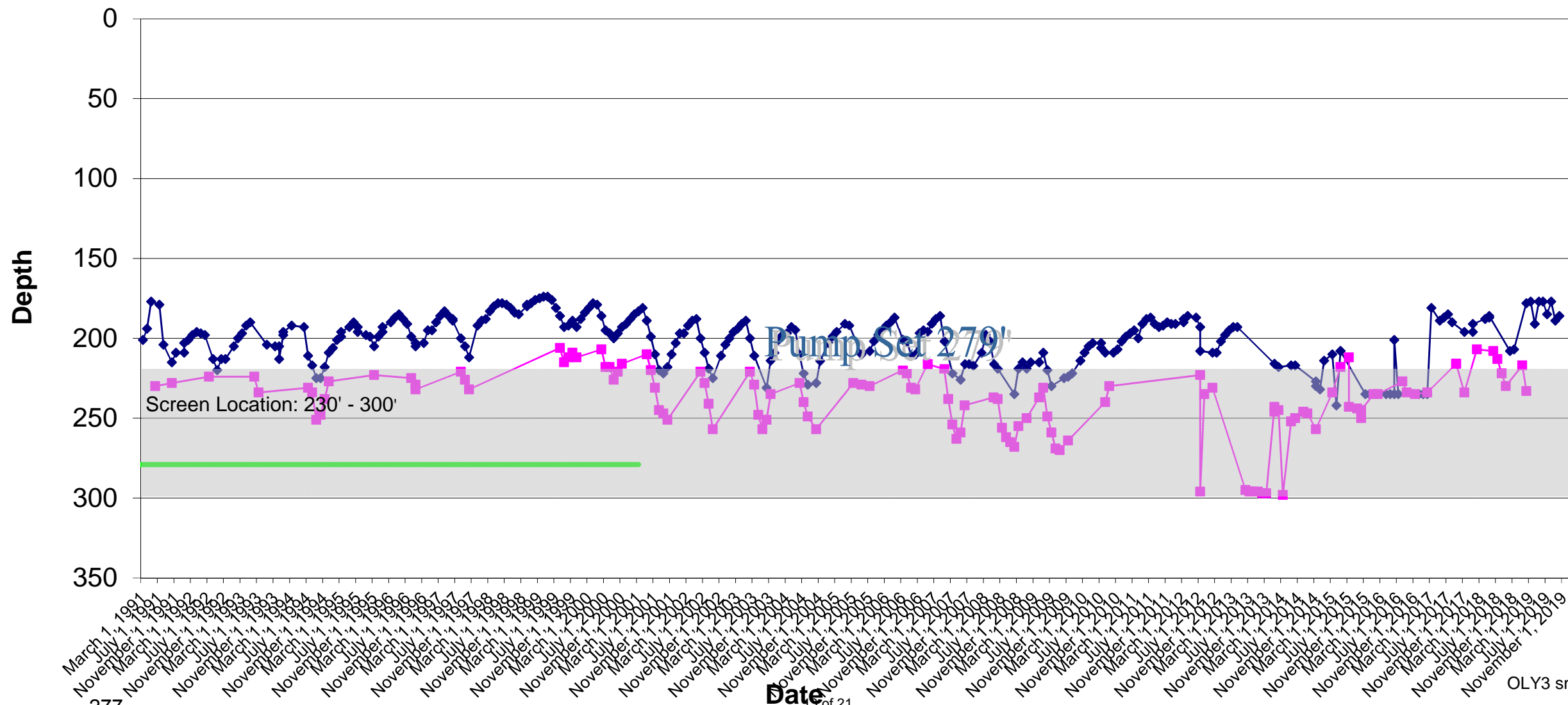
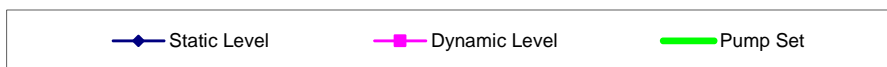


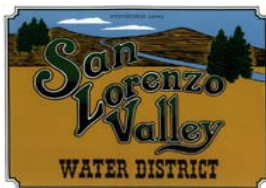
SAN LORENZO VALLEY WATER DISTRICT

Well Drawdown Report

Olympia 3

Location: 7701 E. Zayante Rd
Elevation: 538' Mean Sea Level
Installed: 8-15-90
State Well #: 4410014-022
Completed Depth:



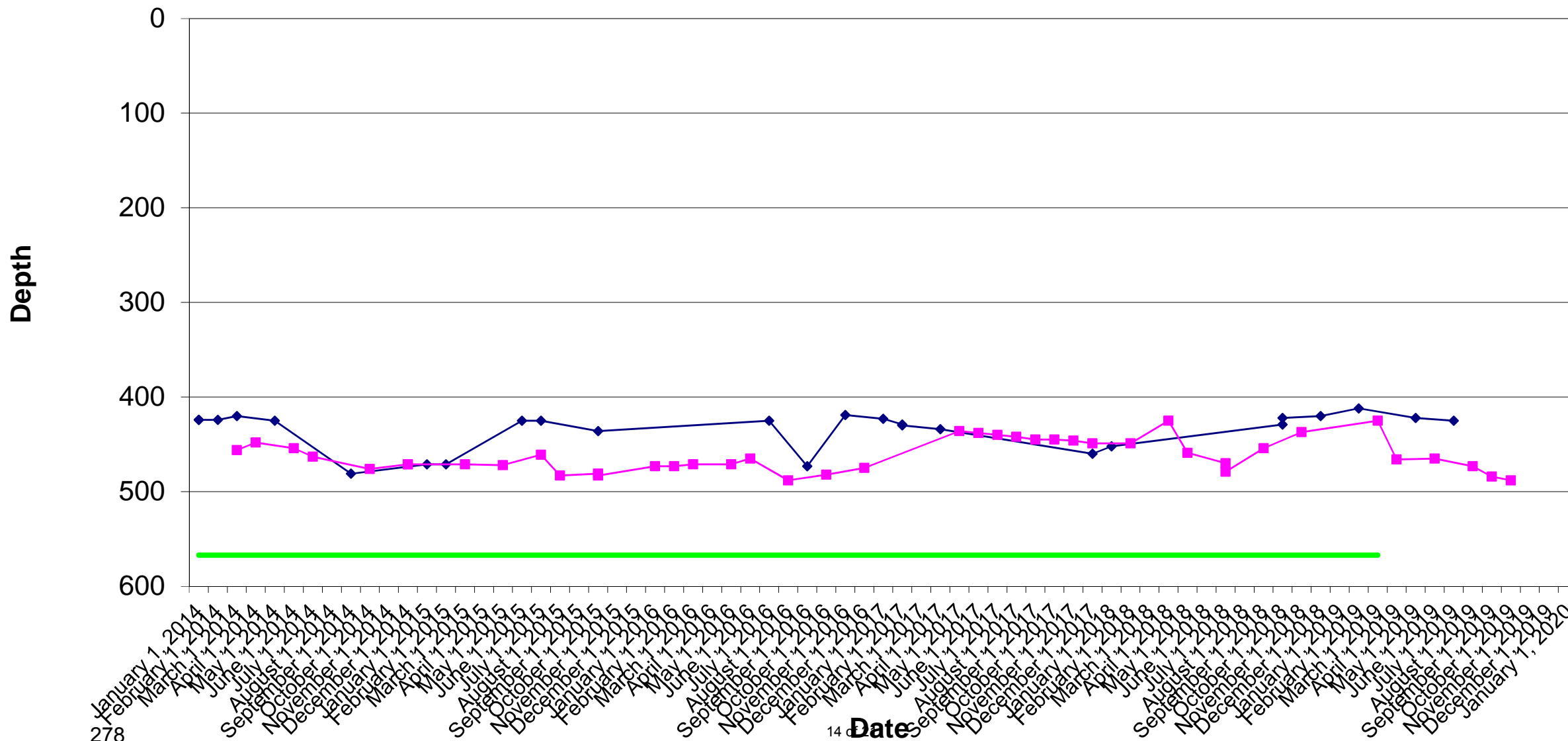
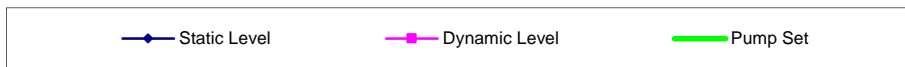


