



SCOTTS VALLEY WATER DISTRICT

AGENDA PACKET

REGULAR BOARD MEETING
March 10, 2016 at 7:00 p.m.

Santa Margarita Community Room
2 Civic Center Drive
Scotts Valley, California

BOARD OF DIRECTORS

Danny Reber, President
Ruth Stiles, Vice President
David Hodgins, Director
Ken Kannegaard, Director
Chris Perri, Director

Piret Harmon, General Manager



SCOTTS VALLEY WATER DISTRICT

BOARD OF DIRECTORS
PRESIDENT Danny Reber
VICE PRESIDENT Ruth Stiles
David Hodgin
Ken Kannegaard
Chris Perri

GENERAL MANAGER
Piret Harmon

Board of Directors
Regular Meeting – 7:00 p.m.
Thursday, March 10, 2016
District Board Room
2 Civic Center Drive, Scotts Valley, California

Agenda

1. Convene Meeting

- 1.1. Call to Order and Roll Call
- 1.2. Pledge of Allegiance and Invocation
- 1.3. Closed Session Report
- 1.4. Additions/Deletions to the Agenda
- 1.5. Oral Communications

2. Administrative Items

- 2.1. [Approval of Minutes – February 11, 2016 Regular Board Meeting](#)
- 2.2. [Approval of Minutes – February 16, 2016 Special Board Meeting](#)
- 2.3. Presentation – Scotts Valley Water District Emergency Response Plan
(The Emergency Response Plan contains site specific information that is not for public review. If you would like to view a copy of the Emergency Response Plan, please contact dpaul@svwd.org.)

3. Consent (None on 03/10/16)

4. Public Hearing (None on 03/10/16)

5. General Business Items

- 5.1. [2016 Water Supply Outlook](#)

Recommendation: Receive information and provide direction on potential action.

6. Committee Reports

- 6.1. [Water Resources and Engineering Meeting Report – February 24, 2016](#)

7. Staff Reports

- 7.1. District Counsel - oral
- 7.2. General Manager
 - 7.2.1 [Board Retreat: Strategic Direction and Course of Action](#)
- 7.3. [Finance Manager](#)
- 7.4. [Operations Manager](#)

8. Individual Directors Reports

Individual Directors Reports – oral

- Anticipated expenses
- ACWA and ACWA/JPIA updates
- Items not on the Agenda

9. Written Communications and Correspondence (None on 03/10/16)

10. Community Relations

[10.1 Water Conservation Doesn't Equal Money Savings \(Press Banner 02/06/16\)](#)

[10.2 Direct Potable Reuse Becoming Palatable for California Public \(Water Online 02/16/16\)](#)

11. Closed Session

Pursuant to Government Code Section §54957

Closed Session to discuss personnel matter one employee

12. Report on Closed Session and Additional Items

13. Adjournment

Future Agenda Items

Urban Water Management Plan - Public Hearing (May)

Election Actions for General Election November 8, 2016 (May)

FY 2017 Draft Capital & Maintenance Projects (May)

FY 2017 Draft Strategic Work Plan (May)

Water Use Efficiency – Biannual Report (May)

Third Quarter Financial Statements (May)

FY 2017 Budget Adoption (June)

Comprehensive Rate Study

Supplemental Supply Study

Board of Directors Calendar

Regular Board Meetings (District Board Room)

- Thursday, April 14, 2016 7:00 p.m.
- Thursday, May 12, 2016 7:00 p.m.
- Thursday, June 9, 2016

Santa Margarita Groundwater Basin Advisory Committee – May 18, 2016 at 4:00 p.m.

Committee Meetings (District Conference Room)

- Finance & Personnel Committee – March 15, 2016
- Water Resources & Engineering – March 22, 2016
- Executive & Public Affairs– April 5, 2016

ACWA Events

- [ACWA's 2016 Legislative Symposium](#) - March 9, 2016 Sacramento Convention Center
- [2016 Spring Conference & Exhibition](#) – May 3-6, 2016, **Monterey CA**

Other Training/Workshop

[2016 Executive Briefing: Defining the New Normal](#) – March 17, 2016 Sacramento

[2016 Green California Summit](#) – April 21 – 22, 2016 Sacramento Convention Center

[International Groundwater Conference](#) June 28-30, 2016 San Francisco (Burlingame)

Online Workshops

[Rural California Assistance Corporation Jan – June 2016 Drinking Water Workshop Schedule](#)

Ethics Training for Board Members – March 22, 2016 10 a.m. or April 6, 2016 6 p.m.

Board Basics: Budgets – April 20, 2016 10 a.m.

Board Basics: Capital Improvement Planning – May 4, 2016 10 a.m.

AVAILABILITY OF PUBLIC RECORDS PROVIDED TO THE BOARD OF DIRECTORS: THE DISTRICT WILL MAKE AVAILABLE FOR PUBLIC REVIEW ANY PUBLIC RECORDS FURNISHED TO THE BOARD OF DIRECTORS AT THE SAME TIME SUCH RECORDS ARE FURNISHED TO THE BOARD OF DIRECTORS. **SUCH RECORDS SHALL BE AVAILABLE AT THE DISTRICT OFFICE DURING NORMAL BUSINESS HOURS.**

PUBLIC ACCESS – ACCOMMODATIONS UNDER THE ADA: PURSUANT TO TITLE II OF THE AMERICANS WITH DISABILITIES ACT OF 1990, THE SCOTTS VALLEY WATER DISTRICT REQUESTS THAT ANY PERSON IN NEED OF ANY TYPE OF SPECIAL EQUIPMENT, ASSISTANCE OR ACCOMMODATION(S) IN ORDER TO EFFECTIVELY COMMUNICATE AT THE DISTRICT'S PUBLIC MEETING PLEASE MAKE SUCH A REQUEST TO THE DISTRICT OFFICE AT THE ABOVE ADDRESS OR BY CALLING (831) 438-2363 A MINIMUM OF THREE (3) WORKING DAYS PRIOR TO THE SCHEDULED MEETING. ADVANCE NOTIFICATION WITHIN THIS GUIDELINE WILL ENABLE THE DISTRICT TO MAKE REASONABLE ARRANGEMENTS TO ENSURE ACCESSIBILITY.



SCOTTS VALLEY WATER DISTRICT

BOARD OF DIRECTORS
PRESIDENT Danny Reber
VICE PRESIDENT Ruth Stiles
David Hodgin
Ken Kannegaard
Chris Perri

GENERAL MANAGER
Piret Harmon

Board of Directors
Regular Meeting – 7:00 p.m.
Thursday, February 11, 2016
District Board Room
2 Civic Center Drive, Scotts Valley, California

Draft Minutes

I. Convene Meeting

- I.1. Call to Order and Roll Call
President Reber called the meeting to order at 7:00 p.m. in the Santa Margarita Community Room, 2 Civic Center Drive, Scotts Valley, California.
- I.2. Pledge of Allegiance and Invocation
Director Perri led the pledge of allegiance and President Reber called for a moment of silence.
- I.3. Closed Session Report
There was no closed session on January 14, 2016.
- I.4. Additions/Deletions to the Agenda
There were no additions or deletions to the agenda.
- I.5. Oral Communications
There were no oral communications.

2. Administrative Items

- 2.1. Approval of Minutes – January 14, 2016 Regular Board Meeting
Director Hodgin moved, seconded by Director Stiles to approve the minutes of the January 14, 2016 Regular Board Meeting.
MOTION CARRIED by VOICE VOTE
AYES: Hodgin, Kannegaard, Perri, Reber and Stiles.
NOES: None.
ABSENT: None.
- 2.2. Presentation - Community Outreach Work Plan Mid-Year Status
Bill Miller and J.M. Brown of Miller Maxfield, Inc. provided the mid-year status report on the Community Outreach Work Plan. To view the presentation, [click here](#).

3. Consent

- 3.1. Leak Adjustment Program
Director Hodgin moved, seconded by Director Kannegaard to rescind Resolution No. 05-11 Leak Adjustment Policy Guidelines and approve the Leak Adjustment Program.

MOTION CARRIED: VOICE VOTE
AYES: Hodgin, Kannegaard, Perri, Reber and Stiles.
NOES None.
ABSENT: None.

4. Public Hearing

No public hearings were scheduled.

5. General Business Items

5.1. 2015 Annual Report Groundwater Management Plan

Mike Maley, Todd Engineers presented the 2015 Annual Groundwater Management Plan Report. The 2015 report is the concise version with 2016 providing a comprehensive assessment. To view the presentation, [click here](#).

Director Stiles moved, seconded by Director Perri to accept the 2015 Annual Report, Groundwater Management Plan.

MOTION CARRIED: VOICE VOTE
AYES: Hodgin, Kannegaard, Perri, Reber and Stiles.
NOES None.
ABSENT: None.

5.2. Emergency Management Policy

General Manager Harmon reported that the District has always maintained an Emergency Response Plan but had never adopted a policy that would describe how the District will prepare and respond to an emergency. For example, this year our Operations Staff were very diligent in their preparations for the El Nino storms by stocking extra supplies and making sure all equipment was in a ready state.

Director Perri moved, seconded by Director Hodgin moved adopt Resolution 02-16 establishing an Emergency Management Policy and appointing the General Manager as the Security Manager and the Operations Manager as the Alternate Security Manager.

MOTION CARRIED: ROLL CALL VOTE
AYES: Hodgin, Kannegaard, Perri, Reber and Stiles.
NOES None.
ABSENT: None.

6. Committee Reports

6.1. Finance and Personnel Committee Meeting Report – January 19, 2016

President Reber reported that the committee discussed Directors Fees and provided a compensation analysis of agencies around the state. A discussion ensued regarding which meetings considered board meeting versus a committee meetings and how non committee member attendance at committee meetings is handled.

By consensus, it was determined that attendance by a non-committee member at a Board Committee Meeting enhances that Board Member's knowledge and it is reasonable to be compensated.

The Santa Margarita Groundwater Basin Advisory Committee Meeting will be compensated at Board Committee rate \$100.

Attendance at industry specific events such as Connecting the Drops will be compensated at the appropriate half or full day rate.

The Finance and Personnel committee will conduct an annual review of Directors Fee's for consideration by the entire Board.

Director Hodgins commented on item 2.2, the encumbrances should be added to the next year budget.

6.2. Water Resources and Engineering Meeting Report – January 26, 2016

Director Perri reported that the proposal by Pacific Avenue Land for the Hanson Quarry made for a very uncomfortable meeting. It is clear that this land will be used mainly as open space.

General Manager Harmon reported that Pacific Avenue Land has withdrawn its offer on the property. The proposal led staff to discuss other locations for recharge and have requested that Kennedy Jenks explore other locations that would not require pipelines or pump stations.