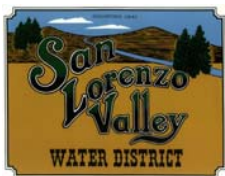
SAN LORENZO VALLEY WATER DISTRICT

Well Drawdown Report

Pasatiempo 5-A

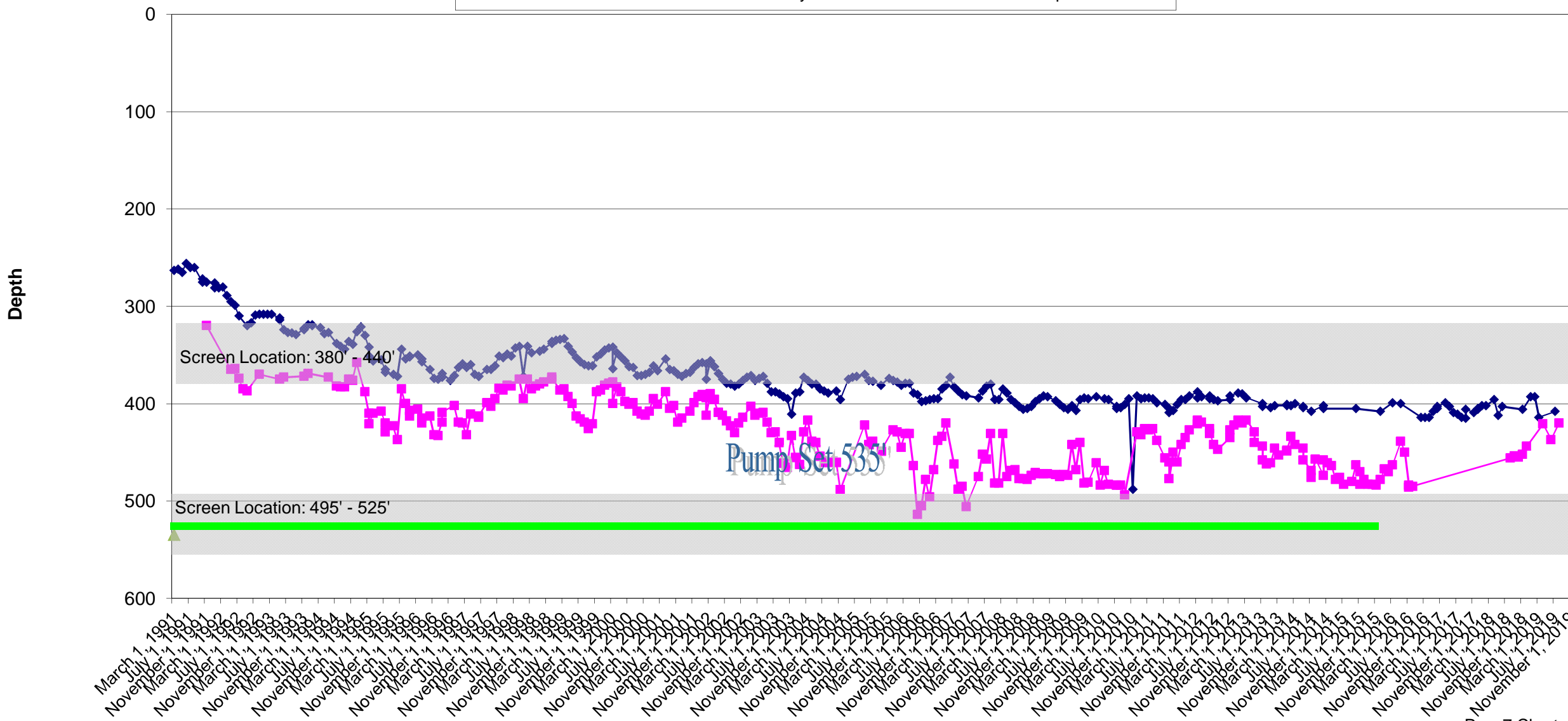
Location: So. Of 3650 Graham Hill Rd
Elevation: 752'
Installed 1-1-14
State Well #:4410014-014
Completed Depth: 710'



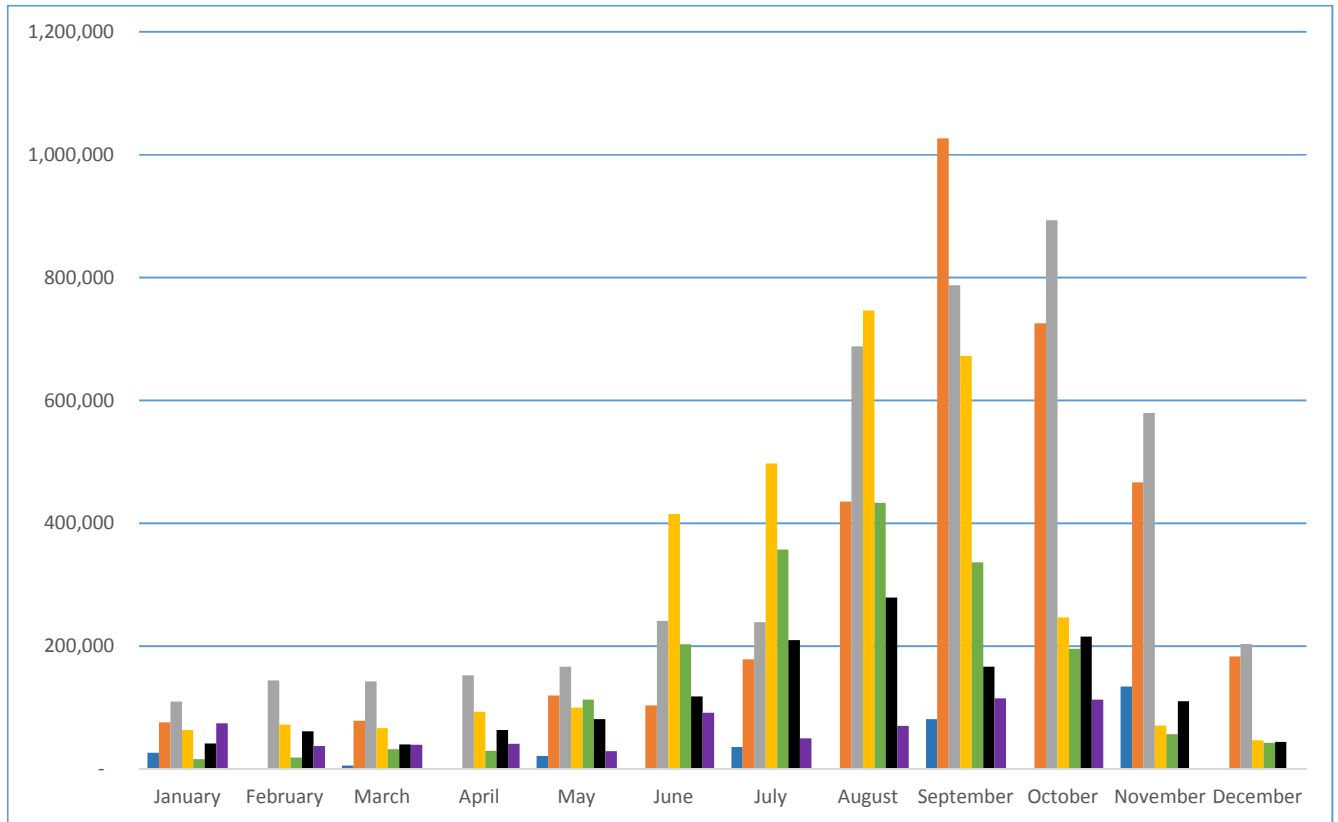


SAN LORENZO VALLEY WATER DISTRICT Well Drawdown Report Pasatiempo 7

Location: South of Probaton Center
Elevation: 734' MSL
Installed: July 21, 1990
State Well #: 4410014-024
Completed Depth: 540'



SAN LORENZO VALLEY WATER DISTRICT
BULK WATER SALES
GALLONS
October 2019



<u>Month</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
January	26,928	76,296	109,965	63,850	16,456	41,888	74,800
February			144,364	72,556	18,700	61,366	37,400
March	5,984	78,540	142,868	66,572	32,164	40,392	39,644
April			152,592	93,500	29,920	63,580	41,140
May	21,692	119,680	166,804	100,232	112,948	81,532	29,172
June		103,972	240,983	415,140	203,179	118,184	92,004
July	35,904	178,772	239,360	497,420	357,544	210,188	50,116
August		435,336	688,160	746,504	433,092	279,004	70,312
September	81,352	1,026,256	787,644	672,183	336,570	166,804	115,192
October		725,560	893,112	246,840	195,976	215,424	112,948
November	134,640	466,752	579,700	71,060	56,848	110,704	
December		183,260	203,456	47,124	42,636	44,132	
Totals	306,500	3,394,424	4,349,008	3,092,981	1,836,033	1,433,198	662,728

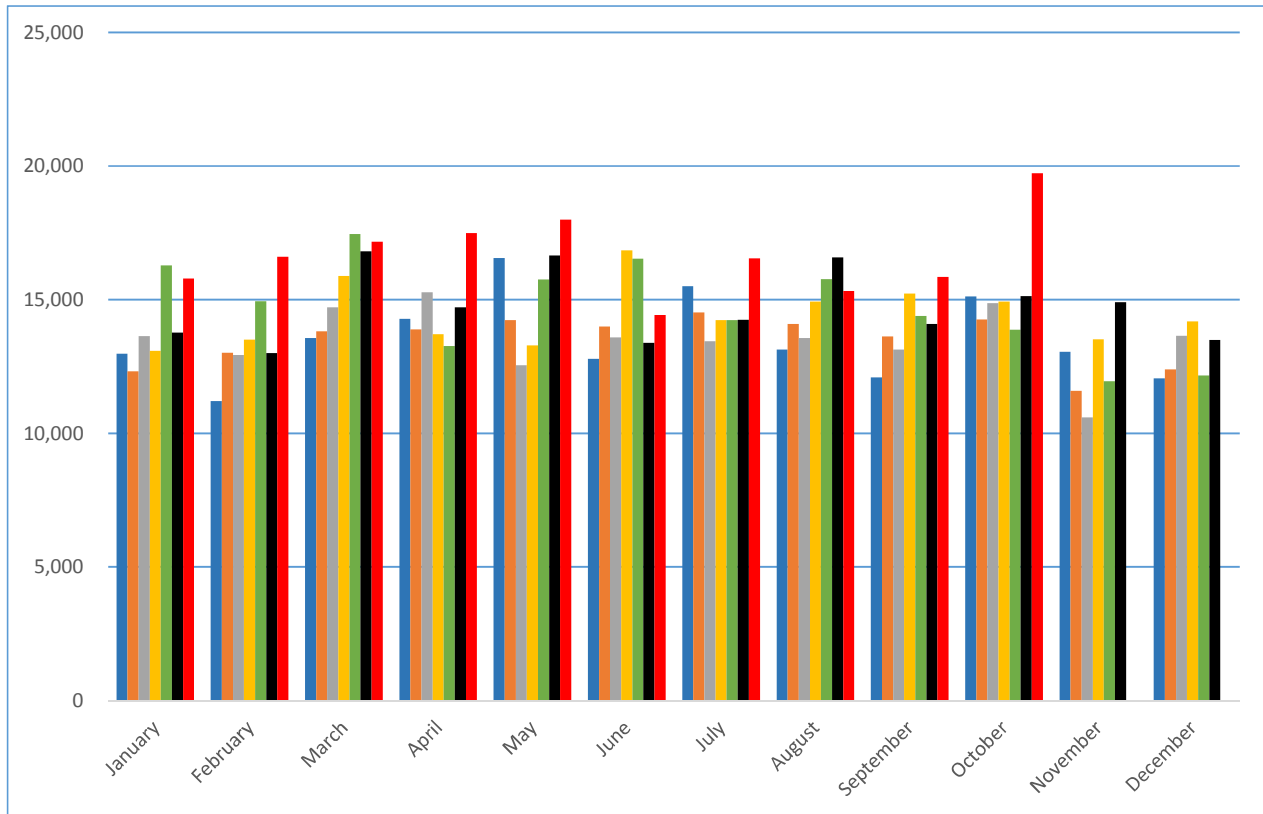
SAN LORENZO VALLEY WATER DISTRICT
MONTHLY LEAK REPORT
October 2019

Agenda: 12.5.19
Item: 13.4

Leak Type	Location - NORTH SYSTEM	Town	Gallons Lost
400 MAIN LEAKING	175 SHADOWBROOK LANE	BEN LOMOND	36,000
400 MAIN LEAKING	COUNTRY CLUB DRIVE	BEN LOMOND	800
400 MAIN LEAKING	ROWARDENNAN DR./HWY 9	BEN LOMOND	2,160
400 MAIN LEAKING	DUNDEE AVE	BEN LOMOND	550
400 MAIN LEAKING	HIGH ST	BEN LOMOND	7,200
400 MAIN LEAKING	7766 HWY 9	BEN LOMOND	500
400 MAIN LEAKING	386 MEADOW DR.	BOULDER CREEK	1,000
400 MAIN LEAKING	MORE DR.	BOULDER CREEK	2,880
400 MAIN LEAKING	215 RIDGE DR	BOULDER CREEK	86,400
400 MAIN LEAKING	LAUREL & BIG BASIN	BOULDER CREEK	17,280
400 MAIN LEAKING	165 VALE WAY	BOULDER CREEK	360
400 MAIN LEAKING	335 VISTA TERRACE	BOULDER CREEK	1,600
400 MAIN LEAKING	LORENZO AVE	BOULDER CREEK	2,160
400 MAIN LEAKING	14660 WESTPARK	BOULDER CREEK	100,800
400 MAIN LEAKING	IRWIN WAY	BOULDER CREEK	1,440
400 MAIN LEAKING	UPPER REDWOOD	BOULDER CREEK	10,080
400 MAIN LEAKING	FAIRVIEW AVE	BOULDER CREEK	1,800
400 MAIN LEAKING	11600 CLEARCREEK RD	BROOKDALE	3,600
400 MAIN LEAKING	IRWIN WAY	BROOKDALE	6,750
Total North			283,360
FELTON SYSTEM			
400 MAIN LEAKING	7700 E ZAYANTE RD	FELTON	7200
Total Felton			7,200
LOMPICO			
400 MAIN LEAKING	9629 ZAYANTE DR.	LOMPICO	36,000
400 MAIN LEAKING	10649 VISITAR ST.	LOMPICO	1,800
400 MAIN LEAKING	10720 LAKE BLVD	LOMPICO	3,000
Total Lompico			40,800
SCOTTS VALLEY			
Total Scotts Valley			-
Total All Systems			331,360