7. Staff Reports

7.1. District Counsel - oral

District Counsel Bosso reported that a request for a hearing before the Supreme Court has been made in the Great Oaks case and the City of Ventura opinion came out the opposite of the Great Oaks. Legal Counsel from the City of Scotts Valley contacted him again in regards to the Pasatiempo project agreement. A discussion ensued regarding the Pasatiempo agreement.

7.2. General Manager – oral

The General Manager's report is appended, to view [click here](#).

7.3. Finance

General Manager Harmon summarized the Finance reports.

7.4. Operations

Operations Manager McNair reported that the MacDorsa Tank Rehab Project will go out to bid February 22nd; will be meeting with SLVWD and City of Santa Cruz regarding strategy to pool resources for AMI; PGE performed an energy audit and with a couple schedule changes can save \$3,500 per year; JPIA will be conducting four safety trainings here over the next couple of months.

8. Individual Directors Reports

Anticipated expenses

Director Hodgins reported that on February 18th ACWA Region 5 will be meeting in Santa Clara; later that day the District will be hosting a reception to meet the ACWA President and that everyone should attend. Attending the following meetings: February 24th Water Quality Committee; March 1st Finance Committee; March 1st and 2nd ACWA Board. March 9th is the Legislative Symposium in Sacramento and ACWA spring conference will be in Monterey in May.

- Director Perri viewed a webinar on what potential political implications the elections may have on water infrastructure.

ACWA and ACWA/JPIA updates

- Director Hodgins reported JPIA will not increase rates for the property and liability programs and that health benefits continue to increase across the board.
- Items not on the Agenda
- President Reber reported that at the January and February meetings he had asked for moment of silence rather than an invocation asked Legal Counsel for comments. Legal Counsel Bosso reported that he will provide the legal opinion on this subject from last year to Board members. A discussion ensued on this subject with all Directors providing comments.

9. Written Communications and Correspondence

9.1 Santa Cruz County Water Resources Management Status Report for 2015

The written communications and correspondence was accepted without comment.

10. Community Relations

President Reber commented that the dedication ceremony held on February 4, 2016 was very successful.

President Reber recessed the regular meeting at 9:16 p.m.

11. Closed Session

President Reber convened closed session at 9:18 p.m. with General Manager Harmon and Legal Counsel Bosso present.

Pursuant to Government Code Section §54957
Discuss personnel matter one employee

President Reber reconvened open session at 9:30 p.m.

12. Report on Closed Session and Additional Items

Legal Counsel Bosso advised the Board on a personnel matter.

13. Adjournment

The meeting was adjourned at 9:31 p.m. The next regular meeting of the Scott Valley Water District Board of Directors is scheduled for March 10, 2016 at 7:00 p.m. in the Santa Margarita Community Room, located downstairs at 2 Civic Center Drive, Scotts Valley.

Submitted:

Approved:

Donna Paul, Asst. to the General Manager

Danny Reber, President

Attest:

Piret Harmon, General Manager

STAFF REPORT – GENERAL ITEMS

Scotts Valley Water District

Date: February 11, 2016

To: Board of Directors

From: General Manager

1. On February 2, 2016 the State Water Board adopted an extended and revised emergency regulation to ensure that urban water conservation continues in 2016. The regulation extends restrictions on urban water use through October 2016 while providing urban water suppliers more flexibility in meeting their conservation requirements. It also directs the Water Board staff to report back on additional flexibility once more complete water supply information is known in April.

SVWD implemented a Drought Emergency Regulations Program to meet the requirements of 2015 Emergency Mandate (Governor’s April 1, 2015 Executive Order). The program is in effect (from June 2015) until February 2016 comprising multipronged approach of 1) Weekly Irrigation Policy, 2) Target Scorecard, 3) Updated Rebate Program, and 4) Water Waste Watch.

State demand reduction goal for SVWD was set at 16% in 2015 and remained at 16% for 2016. SVWD Board set the voluntary demand reduction target at 20% and the District achieved cumulative 24% in 2015 (from baseline 2013).

As of 1/31/16, the total rainfall for WY2016 was 25.48 inches or 61% of the annual average. According to the Water Shortage Contingency Plan, the current water supply condition does not require any stages of action.

	Average Rainfall	Rainfall (inches)				Rainfall (percent of average)				Cumulative			Single Year	
		2013	2014	2015	2016	2013	2014	2015	2016	4-year	3-year	2-year		
Stage 1	Cumulative rainfall over 2 years < 60% of average and/or Single year rainfall < 50% of average	41.53	31.87	20.32	28.89	25.48	77%	49%	70%	61%			65%	61%
Stage 2	Cumulative rainfall over 3 years < 60% of average and/or Cumulative rainfall over 2 years < 50% of average and/or Catastrophic loss of > 35% of well capacity	41.53	31.87	20.32	28.89	25.48	77%	49%	70%	61%		60%	65%	
Stage 3	Cumulative rainfall over 4 years < 60% of average and/or Cumulative rainfall over 3 years < 50% of average and/or Catastrophic loss of > 50% of well capacity	41.53	31.87	20.32	28.89	25.48	77%	49%	70%	61%	64%	60%		

Staff will be developing a 2016 Emergency Regulations Program in response to the extended emergency mandate and will present it to the Board at a future meeting.

2. Pacific Avenue Land, LLC – an entity that was interested in acquiring Hanson Quarry property has withdrawn their intent to purchase.

3. Ryan Kinney resigned effective 2/12 for a Supervisory Account position at SqCWD. Recruitment for replacement is under way.

4. Santa Cruz County Clerk has announced this year paperless filing will begin for the Fair Political Practices Commission Form 700, Statement of Economic Interest.

5. Starting negotiations with the Employee Organization, first meeting 2/18.

6. Upcoming conferences/meetings

a. ACWA Meet the President: Kathy Tiegs will be using SVWD Community Room to host representatives from Santa Cruz area water agencies at 3pm 2/18

b. ACWA/JPIA Leadership Development Program in Roseville 3/10-3/11 - I will not be present at March SVWD Board meeting



SCOTTS VALLEY WATER DISTRICT

BOARD OF DIRECTORS
PRESIDENT Danny Reber
VICE PRESIDENT Ruth Stiles
David Hodgin
Ken Kannegaard
Chris Perri

GENERAL MANAGER
Piret Harmon

Board of Directors
Special Meeting – 8:00 a.m.
Tuesday, February 16, 2016
Santa Margarita Community Room
2 Civic Center Drive, Scotts Valley, California

Draft Minutes

I. Convene Meeting

I.1. Call to Order and Roll Call

President Reber called the meeting to order at 8:03 a.m. in the Santa Margarita Community Room, 2 Civic Center Drive, Scotts Valley, California.

Roll Call

Present: Hodgin, Kannegaard, Perri, Reber and Stiles.

Absent: None.

I.2. Additions/Deletions to the Agenda

There were no additions or deletions to the agenda.

I.3. Oral Communications

There were no oral communications.

2. Electronic Data Security Training

Mat Gafke, CEO of Exceedio provided electronic data security training. To view the presentation, [click here](#).

3. Strategic Planning Workshop

Robert DeLoach, DeLoach and Associates facilitated a strategic planning workshop in which the Board of Directors and Executive Staff discussed the District's long term strategic direction and a course of action. No reportable was taken. A summary of this workshop titled *Board Retreat: Strategic Direction and Course of Action* will be provided in the March 2016 General Manager's Report.

4. Adjournment

The meeting was adjourned at 12:41 p.m., until the next regular meeting scheduled for March 10, 2016 at 7:00 p.m. in the Santa Margarita Community Room located downstairs at 2 Civic Center Drive, Scotts Valley.

Submitted:

Approved:

Donna Paul, Asst. to the General Manager

Danny Reber, President

Attest:

Piret Harmon, General Manager

Draft

AGENDA REPORT

Scotts Valley Water District

Date: March 10, 2016
To: Board of Directors
Subject: **2016 Water Supply Outlook**
Reason: Supports District Mission

SUMMARY

Recommendation: Receive information and provide direction on potential action.

Fiscal Impact: The impact is unknown at this time. The lower level demand projections will negatively affect the water sales revenue – an assumption that will be considered in FY2017 budget preparation.

Previous Related Action: On February 13, 2014 the Board adopted resolution No. 02-14 implementing a voluntary 20% reduction in potable water use for the water year 2013-2014.

On May 14, 2015 the Board approved the 2015 Drought Emergency Regulations Program that set the target of 20% reduction in potable water production to be accomplished using a multi-pronged approach of voluntary efforts.

BACKGROUND

The District's Water Shortage Contingency Plan is included in its 2010 Urban Water Management Plan. The Water Shortage Contingency Plan stipulates a three stage demand reduction plan with the amount of rainfall in a given year or series of years being the basis for defining the stages of action. The stages of action were evaluated based on results of the numerical model in support of the overall management of the groundwater basin.

The Scotts Valley area similarly to the rest of the State of California has been experiencing an extended period of drought. Rainfall in the Scotts Valley area during the water year 2015 totaled 28.9 inches, which is 13.1 inches below average. Over the current four-year drought (2012 to 2015), total rainfall is 67% of average. The cumulative four-year rainfall deficit of 55 inches is equivalent to losing over one year of rainfall (average annual rainfall is 42 inches per year). Since groundwater recharge is primarily derived from precipitation, the drought results in proportionally lower recharge to the ground water basin.

The District has been persistently and continuously promoting water conservation for years. In response to the 2014 State Drought Emergency, the District reduced its system-wide potable demand by 17% in February 2014-January 2015 time period in comparison to the prior year.

The 2015 State Drought Emergency Regulations established mandates for all urban water suppliers – Scotts Valley Water District was required to reduce its total potable water

production by 16% for each month as compared to the amount used in the same month in 2013. The Board set the voluntary demand reduction target at 20% and the District achieved cumulative 24% in 2015 from baseline of 2013.

DISCUSSION

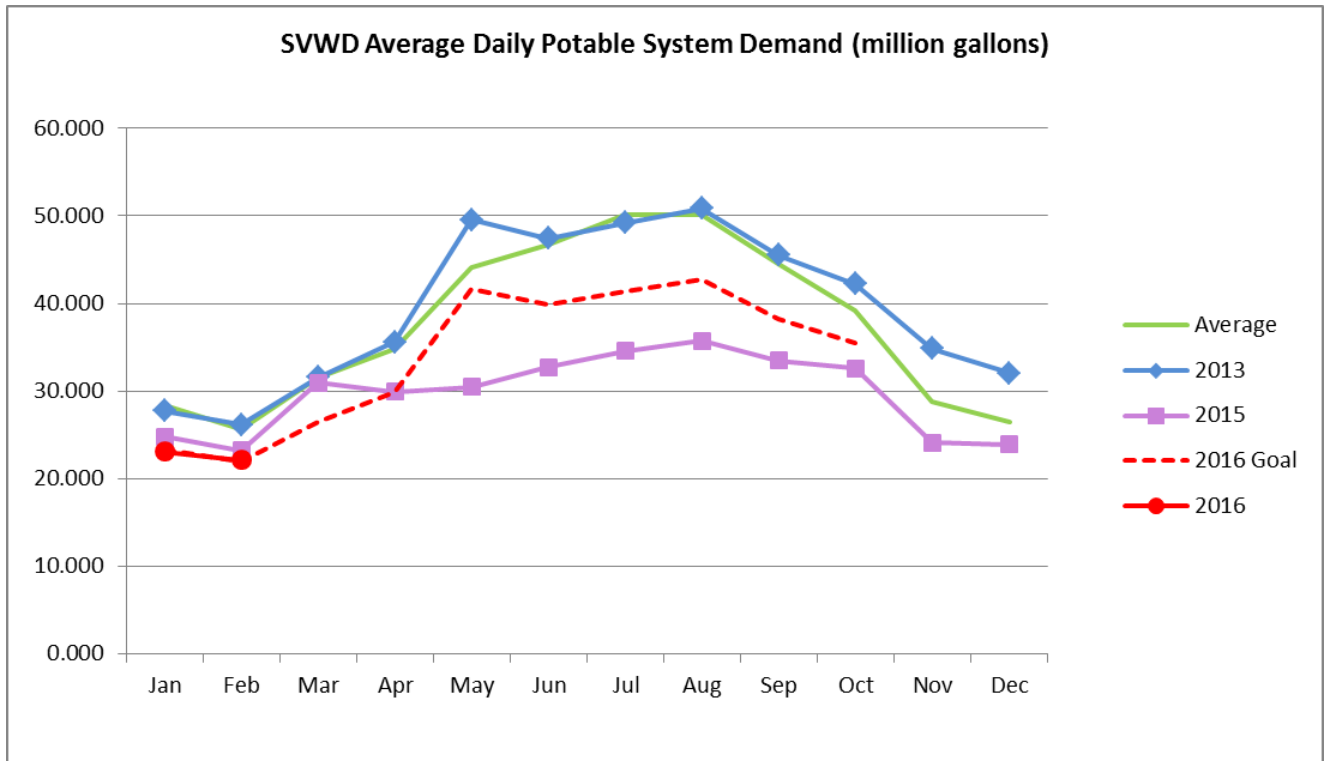
The month of February added 1.16 inches of precipitations with the total rainfall at El Pueblo Station in Scotts Valley reaching 26.64 inches for the water year (64% of average). Considering the 3-year cumulative, 2-year cumulative and single year rainfall amounts, the District is currently out of any and all water shortage stages as prescribed in the Water Shortage Contingency Plan.

WATER SUPPLY CONDITION - AS OF FEBRUARY 29, 2016															
		Average Rainfall	Rainfall (inches)				Rainfall (percent of average)				Cumulative			Single Year	
			2013	2014	2015	2016	2013	2014	2015	2016	4-year	3-year	2-year		
Stage 1	Cumulative rainfall over 2 years < 60% of average and/or Single year rainfall < 50% of average	41.53	31.87	20.32	28.89	26.64	77%	49%	70%	64%				67%	64%
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The net year-to year changes in groundwater levels in the two main aquifers, Lompico and Butano, have been generally minor. Over the four-year drought period, Lompico groundwater levels have declined at a modest rate and have dropped approximately 2 to 3 feet. Groundwater levels in the Butano have been relatively stable with a decrease of less than a foot over the past several years. The conservation efforts by the District and the resulting reduced pumping over the past few years have been a major factor in moderating the rate of groundwater level decline.

On February 2, 2016 the State Water Board adopted an extended and revised emergency regulation to ensure that urban water conservation continues in 2016. The regulation extends restrictions on urban water use through October 2016 while providing urban water suppliers more flexibility in meeting their conservation requirements. It also directs the Water Board staff to report back on additional flexibility once more complete water supply information is known in April.

The District's potable system demand in January 2016 was 7% lower than in January 2015 and 16.9% lower than the same period in 2013. The corresponding figures for February 2016 were 4.8% and 15.4% reductions.



Considering that the District achieved 24% cutback in potable water demand in response to setting the voluntary reduction goal at 20% in 2015, the staff is considering the recommendation to continue the 20% demand reduction target or setting the 2016 target at 16% complying with the tier assigned to the District by the State Water Resources Control Board.

We will continue monitoring the precipitation conditions and updating the Board on the water supply outlook. Staff recommends that the Board decides on the course of action for the remainder of the year at its April meeting.

Submitted,

Piret Harmon
General Manager



SCOTTS VALLEY
WATER DISTRICT

Water Resources and Engineering Committee Meeting

Wednesday, February 24, 2016 – 4:00 p.m.

Santa Margarita Community Room

2 Civic Center Drive, Scotts Valley, CA 95066

Meeting Report

1. Convene Meeting

The meeting was convened at 4:00 p.m.

Present: Bob Bosso, Dene Bustichi, Piret Harmon, Ken Kannegaard, Donna Lind, David McNair, Chris Perri and Kirsten Powell.

2. Discussion Items

2.1 City of Scotts Valley – Pasatiempo water supply proposal

General Manager Harmon reported that everyone is familiar with the current status on this project. There has been a change of project scope from tertiary to secondary product. The Board issued a letter of intent for in August of 2015 stating that the District would be willing to provide tertiary water or would relinquish a portion of its right to the tertiary water for an amount that is based on proportional share of the initial capital investment made by District in the tertiary treatment facility.

Councilmember Bustichi reported that when it was determined that Pasatiempo wanted secondary water and the City would negotiate directly with Pasatiempo, a series of meetings were held to develop a proposal that would split \$1.6 million dollars equally by the City and District.

A lengthy discussion ensued with all involved parties discussing different approaches to finding to a satisfactory resolution. By consensus, it was decided to approach Pasatiempo to determine the total annual allocation requested by them based on 170,000GD allowance. District will provide the City's negotiator (Powell) with a compensation amount for relinquishing a portion of the District's annual entitlement to 1MGD based on total annual allocation.

2.2 Update on development projects

Operations Manager McNair provided a summary of all active development projects with anticipated connection information and reported that this information will be used in the upcoming comprehensive rate study.

3. Future Agenda Items

No future agenda items were discussed

4. The meeting adjourned at 5:15 p.m. until the next meeting tentatively scheduled for March 22, 2016.

BOARD RETREAT: STRATEGIC DIRECTION AND COURSE OF ACTION

Scotts Valley Water District

Date: February 16, 2016

Board President's Message

Despite of the issues that California water utilities are facing, Scotts Valley Water District has made significant strides in improving its positioning for being able to overcome the challenges.

It is the responsibility of the Board to set policy goals, allocate resources and agree on the clear and unified direction. It is the responsibility of the Executive Team to empower and motivate the employees to implement projects and tasks that accomplish the mission and vision of the District.

Our greatest asset is our people. Every employee is a leader. Leadership takes place in the context of a team and high-performing, innovative team creates a winning culture:

Discussion

- Two main focus areas in the next 5-10 year time frame are water supply sustainability and rate revenue stability.
- Efficient and proactive water planning will allow the District to grow its customer base without negatively impacting the supply availability for all (existing and future) customers.
- New customer base differs from the current mix with largely multi-family developments that have significantly lower per capita indoor water use and in most cases landscape irrigation provided by recycled water.
- A critical strategy going forward will be to implement a supplemental supply project that allows the District to concentrate on its core mission of providing water instead of restricting the use.
- Restoring the basin is a high priority – conceptual project has a very high price tag; need to find local and regional partnerships and outside funding opportunities. Balance between cooperation/collaboration and supporting the needs of the District.
- District has access to a “drought proof” supply (recycled water) – focus on maximizing the valuable resource.
- Need to educate the community about the cost/price of the water and how reduced water demand affects the cost of service.
- Scotts Valley customer demographics are changing – technology and social media will become increasingly important in building relationships and engaging customers (via virtual board room)

- Next generation employees have different expectations and values, and the District needs to be responsive and competitive in order to recruit and retain talent

Take Away

- 1) Goals:
 - a. Balance the water supply availability and rate revenue parity
 - b. Assist all existing customers to become water efficient users
- 2) Near Term Actions:
 - a. Restate District's commitment to the sustainable management of the basin
 - b. Conduct timing analysis of implementation of groundwater recharge project and report on master plan for water supply restoration
 - c. Ensure Board involvement in the rate study (that includes realistic growth projections)
 - d. Consider more frequent (than annual) Board retreats
 - e. Continue strengthening the relationships with City, SLVWD and governing bodies of other water agencies in the region

“Lake Yokanwolkon”

Background Material

California Water Situation

- a) Supply shortage (or imbalance) and unreliability
 1. Climate change
 2. Population growth
- b) Aging infrastructure, shortage of funding
- c) Funding/Revenue shortage
 1. Consequences of demand reduction
 2. Increasing employee benefit costs
 3. Price/Cost/Value of water – perceptions and facts
- d) Social media impacts on information exchange, stakeholder engagement
 1. Changing customer expectations: dialogue
 2. Virtual discussion space replacing board rooms
- e) Changing employment environment, exit of baby boomers
 1. Skill and knowledge retention, succession planning
 2. Expectations of newer workforce: portability, flexibility

District's Recent Undertakings and Accomplishments

- Actively pursuing recycled water projects (beneficial use and recharge)
- Regional collaboration on potential conjunctive use
- Innovative approaches on efficient water use
- Asset master plan development

- Strategic development of standard operating procedures (field ops)
- Aggressive capital improvement program
- Implementation of Springbrook financial software
- Review and streamlining of billing/customer service processes
- Development of communications strategy and work plan execution
- Significant changes in employee benefit package
- Organizational culture revamping

District's Supply and Demand Facts & Figures

- Groundwater supply
Levels relatively stable for last 10 years (2006-2015)
2 major dry periods (2006-2008, 2012-2015)
- Groundwater demand (1392 AF – 8-yr annual average)
SVWD constitutes roughly 60% of total area pumping from Basin
SVWD GW pumping: WY 2015 – 54% of WY 1997 (historical max)
WY2015 – 81% of last 8-yr average
WY2011 – 62% of WY 1997
WY2011 – 93 % of last 8-yr average
What is the expected bounce back from drought curtailment – new norm
- Groundwater replenishment
Recycled water/ Surface water/ Storm water – identify most cost effective and high ROI solution (mix of solutions)
- Conservation – Efficient Water Use
Goal to support customers' needs and lifestyle
Education, assistance with rebates
- Recycled water supply
Average annual availability 70-80% of capacity
- Recycled water demand (170 AF – 8-yr annual average)
WY 2015 – 92% of WY 2013 (historical max)
WY2015 – 108% of last 8-yr average
WY2011 – 82% of WY 2013
WY2011 – 96 % of last 8-yr average
- Additional uses for RW
Within District boundaries – minimal
Outside District boundaries – requires City approval
GW replenishment
- Storm water
Decentralized collection systems
Recharge benefits mainly Santa Margarita aquifer
Not all areas identified as suitable for recharge
- Other: Surface water via conjunctive use projects with SCWD, SLVWD

STAFF REPORT - FINANCE

Scotts Valley Water District

Date: March 10, 2016

To: Board of Directors

From: Finance Manager

1. Check Register

The February 2016 check register is attached.