Water Quality Complaint List											
Date Received	Type Of Complaint							Address	Conclusion	System	
	Taste/ Odor	Color	Turbidity/ Particles	Worms/ Other Visible Organisms	Pressure (High/Low)	Illness (Waterborne)	Other (Specify)				
10/1/2019	X						Customer complained of bad smell coming from the faucet for the last month.	10634 E. Zayante Rd	Upon investigation by SLVWD staff, the customers hose bib was locked off. The investigating operator collected a sample at the routine bacteriological sample station 9989 E. Zayante Rd. Free chlorine was 1.0 mg/L and no odor was detected. Customer was notified of results and asked to call back if an odor is still noticed after flushing the faucet for 2 minutes.	SLVWD	
10/9/2019		X					Customer complained of brown water.	7880 Hihn Rd	Upon investigation by SLVWD staff, the customers front hose bib had no observable color. The customer agreed that the water was running clear and had no further issues. The customer was informed that a pump malfunction in the preceding day had caused the zones booster pump to constantly cycle on and off, which most likely stirred up the main. Customer was satisfied and will call back with any future concerns.	SLVWD	
10/21/2019	X						Customer complained of chlorine taste	300 Old River Lane	Upon investigation by SLVWD staff, water quality results appeared normal and within range at the customers front hose spigot. Free chlorine was 0.8 mg/L. Customer was provided with results and will call back with any further concerns.	SLVWD	
10/22/2019	X						Customer complained of a chemical taste and odor to their water.	767 El Solyo Heights Dr	Upon investigation by SLVWD staff, a vinyl odor was detect at front hose spigot. The investigating operator found a new garden hose connected to a different hose spigot on the residence that had remained pressurized. The investigating operator disconnected the new hose and flushed the customers front hose spigot. The vinyl odor was no longer apparent after the hose was disconnected. The customer was satisfied with the investigation and will call back with any further issues.	SLVWD-Felton	

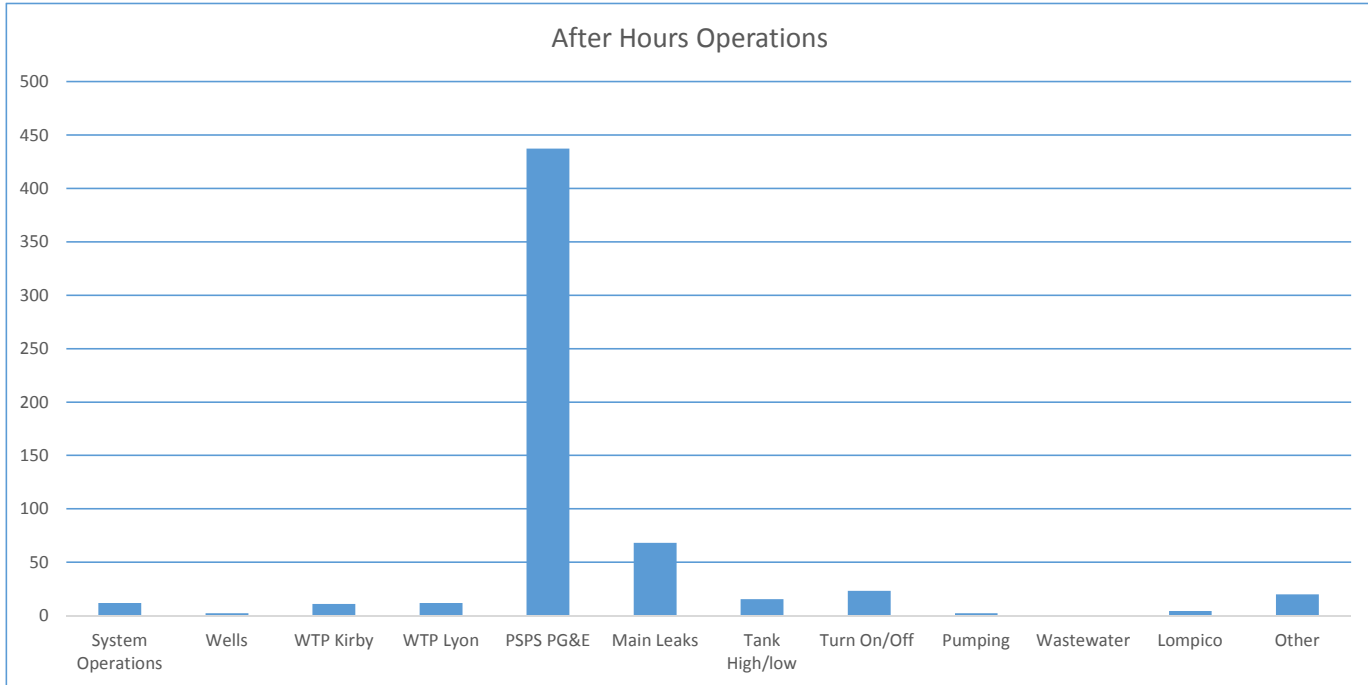
SAN LORENZO VALLEY WATER DISTRICT VEHICLE MILEAGE October 2019



<u>Month</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
January	12,976	12,317	13,633	13,082	16,286	13,763	15,790
February	11,201	13,015	12,934	13,505	14,945	13,003	16,599
March	13,558	13,817	14,714	15,882	17,451	16,809	17,167
April	14,283	13,883	15,279	13,704	13,270	14,711	17,488
May	16,560	14,228	12,550	13,290	15,757	16,646	17,998
June	12,780	14,000	13,582	16,841	16,534	13,390	14,420
July	15,497	14,519	13,441	14,228	14,229	14,242	16,541
August	13,136	14,096	13,569	14,923	15,761	16,576	15,319
September	12,087	13,622	13,137	15,229	14,388	14,094	15,853
October	15,120	14,261	14,868	14,924	13,880	15,126	19,726
November	13,046	11,594	10,591	13,510	11,952	14,908	
December	12,060	12,394	13,648	14,187	12,158	13,492	
Totals	162,304	161,746	161,946	173,305	176,611	176,760	166,901