Scotts Valley Water District
 Check Register
 February 2016

Vendor	Check #	Date	Amount (\$)	Description
A T & T	22056	2/11/2016	310.51	Connections for Production Facilities
A T & T	21865	2/24/2016	38.12	SCADA Line -
ACCELA INC. #774375	22057	2/11/2016	1,611.00	Web payment transaction fees - Jan 2016
ACWA-JPIA/CB&T	22058	2/11/2016	33,708.64	EE and Retiree Benefits - March 2016
AFLAC	22059	2/11/2016	655.28	Aflac Jan 2016
AMERICAN EXPRESS	21866	2/24/2016	1.77	Interest Charge on Purchases
APPLE HOMES DEVELOPMENT	22060	2/11/2016	338.70	Refund Development Project Review Deposit
AT&T	21867	2/24/2016	60.00	Internet - Well #10 1/14/16-2/13/16
BADGER METER	22061	2/11/2016	60.00	Meter service - Beacon cellular standard Qty: 20 @\$3 each
BARRY SWENSON BUILDER	22062	2/11/2016	1,000.00	Refund recycled water bulk meter deposit
BATTERIES PLUS #314	22130	2/5/2016	36.96	70 El Pueblo Elec Gate
BAY PHOTO LLC	22063	2/11/2016	5,000.00	Refund Maintenance Bond Deposit
BONNER NATHAN	22064	2/11/2016	149.77	Refund development project review - SA91
BOYNTON FENCE	22065	2/11/2016	600.00	Carbonero Yard
BRAGG RANDEL	22066	2/11/2016	216.25	Prop 84 LID - conservation incentive
BRASS KEY LOCKSMITH	22131	2/5/2016	5.42	Key 2003 Ford F150
BRASS KEY LOCKSMITH	22131	2/5/2016	108.96	Ford Transponder Key - TKO Program Fee
BUCKLES-SMITH ELECTRIC CO	22132	2/5/2016	3,537.05	Maintenance
BUSINESS WITH PLEASURE	22133	2/5/2016	277.31	Vinyl Stickers
BUSINESS WITH PLEASURE	22067	2/11/2016	23.90	Label Cartridge
BUSINESS WITH PLEASURE	22067	2/11/2016	95.88	Form 1099 Expense
CELLUCCI THOMAS	22068	2/11/2016	500.00	Prop 84 LID - conservation incentive
CHRISTENSEN CLAIRE	22069	2/11/2016	483.75	Prop 84 LID - conservation incentive
CHRISTENSEN CLAIRE	22069	2/11/2016	967.50	Rebate - rainwater cistern/tank/barrel
CIM AIR INC	22070	2/11/2016	325.00	HVAC Maintence Servce
CITY OF SCOTTS VALLEY	21868	2/24/2016	320.00	Bact Testing 12/2015 Billing
CIVIL CONSULTANTS GROUP INC	22134	2/5/2016	100.00	General Consulting Services
CIVIL CONSULTANTS GROUP INC	22071	2/11/2016	450.00	Sandhill BS Expansion/Admin/Project Mgmt - T&D
CIVIL CONSULTANTS GROUP INC	22071	2/11/2016	300.00	SA 79 - 1440 Project plan review

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Vendor	Check #	Date	Amount (\$)	Description
CIVIL CONSULTANTS GROUP INC	22071	2/11/2016	1,700.00	El Pueblo Pumps Reconfiguration/Piping Plans
CIVIL CONSULTANTS GROUP INC	22071	2/11/2016	3,050.00	Construction Spec and Standards Documents Update
CIVIL CONSULTANTS GROUP INC	22071	2/11/2016	900.00	SA 79: 1440 Project plan review
CIVIL CONSULTANTS GROUP INC	22071	2/11/2016	100.00	Engineering service monthly retainer - January 2016
CIVIL CONSULTANTS GROUP INC	21869	2/24/2016	2,000.00	Transit Center SW Retention/Design-easement & legal desc writing
COLEMAN RENEE	22135	2/5/2016	99.93	Refund of EE elected purchase of CalPERS Service Credit
COMPLETE MAILING SERVICE	22072	2/11/2016	1,384.59	Think Twice Letter Jan 2016
CORIX WATER PRODUCTS (US) INC	22136	2/5/2016	204.22	Meter Box Supplies
CORIX WATER PRODUCTS (US) INC	22136	2/5/2016	309.95	Meter Box Supplies
CORIX WATER PRODUCTS (US) INC	22073	2/11/2016	45.04	Shut Off Valve
CORIX WATER PRODUCTS (US) INC	22073	2/11/2016	491.12	Maintenance parts
CORIX WATER PRODUCTS (US) INC	21870	2/24/2016	7,290.07	Fire Hydrants
CORPORATE INTERIOR SOLUTIONS	21871	2/24/2016	2,824.50	Office Facility Upgrades/Construction - power outlet work
CREAMER TODD	22074	2/11/2016	550.00	Rebate - rainwater cistern/tank/barrel
DASSELS PETROLEUM	22075	2/11/2016	435.47	Fuel purchases - Jan 2016
DELOACH & ASSOCIATES INC	21872	2/24/2016	2,100.00	Board Workshop
DUNCAN AUTO TECH	22137	2/5/2016	1,187.05	Truck #8
DUNCAN AUTO TECH	22137	2/5/2016	67.67	Truck #6
E&S TRUCKING	22138	2/5/2016	3,800.00	BackWash Water
E&S TRUCKING	22076	2/11/2016	2,945.00	Wastewater disposal/Orchard Run/Feb 2016
EUROFINS EATON ANALYTICAL	22139	2/5/2016	210.00	Water Testing
EUROFINS EATON ANALYTICAL	22077	2/11/2016	480.00	Lab testing - Well 3B
EUROFINS EATON ANALYTICAL	22077	2/11/2016	480.00	Lab testing - Orchard Run WTP
EXCEEDIO	21873	2/24/2016	3,670.60	Monthly Managed Services FEB
EXCEEDIO	21873	2/24/2016	1,796.00	Monthly Managed Services Servers FEB
EXCEEDIO	21873	2/24/2016	1,630.25	Dell Precision M4800 Laptop
EXCEEDIO	21873	2/24/2016	743.00	Monthly Managed Services Scada FEB
EXCEL ENVIRONMENTAL SVC	22140	2/5/2016	1,808.75	Wastewater Hauling
EXCEL ENVIRONMENTAL SVC	22140	2/5/2016	1,410.00	Wastewater Hauling

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Vendor	Check #	Date	Amount (\$)	Description
EXCEL ENVIRONMENTAL SVC	22078	2/11/2016	1,410.00	Non-haz liquids/solids disposal - Well Site #7A
FASTENAL COMPANY	21874	2/24/2016	130.51	Truck 9 Wrenches
FASTENAL COMPANY	21874	2/24/2016	299.80	Supplies / Safety
FRANCHISE TAX BOARD	22079	2/11/2016	10.00	SVWDPFPC Form 990 - 2014 (7/1/14-6/30/15)
GERIG DONALD	22080	2/11/2016	274.95	Refund development project review - SA90
GILBERSON ERIK	22081	2/11/2016	500.00	Prop 84 LID - conservation incentive
GRAINGER	22141	2/5/2016	174.09	Plant Maintenance
GRAINGER	22082	2/11/2016	241.79	Handle with Ball Valve
GRAINGER	22082	2/11/2016	160.78	Test Adapter Kit
GREEN WASTE RECOVERY INC	22142	2/5/2016	213.63	Trash Service - 70 Old El Pueblo Rd
GREEN WASTE RECOVERY INC	22083	2/11/2016	213.63	Solid waste service - El Pueblo
HARMON PIRET	22143	2/5/2016	76.02	Office Repairs
HEALTH EQUITY INC	22084	2/11/2016	32.45	HSA Admin Fees - Feb 2016 /Confirm 7iwhxs
HILL BROTHERS CHEMICAL CO	22144	2/5/2016	677.71	NHZ delivery
HILL BROTHERS CHEMICAL CO	22144	2/5/2016	680.11	NHZ delivery
HILL BROTHERS CHEMICAL CO	22144	2/5/2016	675.31	NHZ delivery
HILL BROTHERS CHEMICAL CO	22085	2/11/2016	672.30	Chemicals Orchard Run Trtmnt Plant
HILL BROTHERS CHEMICAL CO	22085	2/11/2016	675.11	Chemicals Orchard Run Trtmnt Plant
HURLBERT DAVID	22086	2/11/2016	100.65	Refund development project review - SA87
HYDROMETRICS WATER RESOURCES IN	21875	2/24/2016	8,335.86	SGMA Bain Boundary Revision Preparation
INFOSEND	21876	2/24/2016	306.81	Billing printing and mailing - Past Due notices Jan 2016
KBA DOCUSYS INC	21877	2/24/2016	393.42	KBA lease - FEB
KENNEDY/JENKS CONSULTANTS	21878	2/24/2016	500.00	Drought Assessment
KENNEDY/JENKS CONSULTANTS	21878	2/24/2016	500.00	Project Mgmt and QC
KENNEDY/JENKS CONSULTANTS	21878	2/24/2016	471.24	As Needed GW Support
KENNEDY/JENKS CONSULTANTS	21878	2/24/2016	8,428.49	2015 Annual Report
L KERSHNER DESIGN	22087	2/11/2016	1,312.74	Office Facility Upgrades/Construction
LAW OFFICE OF ROBERT E BOSSO	22088	2/11/2016	3,000.00	Legal counsel Jan 2016
LEGG MIKE	22089	2/11/2016	64.42	SCADA Class Legg January 2016

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Vendor	Check #	Date	Amount (\$)	Description
LMH ENVIRONMENTAL INC	22145	2/5/2016	7,300.00	Well 10 Stripping Tower
MARTIN B FEENEY PG CHg	22090	2/11/2016	3,252.50	Lompico Formation Prod Well 11A/Project Readiness/Hydrogeological stud
MBWWA	22091	2/11/2016	140.00	Training for Rivera Scott Alvarez & Emmert Feb 2016
MESITI-MILLER ENGINEERING INC	22092	2/11/2016	624.00	MacDorsa Tank Rehab/Project Admin - T&D
MESSINGER MICHAEL	22093	2/11/2016	247.27	Refund development project review - SA99
MILES FRED	22094	2/11/2016	500.00	Prop 84 LID - conservation incentive
MILLER MAXFIELD INC	22095	2/11/2016	5,200.00	Public Outreach Consulting Services for January 2016
MISSION UNIFORM SERVICE	22096	2/11/2016	324.52	Uniform rental and laundering services Jan 2016
MOZELLE SARAH	22097	2/11/2016	80.00	Rebate - Downspout re-direct
MOZELLE SARAH	22097	2/11/2016	500.00	Prop 84 LID - conservation incentive
NATIONWIDE RETIREMENT SOLUTIONS	22146	2/5/2016	2,525.43	IRS 457 Plan - Payroll Date 2/5/2016
NATIONWIDE RETIREMENT SOLUTIONS	21879	2/24/2016	2,540.79	IRS 457 Plan - Payroll Date 2/19/2016
NIELSEN STUDIOS	22098	2/11/2016	2,725.65	Office Facility Upgrades/Other/Punch List Work
NIELSEN STUDIOS	21880	2/24/2016	380.01	Office Facility Upgrades/Other - design & drawing
NORLAB INC.	22099	2/11/2016	271.00	Toilet dye packets blue for a Qty of 200
NSS ENTERPRISE	22100	2/11/2016	30.45	Santa Margarita sign 48x12
OBRIEN CONSULTING	22101	2/11/2016	1,725.00	MacDorsa Tank Rehab/Admin/Project Mgmt - S of S
OBRIEN CONSULTING	22101	2/11/2016	1,610.00	Transit Center SW Retention/Project Admin - S of S
ONLINE INFORMATION SERVICES INC	22102	2/11/2016	30.00	New account setup Jan 2016
OVERHEAD DOOR COMPANY OF SALIN/	21881	2/24/2016	180.00	Maintenance service on 16x12 rolling steel door
PACIFIC GAS & ELECTRIC	22103	2/11/2016	14,356.54	Electricity All PW locations
PACIFIC GAS & ELECTRIC	22103	2/11/2016	85.18	Electricity Recycle 6030 Scotts Valley Dr.
PACIFIC GAS & ELECTRIC	22103	2/11/2016	52.25	Electric for 0 Skypark Drive Jan 2016
PACIFIC GAS & ELECTRIC	22103	2/11/2016	14.38	Electric Santas Village Rd N/ .4MI Private Rd Jan 2016
PACIFIC SURFACING INC.	22104	2/11/2016	2,000.00	Refund bulk water meter deposit
PALACE ART & OFFICE SUPPLY	22105	2/11/2016	(14.13)	Credit Office Supply
PALACE ART & OFFICE SUPPLY	22105	2/11/2016	38.05	Office supplies - Civic Center
PALACE ART & OFFICE SUPPLY	22105	2/11/2016	(81.03)	Credit - Duplicate Payment
PALACE ART & OFFICE SUPPLY	22105	2/11/2016	(53.65)	Credit Duplicate Payment

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PALACE ART & OFFICE SUPPLY	22105	2/11/2016	130.50	Furniture Accessories
PALACE ART & OFFICE SUPPLY	22105	2/11/2016	570.94	Furniture Accessories
PALACE BUSINESS SOLUTIONS	22106	2/11/2016	22.47	Office Supplies
PALACE BUSINESS SOLUTIONS	22106	2/11/2016	28,394.08	Office Facility Upgrades/Construction supplies
PAUL DONNA	22107	2/11/2016	129.66	Lunch n Learn July 2015
PETERSON CATERPILLAR	22108	2/11/2016	2,714.19	Annual Service Generator
PETERSON CATERPILLAR	22108	2/11/2016	2,104.29	Annual Service Generator
PETERSON CATERPILLAR	22108	2/11/2016	2,029.00	Annual Service Generator
PETERSON CATERPILLAR	22108	2/11/2016	2,006.48	Annual Service Generator
PETERSON CATERPILLAR	22108	2/11/2016	1,802.55	Annual Service Generator
PINPOINT PRODUCTS	22109	2/11/2016	3,648.57	Subsurface locator
RASMUSSEN LISA	22110	2/11/2016	394.64	Refund development project review - SA89
REITSMA GLENN	22111	2/11/2016	150.00	Rebate - graywater materials
RYAN+FOREST.HAYES	22112	2/11/2016	600.00	Website Changes
SCARBOROUGH LUMBER & BUILDING S	22113	2/11/2016	116.60	Office supplies Jan 2016
SCARBOROUGH LUMBER & BUILDING S	22113	2/11/2016	14.67	WUE Pliers for Housecalls
SCARBOROUGH LUMBER & BUILDING S	22113	2/11/2016	238.91	Small tools and equip Jan 2016
SCARBOROUGH LUMBER & BUILDING S	22113	2/11/2016	21.68	Maintenance supplies for pumps and boosters Jan 2016
SCARBOROUGH LUMBER & BUILDING S	22113	2/11/2016	5.89	Well maintenance supplies Jan 2016
SCARBOROUGH LUMBER & BUILDING S	22113	2/11/2016	267.62	Hardware supplies Jan 2016
SCARBOROUGH LUMBER & BUILDING S	22113	2/11/2016	74.76	Maintenance supplies Jan 2016
SCOTTS VALLEY BANNER - VALLEY PRES	22114	2/11/2016	162.50	AD SV Banner Jan 2016
SCOTTS VALLEY SPRINKLER	22147	2/5/2016	97.48	Well 10
SCOTTS VALLEY SPRINKLER	22147	2/5/2016	105.71	Well 10
SCOTTS VALLEY SPRINKLER	22147	2/5/2016	98.83	Well 10
SCOTTS VALLEY SPRINKLER	22115	2/11/2016	273.56	Maintenance
SCOTTS VALLEY SPRINKLER	22115	2/11/2016	1.50	Maintenance
SCOTTS VALLEY SPRINKLER	21882	2/24/2016	56.45	Replace leaking fitting @ ORUTP
SEABRITE BUILDERS	22116	2/11/2016	385.00	Office Facility Upgrades/Tear down & reinstall existing file

Scotts Valley Water District
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Vendor	Check #	Date	Amount (\$)	Description
SECRETARY OF STATE	21883	2/24/2016	20.00	Biennial Statement of Information Filing
SHIER RANDY	22117	2/11/2016	169.72	Prop 84 LID - conservation incentive
SLAWINSKI ROBERT	22118	2/11/2016	500.00	Prop 84 LID - conservation incentive
SWRCB-DWOC	21863	2/22/2016	60.00	Scott Cert Program
TELEPACIFIC COMMUNICATIONS	21884	2/24/2016	1,099.42	SmartVoice Internet Network - Monthly Service
The COVELLO GROUP	22119	2/11/2016	1,550.00	Orchard Run WTP Wtr Quality Imp/Master Schedule & Budget
The COVELLO GROUP	22119	2/11/2016	1,162.50	Lompico Formation Prod Well 11A/Groundwater Well
THE PATHFINDER COMPANIES	21885	2/24/2016	425.74	Hodgin ACWA Board 1-29-16
TRIAD ELECTRIC	22148	2/5/2016	2,516.00	Well Maintenance
TRIAD ELECTRIC	22120	2/11/2016	1,200.00	Crescent/Well
UNITED SITE SERVICES	22121	2/11/2016	140.56	Orchard Run
UNITED SITE SERVICES	22121	2/11/2016	44.30	259 Mt Hermon Rd.
UNITED SITE SERVICES	22121	2/11/2016	197.50	Well 10 Treatment 251 Kings Village Rd
UNIVAR USA INC	22149	2/5/2016	748.94	For Orchard Run
UNIVAR USA INC	22149	2/5/2016	914.38	For 70 El Pueblo
UNIVAR USA INC	22122	2/11/2016	623.98	Chemicals Orchard Run
UNIVAR USA INC	22122	2/11/2016	666.78	Chemicals 70 El Pueblo
UNIVAR USA INC	22122	2/11/2016	317.19	Chemicals 70 El Pueblo
UNIVERSAL BUILDING SERVICES	22123	2/11/2016	377.00	Janitorial - Civic Center
UNIVERSAL BUILDING SERVICES	22123	2/11/2016	306.00	Janitorial - El Pueblo
UNIVERSAL BUILDING SERVICES	21886	2/24/2016	190.00	Window Washing - Board Room
UNIVERSITY OF SOUTHERN CALIFORNIA	22124	2/11/2016	179.45	Water purveyor membership with 2 400-20 000 connections
USABLUBOOK	22125	2/11/2016	170.23	Equipment
USABLUBOOK	22125	2/11/2016	1,113.93	Supplies
VALERO MARKETING & SUPPLY CO	22126	2/11/2016	365.66	Fuel January 2016
VAN BRUGGEN NICK	22127	2/11/2016	500.00	Prop 84 LID - conservation incentive
VERIZON WIRELESS	21887	2/24/2016	316.58	District Cell Phones FEB
VILLAGE MEADOWS HOMEOWNERS AS	22128	2/11/2016	100.00	Rebate - Smart/Weather based irrigation controller
WELLS FARGO	21864	2/22/2016	300.00	Ravinala Reg Fee CA New Front Yard Workshop 2/11/16