**SAN LORENZO VALLEY WATER DISTRICT
OPERATIONS DEPARTMENT
October 2019**

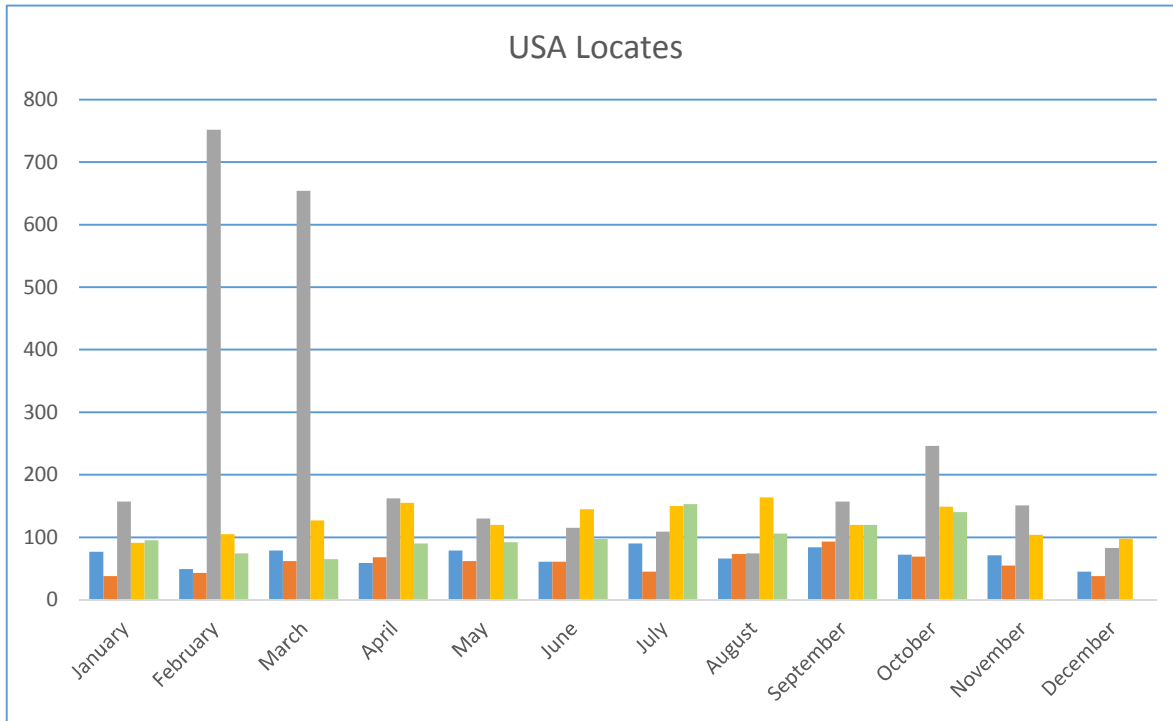
Agenda: 12.5.19
Item: 13.4



<u>Description</u>	<u>Hours</u>		<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
System Operations	11.75	January	N/A	145.00	280.75	90.50	96.50
Wells	2	February	N/A	86.50	192.25	72.00	180.00
WTP Kirby	10.75	March	N/A	153.75	105.75	80.25	106.25
WTP Lyon	11.75	April	82.50	72.00	128.75	156.75	76.25
PPS PG&E	437.25	May					82.50
Main Leaks	68	June	172.50	83.25	112.75	89.00	136.75
Tank High/low	15.25	July	124.25	80.25	162.00	145.25	158.30
Turn On/Off	23	August	111.75	81.25	141.25	134.5	119.75
Pumping	2	September	230.25	175.00	201.25	155.25	133.00
Wastewater	0	October	128.25	78.50	104.00	111.5	605.75
Lompico	4.25	November	114.25	96.25	122.50	197.5	
Other	19.75	December	186.25	130.75	134.00	220.25	
Total	605.75		1150.00	1182.50	1685.25	1452.75	1695.05

**SAN LORENZO VALLEY WATER DISTRICT
OPERATIONS DEPARTMENT
October 2019**

Agenda: 12.5.19
Item: 13.4



<u>Month</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
January	77	38	157	91	95
February	49	43	752	105	74
March	79	62	654	127	65
April	59	68	162	155	90
May	79	62	130	120	92
June	61	61	115	145	97
July	90	45	109	150	153
August	66	73	74	164	106
September	84	93	157	120	120
October	72	69	246	149	140
November	71	55	151	104	
December	45	38	83	98	
Total to Date	832	707	2,790	1528	1032





ENGINEERING COMMITTEE MEETING Minutes

November 7, 2019

Covering Design, Construction, Capital Improvement,
Master Plan and other Engineering, Operational and
Planning Related Matters

Thursday, November 7, 2019 at 2:00 pm at 13057 Highway 9, Boulder Creek, CA.

AGENDA

1. Convene Meeting 2:00 p.m.
Roll Call: J. Busa, M. Smolley, Dir. Farris and Dir. Moran were present. G. Mahood had an excused absence.
Staff: D. Langfield, R. Rogers, H. Hossack
2. Oral Communications
D. Loewen-Lompico, commented on the Mitigated Negative Declaration report and the fact that the Lompico Tanks are listed incorrectly.
3. Old Business: None
4. New Business:
 - A. LOMPICO TANKS PROJECT- CONSTRUCTION ENGINEERING SERVICES REQUEST FOR PROPOSALS.
D. Langfield introduced this item and read from his memo.
M. Smolley questioned if the items he requested be changed would be incorporated into the RFP.
L. Farris made a motion that the Engineering Committee approve the Draft RFP for Engineering Services and forward it to the BoD.
D. Langfield said that he isn't planning to take the RFP to the Board.
Discussion by the Committee and staff regarding the RFP.
Motion withdrawn by L. Farris.
D. Loewen questioned the percentage of project management compared to the total cost of the project.
Discussion by the Committee, staff and public regarding construction management oversight.
 - B. LYON SLIDE PROJECT
L. Farris said that he would like to hold questions until the presentation is complete.
D. Langfield introduced this item and read from his memo. FEMA was petitioned for an extension of one year, it was granted. D. Langfield explained that FEMA reimburses after the work is complete.
R. Rogers said the Director of Finance is confident of getting a bridge loan.
D. Langfield continued his presentation of the 2 options.
R. Rogers said that the Lyon site has had several slides.

D. Langfield said that the environmental consult would more than likely choose on of these options as the most environmentally viable.

J. Busa noted that the 2 options are limited and about the same cost.

R. Rogers said this project is necessary. Lyon Tank is our biggest water storage in the District.

Discussion by the Committee and staff regarding the project.

L. Farris recommended that this be forwarded to the Board as informational only.

Discussion by Board and staff status regarding report on the Lyon Slide.

Discussion by the Board and staff regarding the danger of the slide.

L. Farris wants Lyon Slide as #1 on old Business of the Committee agendas until further notice.

5. Adjournment 3:08

Holly Hossack

From: Chris Finnie <mail@chrisfinnie.com>
Sent: Tuesday, November 12, 2019 8:27 AM
To: Board of Directors
Subject: Statement on the board Strategic Plan

Because I had a total hip replacement a few days ago, I can't make it to the meeting tomorrow. But I do have a comment that Holly says is too late to make it into the board packet. I hope you'll consider it anyway. Thanks, Chris

The recent problems with PG&E demonstrate to me quite vividly the dangers of short-sighted thinking based solely on the bottom line. While I'm thankful that the SLWD board is not similarly proposing to neglect infrastructure spending, I do think that neglecting the environment could lead to equally dangerous consequences in terms of water quality. And, honestly, I don't care how cheap my water is if the quality is degraded. Look at what the people in Flint, Michigan have gone through when they lost access to potable water. Or the folks in the Marcellus Shale area when fracking byproducts leaked into their groundwater and they could light it afire as it came out of the tap. Think of the long-term health consequences those people still face. Imagine if that was your family, your friends and neighbors. Are you really willing to risk that to save a few dollars a month? I'm not.

Chris Finnie, Boulder Creek

From: [Karen Holl](#)
To: [Board of Directors](#)
Subject: feedback on SLVWD strategic planning process
Date: Monday, November 18, 2019 8:04:32 AM

SLV Water District Board of Directors,

I am writing in response to your request at the Nov. 13 SLVWD Board meeting regarding the proposed strategic planning process. I am a resident of Felton. I am also a professor at UC Santa Cruz, where I have held multiple leadership positions and been involved in various strategic planning processes.