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Vendor	Check #	Date	Amount (\$)	Description
WELLS FARGO	21864	2/22/2016	255.00	AWWA Dues 1/20/16-1/31/17
WELLS FARGO	21864	2/22/2016	29.97	Shelf
WELLS FARGO	21864	2/22/2016	201.45	Office Facility Upgrades/Other/Equip rental - Div 100
WELLS FARGO	21864	2/22/2016	23.66	Shelf
WELLS FARGO	21864	2/22/2016	72.50	Water Conservation Program
WELLS FARGO	21864	2/22/2016	1,749.30	Storage Shelving El Pueblo
WELLS FARGO	21864	2/22/2016	78.83	Ravinale Arm Rest / Desk Mouse
WELLS FARGO	21864	2/22/2016	4.51	Facebook Ad
WELLS FARGO	21864	2/22/2016	16.27	Shelving Supply Closet
WELLS FARGO	21864	2/22/2016	55.38	Shelving Supply Closet
WELLS FARGO	21864	2/22/2016	246.35	Outdoor Mats
WELLS FARGO	21864	2/22/2016	12.00	Community Room Dedication
WELLS FARGO	21864	2/22/2016	167.36	Internet El Pueblo
WELLS FARGO	21864	2/22/2016	20.68	Shelf
WELLS FARGO	21864	2/22/2016	123.49	Paul JPIA 01-19-16 Roseville
WELLS FARGO	21864	2/22/2016	63.95	Breakroom Supplies
WELLS FARGO	21864	2/22/2016	150.00	Conservation Cabrillo College Spring 16 Classes
WELLS FARGO	21864	2/22/2016	280.87	Container Rental 70 El Pueblo 1/13/16-2/12/16
WELLS FARGO	21864	2/22/2016	795.00	Financial Mgmt Material K.Chang AWWA Seminar 4/4/16
WELLS FARGO	21864	2/22/2016	174.00	Business Portaits
WELLS FARGO	21864	2/22/2016	54.32	Wireless Presenter
WELLS FARGO	21864	2/22/2016	217.50	Business Portaits
WELLS FARGO	21864	2/22/2016	307.32	Break Room Supplies
WELLS FARGO	21864	2/22/2016	99.99	MS Office for Tablet
WELLS FARGO	21864	2/22/2016	260.27	Think Twice Envelopes
WELLS FARGO	21864	2/22/2016	51.51	Tablet Monthly Data Plan 11/17/15 - 12/16/15
WELLS FARGO	21864	2/22/2016	5.00	Community Room Dedication
WELLS FARGO	21864	2/22/2016	195.09	Office Furnishings
WELLS FARGO	21864	2/22/2016	(94.99)	Office Facility Upgrades/Other/Equip rental - Div 100

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Vendor	Check #	Date	Amount (\$)	Description
WINCHESTER AUTO	22150	2/5/2016	32.88	Vehicle Maintenance
WINCHESTER AUTO	22129	2/11/2016	10.33	F350 Truck Brake turn signal light (Dan S.)
TOTAL			<u>\$ 240,665.19</u>	

STAFF REPORT - OPERATIONS

Scotts Valley Water District

Date: March 10, 2016
To: Board of Directors
Subject: Operations Managers Report

1. District Projects

Transit Center LID Project: Still waiting for formal State approval of an extension for the construction grant required to do this project.

MacDorsa Tank Rehab Project: This project is currently out for bid and closes March 28th. It includes full replacement of the tank coating and significant upgrades to the roof system, tank screens, and hatchway. A mandatory onsite pre-bid meeting is scheduled for March 17th.

Lompico Formation Production Well: On Monday, February 8th Salinas Pump installed a pump in the Skate Park monitoring well and delivered a 21,000 gallon Baker tank to the site. District staff connected the pump to the tank and was able to start initial pumping Monday afternoon. Initial discharge from the well was surprisingly clean, slightly discolored with a few specks of rust. The well was pumped for 6 hours on Tuesday discharging about 17,000 gallons at 48gpm with a drawdown of about 180 feet. Title 22 water samples were collected by District staff near the end of the pumping cycle and we expect to see results from those samples in mid-March.

Orchard Run Water Treatment Plant Improvements: The District is seeking Requests fFor Proposals (RFP) for the engineering and design of construction plans for water treatment upgrades to the Orchard Run Water Treatment Plant. The design and upgrades will be based on recommendations from the Pilot Plant Testing for Improvements to Aesthetic Water Quality report that was finalized last year. Proposals must be submitted by March 23rd.

2. Active Development Projects

1440/Bethany Project: No schedule yet for the water main work.

Polo Ranch Project: This project is scheduled to resume in April.

Enterprise Way (City Ventures 2) & Marriot Hotel: As previously reported the District does not have sufficient recycle water infrastructure to adequately supply the demand for these new developments. Our Engineering Consultant is developing a cost and scope of work estimate to add a second recycle water main under Hwy 17, between Scotts Valley Drive and Enterprise Way. An initial rough estimate comes in around \$200,000.

3. Operations

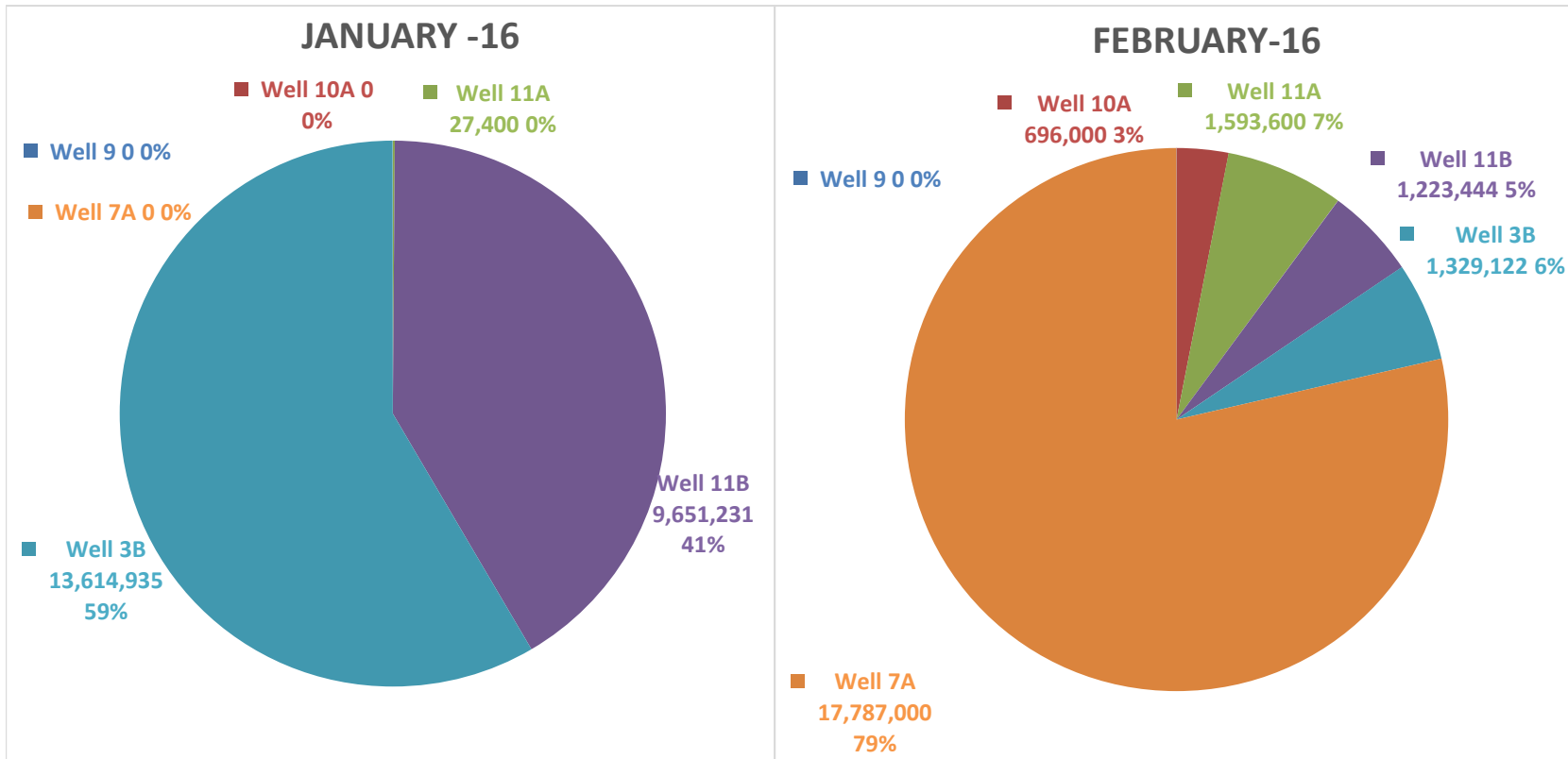
Recycle Water Fill Station: We are starting to receive inquiries as to when we might reopen the fill station. We do not have a schedule as of yet and are hopeful that there is more rain in our future before we commit to reopening the station.

Well 10 Treatment Plant Maintenance: The recent clear well basin inspection revealed some corrosion breakthrough in the ceiling of the basin and repairs have been made. Staff has begun disinfecting the clear well in preparation for bacti sampling. Once the samples are cleared we will bring the plant back online and move over to Orchard Run for similar maintenance activities.

4. Production

Monthly Well Production, Recycled Water Demand and Rainfall Data attached

Monthly Well Production and Recycled Water Use January 2016 and February 2016



Gallons Produced (total)

Dec-15 24,584,612
 Jan-16 23,293,566
 % Difference Jan-14 to Jan-15 = 8 % less
 % Difference Dec-15 to Jan-16 = 5% less

Recycled Water

Jan-16 862,984
 Feb-16 1,813,868

Gallons Produced (total)