In my experience, the strategic planning process always follows a multi-step procedure, such as the one outlined by Greg Larson in his presentation. The actual process can vary slightly but an organization always starts by defining/redefining a mission and vision, soliciting input from stakeholders before drafting a plan, then drafting the plan, and again inviting input from the stakeholders on the plan before finalizing it. It would be highly unusual to present a group with a fully written plan without soliciting feedback at an earlier stage. Taking this latter approach of giving stakeholders (in this case the ratepayers) only two meetings to give feedback on a previously written plan does not comprise meaningful stakeholder engagement. In my own field of expertise, land management, I have seen how token participation of stakeholders frequently backfires and leads to failure because of the lack of community buy-in. If the SLVWD has decided that the current strategic plan needs to be updated, then it is essential that the Board invest the resources and time necessary to go through the multiple stages of strategic planning and engage the community throughout the process.

Cordially,

Karen Holl

Board of Directors
San Lorenzo Valley Water District

November 18, 2019

Directors,

I'd like to address two items of importance before the board at the December 5th meeting: the Strategic Plan, and election of a new board president.

Please vote to keep the Strategic Plan in-house, under the draft and editing direction of Directors Fultz and Farris, using as a basis the 2019 draft presented, and vote to follow recommendations of the Administration Committee for number of public meetings and three-month window to see this through completion.

I attended the meetings earlier this year where the board decided to write their own Strategic Plan rather than hire it out to a consultant and directed the District Manager to find a facilitator to present it at public meetings. The reasons given for keeping this in-house were two-fold: a desire by staff for this to be a board project, and to take advantage of the talents and experience of newly elected and energized board members. I believe those who volunteered and were assigned by the Board, first Director Fultz and later adding Director Farris, are both qualified and experienced analysts who can produce a draft equal to or better than an outside agency. I also attended the Administrative Committee meeting where this project was reviewed extensively, with public input, with consensus that this be a board project, and with a set of recommendations given to the board for moving forward with the process.

I am aware that there is resistance by a group who supported the previous board to promote a "do nothing" movement to roll back district priorities and budgeting to the 2015 strategic plan and have seen use of a transparent "cost savings" reason to support their agenda. I'm further aware of a recent letter to the local paper from one of their representatives, condemning the board and promoting return of programs the board has ended, such as use of glyphosate and funding a grant program. I believe the board and public fully understands the motivation of the thinly veiled "do nothing" movement, intended to return to a plan funding their special interest programs --and not to save money.

I also attended the recent special meeting where a Strategic Plan consultant, Greg Larson, gave a presentation and was interviewed for being a possible facilitator. From that I see no reason to change the board's original intent. I commend the board for having made the decision to do the plan in-house and thank directors for making good progress on the draft. Please continue: adopt the draft 2019 plan as the basis and build on what the Administrative Committee recommended to move ahead on this essential project to define new policies and direction for the district.

The other item of importance is selection of a new Chair for the board. I believe the person selected should be one of the elected, with the most qualified, strategic and sensible choice for this year being Director Bob Fultz, who is presently vice-chair and therefore next in line. I have seen Director Fultz lead many committee meetings and value his ability to encourage all viewpoints, find common ground, and focus on progress: all skills I believe this district will benefit greatly from in the coming year. I urge the board to wholeheartedly support and elect Director Fultz, and I thank outgoing Chair Henry for her service and passing the gavel to his capable hand.

Thank you.

Debra Loewen, Lompico Canyon

From: [Ford Larry](#)
To: [Board of Directors](#); [Rick Rogers](#)
Cc: [Holly Hossack](#)
Subject: Strategic Planning Process
Date: Tuesday, November 19, 2019 10:44:51 PM

Dear SLVWD Directors and District Manager Rogers:

This is to provide feedback and suggestions for proceeding with the Strategic Planning process that was the subject of the SLVWD Board meeting November 13, 2019.

The presentation by prospective consultant Greg Larson was both useful and informative. He is clearly well qualified, including very significant experience as a leader of public agencies, facilitator of public meetings, and consultant in strategic planning broadly. He is well regarded among his peers and previous clients.

In particular Mr. Larson's discussion and list of strategic planning steps clearly illustrated that all the steps are necessary to develop a sound, useful, and broadly supported Strategic Plan for the District. Doing so is the industry standard. It would be a mistake, and probably harm public confidence if only the public and board meetings were facilitated (Slide #13, Step #5) without the other steps conducted by an independent third party. Therefore it is important to accept the proposal by Mr. Larson to conduct the full planning process.

However, such planning is expensive. It would only be worth spending District funds on it if the whole process was included, and supported by the community through participation.

Two less expensive alternatives are worth considering:

1. Don't revise the Strategic Plan at all, and instead go through the usual process of Board review of planned operations and budgets with fiscal responsibility in mind.
2. Ask Greg Larson to help the Board make the current Strategic Plan more concise and useful to staff for implementation without any revisions to mission, values, goals, or other key elements.

Furthermore, be aware that your fellow Director, Lew Farris is a recognized expert in strategic planning. I met with Director Farris after your last Board meeting to discuss options for better strategic planning by the SLVWD. He has decades of professional experience both preparing and auditing strategic plans for hundreds of businesses as well as utilities, national parks, ports, ships, and non-profit organizations. He is certified by the International Standards Organization (ISO) for auditing of such plans to meet ISO 9001 and 13485 standards. He would provide very important advice and interpretation of both Greg Larson's planning steps and the ISO standards in the process of developing the new SLVWD Strategic Plan or condensing the current plan.

Thank you, LF

Lawrence D. Ford, Ph.D.

Principal Natural Resource Scientist

LD Ford, Consultants in Rangeland Conservation Science

- Calif. Certified Rangeland Manager (License #M70, Calif. Bd. of Forestry and Fire Protection)

- Research Associate, Environmental Studies Dept., UC Santa Cruz

Felton, CA 95018-9253

Website: <http://www.rangelandconservation.com>

Desk Phone: 831-335-3959 (forwarded to mobile phone when away)

Holly Hossack

From: Barbara Sprenger <sprenger@cruzio.com>
Sent: Wednesday, November 20, 2019 4:42 PM
To: Board of Directors
Subject: Strategic Plan process, Letter to Editor

Dear SLVWD Board of Directors,

Living in the San Lorenzo Valley, most of us understand how fragile and complex our watershed is. The SLV Water District has been a touchstone for over 40 years for education and protection of this environment for both current and future generations.

The mission statement and the strategic plan for the district are closely aligned with these values -- the values (I believe) of the vast majority of valley residents.

Director Bob Fultz has taken it upon himself to completely rewrite the mission statement and strategic plan for SLVWD. The board is proposing to hold a truncated process to review Mr. Fultz's plan, one that could fundamentally change the direction of the district for generations to come.

The district has received an excellent presentation from Greg Larson, who has shown a typical process involving all stake holders in a review of vision and values, mission and plan, so that the final product really reflects the people and environment of SLV. This process is more time and cost intensive than rubber-stamping a plan created by one board member working on his own — but the stakes are just too high to allow that.

The board should:

- Explain to the public why the existing plan, which balances current and future generations, provision of water, watershed management/protection, and community education, needs to be thrown out;
- Explain the full costs of developing a new inclusive plan.