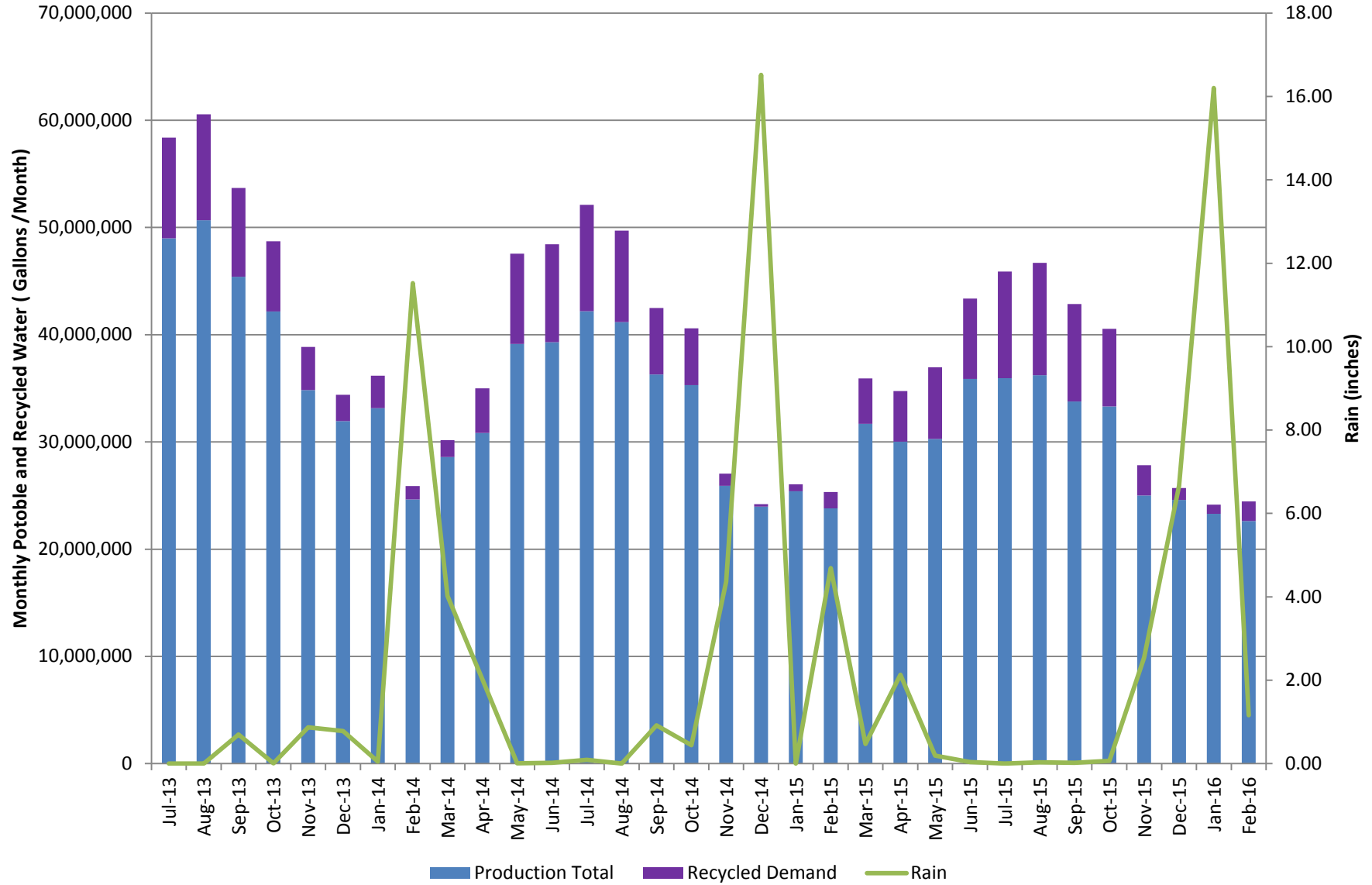
Jan-16 23,293,566
 Feb-16 22,629,166
 % Difference Feb-15 to Feb-16 = 2 % less
 % Difference Jan-16 to Feb-16 = 3 % less

**Potable Production and Recycled Demand
2007-2016**

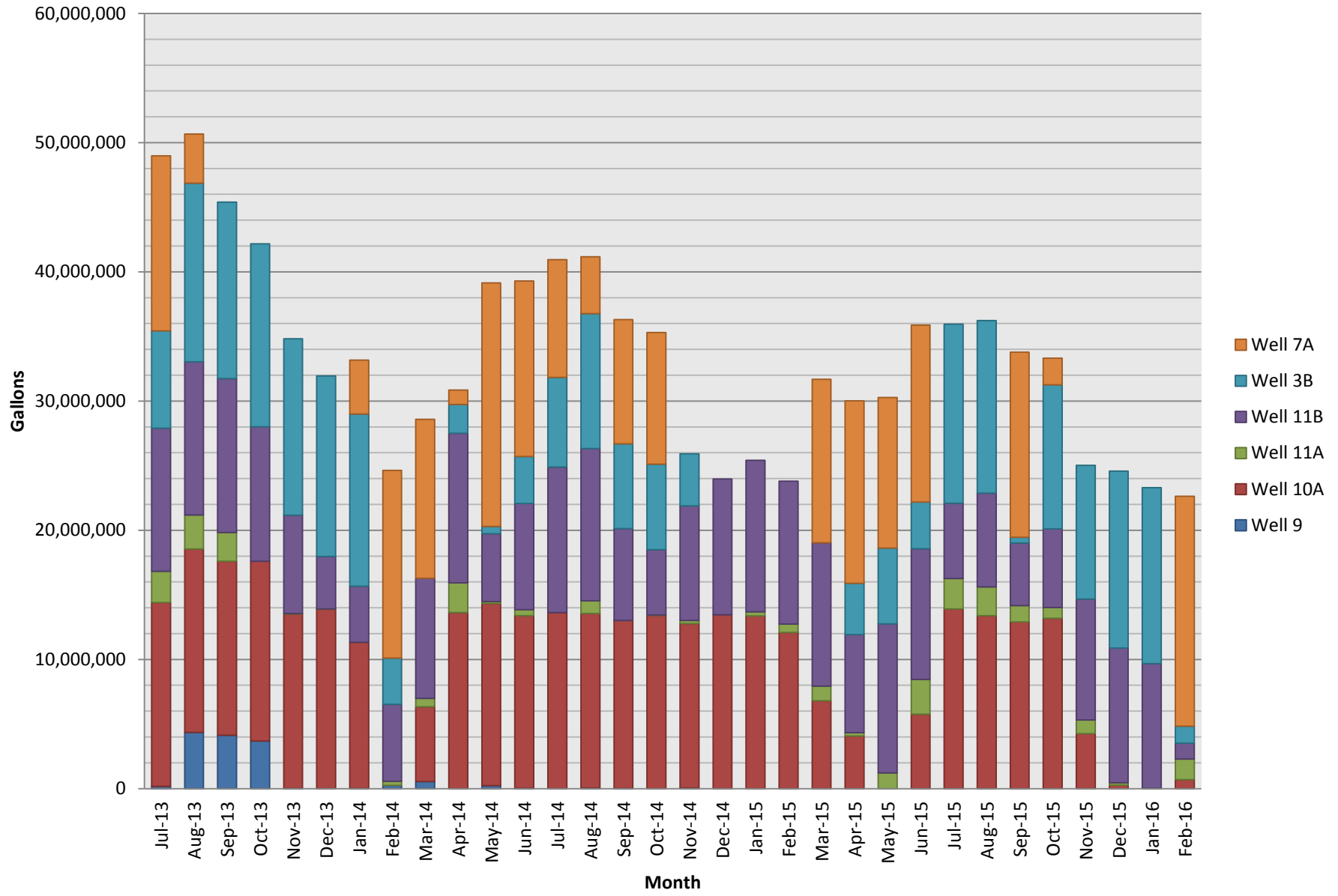
Potable Monthly Production (Gallons per Year)											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Average
January	25,825,300	30,397,700	30,927,300	27,308,200	23,002,000	30,991,300	26,927,400	33,160,052	25,411,480	23,293,566	27,724,430
February	22,592,100	31,196,700	26,157,300	24,601,930	24,799,100	27,805,792	25,818,072	24,634,272	23,798,020	22,629,166	25,403,245
March	38,077,400	41,045,200	28,640,500	28,719,270	26,280,200	30,045,262	31,779,400	28,592,714	31,689,160		31,652,123
April	46,117,000	48,089,700	37,889,600	27,846,700	30,357,808	28,495,980	35,642,000	30,834,466	30,023,040		35,032,922
May	54,275,800	55,782,100	45,750,200	37,656,000	40,795,376	43,541,689	49,627,426	39,147,426	30,277,326		44,094,816
June	59,729,300	59,058,700	49,404,900	47,284,100	38,544,651	47,386,700	47,172,130	39,292,582	35,879,675		47,083,638
July	65,481,600	60,368,100	54,722,800	49,769,940	45,423,830	48,458,300	48,983,852	42,193,166	35,951,121		50,150,301
August	63,516,500	61,551,000	53,718,600	49,699,100	46,604,240	48,774,520	50,673,980	41,167,578	36,221,647		50,214,129
September	55,524,700	54,963,100	41,613,800	46,580,400	43,390,940	43,364,290	45,405,600	36,307,436	33,781,280		44,547,950
October	43,921,800	48,622,500	39,150,300	38,276,000	35,004,800	38,038,006	42,168,952	35,309,544	33,320,304		39,312,467
November	29,933,900	34,549,700	34,392,300	18,430,744	29,000,488	28,373,096	34,829,540	25,906,809	25,019,123		28,937,300
December	26,097,200	30,600,400	28,997,100	15,851,200	30,393,800	26,676,800	31,938,784	23,972,712	24,584,612		26,568,068
Total	531,092,600	556,224,900	471,364,700	412,023,584	413,597,233	441,951,735	470,967,136	400,518,757	365,956,788		451,521,937

Monthly Recycled Demand (Gallons per Year)											
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	Average
January		93,000	496,000	62,000	496,000	2,139,000	620,000	3,019,613	635,420	862,984	936,002
February		28,000	448,000	0	1,120,000	2,352,000	2,268,000	1,248,862	1,545,957	1,813,868	1,288,851
March	1,581,000	1,860,000	1,178,000	620,000	620,000	1,054,000	2,723,665	1,579,882	4,231,231		1,716,420
April	4,290,000	4,020,000	4,050,000	570,000	3,450,000	1,470,000	5,436,705	4,163,175	4,720,887		3,574,530
May	4,898,000	7,378,000	6,293,000	5,301,000	6,448,000	7,843,000	9,248,455	8,409,175	6,686,359		6,944,999
June	7,740,000	8,340,000	8,700,000	8,250,000	6,150,000	9,420,000	9,801,903	9,135,056	7,488,534		8,336,166
July	7,316,000	8,990,000	9,486,000	10,013,000	4,936,000	9,610,000	9,394,766	9,911,697	9,935,422		8,843,654
August	8,029,000	7,719,000	9,269,000	8,680,000	9,207,000	10,199,000	9,875,446	8,542,111	10,471,389		9,110,216
September	6,000,000	6,690,000	7,200,000	8,070,000	8,610,000	7,680,000	8,288,391	6,176,224	9,092,727		7,534,149
October	2,635,000	4,929,000	2,852,000	4,681,000	4,185,000	4,960,000	6,537,840	5,282,253	7,233,408		4,810,611
November	2,280,000	1,290,000	330,000	570,000	1,740,000	1,920,000	4,029,769	1,131,988	2,817,778		1,789,948
December	682,000	651,000	1,333,000	403,000	2,201,000	341,000	2,453,395	236,228	1,119,017		1,046,627
Total	45,451,000	51,988,000	51,635,000	47,220,000	49,163,000	58,988,000	70,678,335	58,836,264	65,978,129		55,548,636