If the board still feels the need to start from scratch and completely rewrite the strategic plan for governing the water district — and feels the cost is justified -- hire Mr. Larson as an independent third-party to truly engage all stakeholders. Don't let one board member write a plan that will not only impact us now, but be felt down to our grandchildren.

Sincerely,

Barbara Sprenger

Holly Hossack

From: Paul Machlis <machlis@gmail.com>
Sent: Wednesday, November 20, 2019 6:16 PM
To: Board of Directors
Subject: Strategic Plan comment

Dear SLVWD Directors and District Manager Rogers:

As a librarian, I participated in two strategic plan revisions, in both cases an expensive and time-consuming process that has become an almost obligatory ritual in organizations. Whether the time and money were well-spent was not always clear, but in neither case was there any question about wise practice: accumulation of data, consultation with all stakeholders, and wide public input before both the draft and final versions of the revised plan.

The Board is now considering revising its strategic plan only three years since the previous plan was approved, while normal practice is for a plan to serve five to six years. It is also considering whether to proceed in a manner that deviates in several respects from established practice. A truncated process that limits public and stakeholder input would almost surely breed distrust among ratepayers, many of whom will be aghast at expenditures for what seems an unnecessary step.

The Board would be far wiser to table the topic, but if a majority insists on proceeding, then it would be foolish not to follow industry standards in the process.

Paul Machlis

Paul Machlis
5590 Lincoln Way
Felton CA 95018
831-331-7632

Holly Hossack

From: Lee Summers <lasummers123@gmail.com>
Sent: Friday, November 22, 2019 1:09 PM
To: Board of Directors; Rick Rogers
Subject: Mission Statement & Strategic Plan

Dear SLWWD Board of Directors and Rick Rogers;

I am a resident of Boulder Creek and a political moderate – that is, a fiscal conservative and a social liberal. I am writing to comment on your proposed intention to change the district's mission statement and strategic plan.

I find it curious that you plan to modify these three-year-old documents in your first year of work, when you have stated that fiscal issues and infrastructure projects are such a high priority. According to Bob Fultz's letter to the *Santa Cruz Mountain Bulletin* editor (Nov-Dec 2019), you have worked toward fulfilling many campaign promises: "Change the Board culture and interaction with the community; Dispose of the Vierra lawsuit; Reduce operating costs... Ban Glyphosate (Roundup) use by the District; Build up reserves; and Rebuild trust with the Lompico community." In addition, Fultz described your "focus on the business of the environment" by providing funding to state mandated projects. These accomplishments occurred under the existing mission and strategic plan. If you could complete so much under the current documents, why change them now?

In that same letter, Fultz also wrote that you were able to cut almost 2% out of last year's budget emphasizing: "and the work of reducing costs continues." His revised mission statement suggested providing water "at the lowest possible sustainable price." If cutting costs to sustain low prices figures so prominently in your priorities, why are you spending time and funds to change the wording of documents under which you've accomplished so much? Normally, mission statements and strategic plans are revised every five to six years, not three. Changing them now is a waste of district resources and a contradiction in your stated priorities.

In an era in which the district cannot afford a \$2,000 donation of water to the Redwood Mountain Faire – a benefit for many non-profit organizations in the area – can it really afford the cost and time to spend on altering a few words in a manual? I urge you to focus your attention on more pressing issues like infrastructure improvements and leave the existing mission statement and strategic plan as they are.

Sincerely,
Lee Summers
Boulder Creek

Holly Hossack

From: Lois Henry
Sent: Saturday, November 23, 2019 5:22 PM
To: Lee Summers; Board of Directors; Rick Rogers
Subject: Re: Mission Statement & Strategic Plan

Good letter thank you. Bob Fultz was speaking only for himself not the whole board.

From: Lee Summers <lasummers123@gmail.com>
Sent: Friday, November 22, 2019 1:08 PM
To: Board of Directors <bod@slvwd.com>; Rick Rogers <rrogers@slvwd.com>
Subject: Mission Statement & Strategic Plan

Dear SLVWD Board of Directors and Rick Rogers;

I am a resident of Boulder Creek and a political moderate – that is, a fiscal conservative and a social liberal. I am writing to comment on your proposed intention to change the district’s mission statement and strategic plan.

I find it curious that you plan to modify these three-year-old documents in your first year of work, when you have stated that fiscal issues and infrastructure projects are such a high priority. According to Bob Fultz’s letter to the *Santa Cruz Mountain Bulletin* editor (Nov-Dec 2019), you have worked toward fulfilling many campaign promises: “Change the Board culture and interaction with the community; Dispose of the Vierra lawsuit; Reduce operating costs... Ban Glyphosate (Roundup) use by the District; Build up reserves; and Rebuild trust with the Lompico community.” In addition, Fultz described your “focus on the business of the environment” by providing funding to state mandated projects. These accomplishments occurred under the existing mission and strategic plan. If you could complete so much under the current documents, why change them now?

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In an era in which the district cannot afford a \$2,000 donation of water to the Redwood Mountain Faire – a benefit for many non-profit organizations in the area – can it really afford the cost and time to spend on altering a few words in a manual? I urge you to focus your attention on more pressing issues like infrastructure improvements and leave the existing mission statement and strategic plan as they are.

Sincerely,
Lee Summers
Boulder Creek

Holly Hossack

From: Mark Dolson <mbdolson@gmail.com>
Sent: Saturday, November 23, 2019 10:44 AM
To: Board of Directors
Subject: Public Input re: 11/13 Board Meeting

Dear SLVWD Directors and District Manager Rogers:

I am writing to provide public input to the SLV Water District Board relating to the 11/13/19 presentation by Greg Larson of Management Partners and to the board's ensuing discussion and request for proposals for ways in which Mr. Larson could potentially assist the board in its pursuit of a new Strategic Plan.

I want to begin by saying that I was impressed with Mr. Larson's presentation, with his relevant expertise, with the board's receptivity to this expertise, and with the interest expressed by multiple board members in taking full advantage of this expertise so as to responsibly align the board's plan-development process with industry best practices.

This last point is of vital importance because it ensures that any new Strategic Plan will fully reflect the knowledge and interests not only of individual board members, but also those of the staff and the broader SLV community. Given the decisive role that the Strategic Plan will play in the district's future decision-making, it would be a grave mistake to short-circuit Mr. Larson's full-blown, recommended process in the misguided pursuit of near-term cost-savings and expedience.

Unfortunately, the board's current default document-development plan, in which Mr. Larson's contributions are potentially minimized, epitomizes precisely this sort of false economy. Instead of beginning logically with data collection, with staff and community input, and with the associated development of a broad consensus on mission, vision, values, and goals, the plan of record begins with a document generated by a single board member and assigns this same board member major authorship responsibility for the final report, following a cursory intervening round of community input.

This is an extreme deviation from the industry-standard process described by Mr. Larson and is unlikely to produce the robust result that the board desires. It also needlessly and unfairly places the designated primary author in a frankly untenable position because it will be very difficult to avoid the impression that the final outcome was largely the product of a single, isolated perspective.

For these reasons, I strongly recommend that the board avail itself of Mr. Larson's services for the full sequence of steps outlined in his Proposed Approach on Slide 13. If the board has concerns about the associated cost, the logical next step would be for the board to produce and publicly discuss a careful cost-benefit analysis that explains why any revision of the Strategic Plan is needed in the first place. The only explanation that has been offered to date is patently false: the 2018 election did not remotely provide any sort of mandate for revising the mission statement and plan – the 2018 campaign focused solely on the question of which candidates would operate most responsibly and effectively on behalf of the established board mission.

Thank you for your attention to this public input and for your continuing dedication to representing the interests of, and serving the needs of, the entire SLV community.

Respectfully,

Mark Dolson
Ben Lomond, CA

Holly Hossack

From: Lea Watson <lea4wat@gmail.com>
Sent: Saturday, November 23, 2019 3:30 PM
To: Board of Directors
Subject: Strategic Plan

Dear Board Members and Manager Rogers,

I am an SLVWD ratepayer and have lived in the San Lorenzo Valley for forty-six years. I'm writing to express my concern about the process in which the board is engaged of adopting the new Strategic Plan proposed by Director Fultz. I commend the board for considering engaging Greg Larson as facilitator for this process if, in fact, the board decides to go ahead with it. But I question whether it is necessary to do so. If this plan is to be adopted the process must be thorough and transparent i.e. in accordance with industry standards as put forth by Mr. Larson. And I question whether it is fiscally responsible to spend money on this process at this time. Would it not be more reasonable to review the existing Strategic Plan? I'm concerned that Director Fultz may be in a rush to get his plan adopted; and that the very important step in the Strategic Planning process as outlined by Mr. Larson, of informing the public, getting public input, and being transparent about the process will be less than thorough, because a thorough process would take more time and be expensive for the District. To exclude rate payers from being part of the process will alienate the community and bring into question the integrity and transparency of the board. I don't think it is necessary to create a new Strategic Plan. If it is done, it must be done right, and to spend money this way seems at odds with Director Fultz's own proposal to provide water "at the lowest possible sustainable price".

In the interest of fiscal responsibility and refocusing on other important District issues, please consider tabling Director Fultz's Strategic Plan, and continuing to work from the District's Mission Statement and Strategic Plan as they stand.

Thank you.

Lea Watson

--

Lea Watson
5590 Lincoln Way
Felton, CA 95018
1-831-234-8288 cell

Holly Hossack

From: Cynthia Dzendzel <cyndzen@earthlink.net>
Sent: Saturday, November 23, 2019 8:17 PM
To: Board of Directors
Subject: Strategic Plan

Dear Members of the Board and Manager Rogers,

I am a ratepayer from the Felton service area. I attended the presentation by Gary Larson and was impressed by the process he proposed for modifying the SLVWD Strategic Plan. A survey of all ratepayers asking whether they prefer the current Mission Statement or the proposed Mission Statement would be desirable to determine whether a new Strategic Plan is necessary.

Some of the current Board Members stated that the existing Strategic Plan had not been implemented. They want to develop a SP that the Board would actually try to follow.

As I recall, the previous Board provided a prioritized list of infrastructure improvements to be accomplished according to a time table. It would be helpful to have a look back at that list and time table and the current list of proposed improvements and time table, to determine why the Strategic Plan needs to be rewritten. Gary Larson stated that our current SP includes an Implementation Plan, and that it is customary to review the SP on an annual basis to determine whether it has been successfully implemented. If not, the ratepayers should be informed whether the Implementation Plan was unrealistic, or whether there were unforeseen emergency repairs that needed to be performed before the IP planned improvements could be completed.

If the proposal by Gary Larson is accepted, I would urge that the cost of going through the process be justified by stating clearly the costs, both short and long-term, of eliminating functions of the SLVWD Board, staff and consultants, if that is the expected outcome of this process.

One function of SLVWD staff that needs to be fully appreciated and expanded is public outreach. If ratepayers are not fully informed of the proposed actions of the Board, there will not be consensus on the wording of the Strategic Plan or the Implementation Plan.

Thank you for encouraging participation by ratepayers that attended the last Board Meeting. I urge the Board to make every effort to contact the ratepayers that were not able to attend and encourage their participation in the next Board Meeting.

Thank you for your service to SLV Water District.

Sincerely,

Cynthia Dzendzel

5600 Lincoln Way
Felton 95018

November 26, 2019

Board of Directors
San Lorenzo Valley Water District

Dear Board Members:

I am writing to express my appreciation for Greg Larson's presentation at the November 13 Board meeting. Unfortunately, I was unable to attend, but I was able to review his power point presentation. Over my 40+ year career, I led or was involved with the development of numerous strategic plans (albeit for nonprofit organizations, not for public agencies), and in my experience Mr. Larson's presentation provides a sound, cutting edge approach, as reflected in his summary slide #13.

What excites me the most about his proposed process is that I believe it will provide opportunities for the community to come together and identify shared values and goals. Clearly there are divisions and differences of opinions. However, if the Board were to take the lead in reaching out to the ratepayer community, staff, and strategic partners, encourage participation, and engage people to reflect on the district's broad mission and mandate, I believe there will be more consensus and opportunities for collaboration than most would anticipate.

This result is likely, however, only if the process is robust and thorough. If it is not, I anticipate that ratepayers would assume that the board has already decided the outcome, discouraging participation and promoting reactive protesting. As I understand it, the "base proposal" that Mr. Larson was asked to submit would limit the strategic planning process to two public meetings and two board meetings in a fast-tracked, truncated process. In addition, Mr. Larson and his team would not develop the first draft of the Strategic Plan as proposed in his presentation. Instead, Director Fultz, who has already drafted an alternative plan, and Director Ferris would be the authors, adding to the perception that the Board is not serious about receiving public input. I fear that this would feed rather than lessen the divisions and hostility that have plagued the district for the last several years.

In addition to not being helpful, it would be a waste of money to use the truncated process. Particularly because it has been only three years since the last strategic plan was prepared - Mr. Larson said last night that strategic plans are normally revisited every five to six years - there is no apparent need to revise the existing plan at this time. The District is not flush with cash. It would make more sense to stop this process now than to engage in a fig leaf, truncated process designed solely to present the appearance of a full analysis. Director Fultz has repeatedly said that he does not want to spend any money that is not directly related to the delivery of water; under that standard, the District should not spend any money on a truncated process to revise the plan.

The only rationale that I am aware of given by the Board for revising the strategic plan is that the 2018 election provided a mandate to do so. This is simply not the case. The election focused on numerous issues, but at no time were voters aware that the new board members were planning to

fundamentally change the mission of the district and to downgrade the importance of environmental and watershed stewardship, as proposed by Director Fultz in his draft alternative strategic plan. To adopt such significant changes to the district's mission and strategic plan without a deliberative, full process would be a betrayal to voters, ratepayers, staff and strategic partners.

Respectfully submitted,

Jim Mosher
Felton, CA

Holly Hossack

From: Elaine Fresco <ecfresco@gmail.com>
Sent: Wednesday, November 27, 2019 3:01 PM
To: Board of Directors; Rick Rogers
Subject: Rewriting Strategic Plan

I am writing to respond to Rick Roger's request to provide feedback about the proposed revision of the SLVWD's Mission Statement and Strategic Plan. At the last Board Meeting on November 13, Greg Larson, the proposed facilitator, gave an excellent presentation about the proper steps required to involve the ratepayers, community and staff in formulating an effective plan. I think he would be an invaluable consultant for this project.

Director Fultz has proposed an abbreviated version of Greg Larson's proposal to rewrite the plan. He is also proposing a rushed time frame to accomplish this. If the District is to proceed with this project (and I'm not sure if the Board's time would be better spent on infrastructure and disaster planning), it is crucial to take the time to follow ALL of the steps required to gather the information to write a plan that the staff can really use and that the public understands and supports.

The Strategic Plan sets out the overall goals and objectives of the SLV Water District and ultimately determines how the budget will be allocated. This is too important to push through quickly.--

*Elaine Fresco
Felton*