Monthly Potable and Recycled Production VS Rain July 2013- February 2016



Monthly Well Production July 2013 - February 2016



Monthly Rainfall Recorded at SVWD El Pueblo Yard

	WATER YEAR	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Jul	Aug	Sep	TOTAL	% of Ave
High Year	1981-82	0.14	11.20	5.90	28.80	6.88	8.26	8.40	0.03	0.00	0.00	0.04	1.28	70.93	171%
	1982-83	5.35	10.50	7.74	13.90	18.00	19.90	7.80	0.98	0.00	0.00	0.17	1.91	86.25	208%
	1983-84	1.70	12.70	12.90	0.54	2.49	2.62	1.13	0.02	0.18	0.01	0.00	0.25	34.54	83%
	1984-85	2.80	13.80	2.95	1.72	4.20	7.92	0.73	0.11	0.15	0.09	0.02	0.54	35.03	84%
	1985-86	1.12	7.14	2.62	7.38	22.40	15.00	0.48	0.83	0.00	0.00	0.00	1.30	58.27	140%
	1986-87	0.03	0.05	2.47	4.51	9.06	6.31	0.70	0.00	0.02	0.00	0.00	0.00	23.15	56%
	1987-88	1.19	2.30	10.70	4.58	0.68	0.00	3.13	1.07	0.16	0.00	0.00	0.00	23.81	57%
	1988-89	0.19	5.90	8.89	2.06	1.39	10.60	0.67	0.08	0.03	0.00	0.03	0.83	30.67	74%
	1989-90	3.53	1.58	0.01	3.42	3.69	2.13	0.16	5.79	0.00	0.00	0.12	0.15	20.58	50%
	1990-91	0.50	0.24	1.65	0.61	5.39	17.19	0.51	0.06	0.40	0.00	0.02	0.07	26.64	64%
	1991-92	2.37	1.46	5.42	3.03	15.30	4.65	0.45	0.00	0.82	0.00	0.05	0.00	33.55	81%
	1992-93	3.41	0.20	11.54	18.51	10.22	3.17	1.37	0.96	0.68	0.00	0.00	0.00	50.06	121%
	1993-94	0.73	2.74	5.52	3.51	9.72	0.68	2.75	2.10	0.01	0.00	0.00	0.05	27.81	67%
	1994-95	1.79	8.29	4.78	23.88	0.65	13.62	3.79	0.89	1.04	0.01	0.00	0.00	58.74	141%
	1995-96	0.00	0.32	10.03	13.52	11.35	5.14	2.38	4.31	0.03	0.00	0.00	0.00	47.08	113%
	1996-97	2.89	6.95	22.43	12.33	0.17	1.50	0.58	0.16	0.12	0.00	0.54	0.00	47.67	115%
	1997-98	0.68	10.12	4.06	14.21	21.81	6.17	2.85	3.65	0.01	0.00	0.01	0.17	63.74	153%
	1998-99	1.02	9.11	1.85	9.25	11.08	5.22	2.58	0.03	0.36	0.00	0.02	0.14	40.66	98%
	1999-00	0.35	5.69	0.53	18.02	17.57	2.77	2.69	1.01	0.18	0.00	0.20	0.40	49.41	119%
	2000-01	5.14	1.38	0.94	8.68	10.65	4.05	2.67	0.00	0.07	0.00	0.00	0.16	33.74	81%
	2001-02	1.13	9.93	16.45	4.97	2.69	4.66	0.52	0.90	0.00	0.00	0.05	0.00	41.30	99%
	2002-03	0.00	5.80	21.40	2.77	2.95	2.54	5.75	1.09	0.16	0.00	0.00	0.00	42.46	102%
	2003-04	0.19	3.93	17.55	4.44	9.69	1.19	0.65	0.07	0.00	0.06	0.00	0.11	37.88	91%
	2004-05	7.24	3.25	14.39	8.30	7.20	10.01	3.79	2.13	0.94	0.02	0.00	0.08	57.35	138%
	2005-06	0.19	2.84	21.73	6.55	5.26	15.29	10.44	1.01	0.01	0.00	0.01	0.00	63.33	153%
	2006-07	0.25	3.30	5.67	0.89	9.24	0.30	2.17	0.46	0.00	0.10	0.01	0.33	22.72	55%
	2007-08	1.93	0.52	5.50	17.59	6.96	0.36	0.35	0.00	0.00	0.01	0.00	0.04	33.26	80%
	2008-09	1.59	4.80	4.38	1.80	15.28	3.47	0.52	1.42	0.01	0.00	0.00	0.26	33.53	81%
	2009-10	9.70	0.33	5.21	11.37	8.66	4.35	5.41	1.17	0.00	0.01	0.07	0.00	46.28	111%
	2010-11	3.92	5.13	15.36	1.97	10.59	13.40	0.75	3.42	3.40	0.00	0.04	0.02	58.00	140%
	2011-12	2.93	3.41	0.15	6.80	2.75	11.97	4.09	0.02	0.20	0.02	0.00	0.02	32.36	78%
Low Year	2012-13	1.61	11.32	13.25	1.31	0.47	2.66	0.43	0.01	0.11	0.00	0.00	0.70	31.87	77%
	2013-14	0.01	0.87	0.78	0.05	11.52	4.02	2.02	0.01	0.02	0.09	0.01	0.92	20.32	49%
	2014-15	0.44	4.36	16.52	0.00	4.69	0.47	2.13	0.19	0.04	0.00	0.03	0.02	28.89	70%
	2015-16	0.07	2.54	6.67	16.2	1.16								26.64	64%
Cumulative 2015-2016		0.07	2.61	9.28	25.48	26.64	26.64	26.64	26.64	26.64	26.64	26.64	26.64	26.64	
Monthly Average 1981-2015		1.94	5.04	8.27	7.68	8.25	6.22	2.50	1.00	0.27	0.01	0.04	0.29	41.53	
Cumulative Ave 1981-2015		1.94	6.99	15.26	22.94	31.20	37.42	39.92	40.92	41.18	41.20	41.24	41.53		



Water conservation doesn't equal money savings

By Piret Harmon

Posted: Friday, February 5, 2016 6:53 pm

Like water customers throughout the Central Coast and many other parts of California, Scotts Valley Water District ratepayers have responded to the historic drought by sharply reducing their water use even as El Niño rains fall across our service area. Although El Niño is bringing some relief to the parched soil, it will take longer than a single year for our thirsty watersheds to recover. Water conservation is still necessary to assist in the recuperation of our watersheds.

SVWD recommends that its customers maintain their efficient use of water. By setting a target of using 75 gallons per person per day in summer and 60 gallons per person per day in winter, we can collectively meet that goal.

Although this conservation plan will help our watersheds, it also generates a different kind of problem. We are used to being rewarded when we do our part in helping out. However, that general rule works differently when we talk about water pricing.

People often ask me: "If I'm using less water, why doesn't my water bill go down?" It's a great question, and here is how I try to explain that counterintuitive correlation.

The value of water is an emerging and interesting discussion topic that comes up in formal business settings as well as in personal conversations. In December, my first column talked about the imbalance that exists between the value we place on water and its overall importance in our lives. When we compare the relatively low price we pay for the full service of having 24/7 access to safe, clean and reliable water as opposed to other non-essential things we buy, then it's easier to evaluate water rates.

As indispensable as water is, however, sometimes its value is viewed solely through the prism of price and cost. There is a complicated connection between the price of a gallon of water, the trend to use water more efficiently and the financial requirements that water districts must consider. Together, they create a difficult situation to balance.

In order to deliver even a drop of water, a complex system of pipes, valves, pump stations, treatment plants and reservoirs have to be built and maintained. These are high up-front capital investments and fixed costs that must be covered by the sale price of the total number of units of water produced.

Once put in service, the facilities must be run following strenuous guidelines to ensure a safe and clean water supply. All of these processes require skilled personnel regardless of how much water is produced and delivered in any given day or year.

I often contemplate whether water utilities are in the business of selling a commodity or providing a service. If we are being viewed as a service provider, there should be less focus on the gallons of water consumed and more emphasis of the level of service received by the customer. Drought conditions may diminish the amount of available water, but water utilities must still deliver safe, clean, water to each customer without interruption of service. In many cases, water agencies have stepped up their game by offering customers additional or enhanced services regardless of the drought.

By law, publicly owned water agencies cannot make a profit in operating the utility. They are allowed to only charge customers in keeping with the cost of service. The cost of service includes debt service payments for capital improvements, operating costs of treatment, distribution, billing, customer service functions, personnel and other business costs. When customers use less water, the revenue decreases and the water agencies struggle to cover the cost of providing the same level of service. Unlike many other water agencies, to date Scotts Valley Water District has not instituted a drought-related fee or raised rates to replace lost revenue.

However, we have been taking a financial hit from the significant reductions in the potable water demand in the last couple of years, while trying to balance the shortfall by judiciously managing our operating expenses and dipping into our reserves. This spring, as part of our ongoing efforts to manage the District's financial resources in a responsible manner, the District will undertake a comprehensive rate study that will include a cost of service analysis.

So, the answer to the question about the relationship between reduced water demand and water rates is pretty complicated. But it's a worthy discussion to have in our community as we work our way through (and hopefully out of) the historic drought.

On behalf of the SVWD's dedicated staff and board members, let me share that it's our pleasure to serve the community of ScottsValley. From time to time, I will share my thoughts about the value of water with the community. I encourage you to share your ideas with SVWD.

Visit svwd.org, email us at contact@svwd.org and like us on Facebook.

Piret Harmon is the General Manager of the Scotts Valley Water District.



DPR Becoming Palatable For California Public

News Feature | February 16, 2016

By Sara Jerome

The prospect of introducing direct potable reuse in California is gaining momentum, fueled by the relentlessness of the state's record drought.

"The idea of turning wastewater into drinking water is gaining momentum among government bodies in Southern California and across the nation, but regulators question how and when the concept will become palatable to the widespread public," the Long Beach *Press-Telegram* recently [reported](#).

Several counties are in the planning stage for direct potable reuse projects. The Metropolitan Water District of Southern California, a massive water importer that serves Los Angeles, is talking to county sanitation districts about the possibility, the *Los Angeles Times* [reported](#).

Michael Adelman, an environmental engineer with MWH Global in Pasadena, "said that planning is underway for a large plant in San Diego County to use recycled water either as a nearly direct feed or in a diffused form," *The San Bernardino Sun* [reported last month](#).



One trend benefiting these efforts: Recycled water in all forms is gaining greater acceptance. Water industry professionals have sung the praise of recycled water for years. And now the public may be catching on.

"Looking back decades from now, we may remember 2015 as the year recycled water became cool," Matt Weiser of *Water Deeply* [recently wrote](#) in The Huffington Post. "Dozens of California water agencies in 2015 opened recycled water 'fill stations,' allowing customers to collect treated wastewater in jugs and tanks for free. It helped drought-weary residents maintain parched landscaping, and it also eased recycled water's ill-deserved 'yuck factor.'"

He said the major legacy of the California drought may be that it introduced the public to the benefits of recycled water.

Dublin San Ramon Services District is one region offering fill stations to its customers. Residents can use the water to irrigate their yards. Educational efforts helped officials combat hesitations about recycled water.

"As for any 'yuck factor' from using sewer water, users say they aren't deterred because recycled water customers are all given brief instructions informing them that the state OKs the use of effluent for landscaping — but not for drinking," the *San Jose Mercury News* [reported](#).