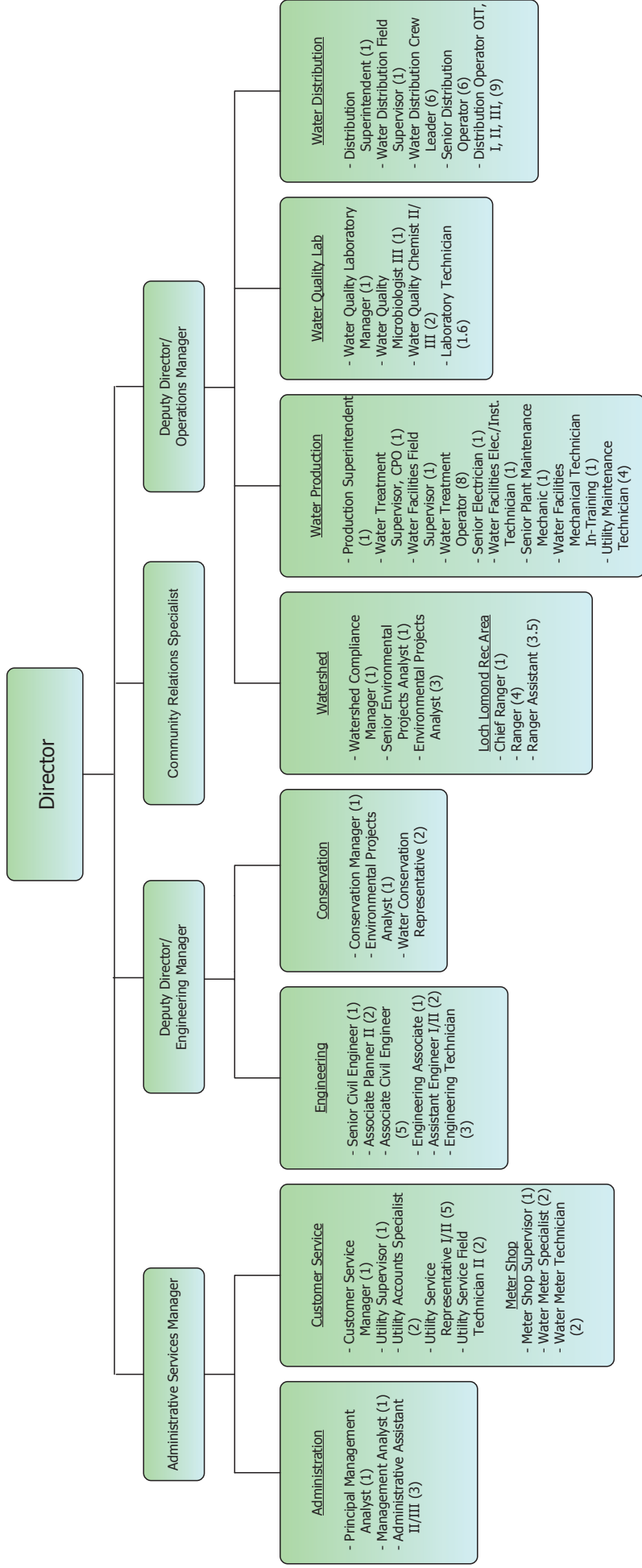


Water



Water Department



DEPARTMENT DESCRIPTION

The mission of the Water Department is to ensure public health and safety by providing a clean, safe, and reliable supply of water. We strive to serve the community in a courteous, efficient, cost effective, and environmentally sustainable manner.

We are passionate about our work, and try to instill our values of integrity, innovation, objectivity, professionalism, teamwork, and transparency in everything we do. We collect water, treat and test it, move it, store it, distribute it, track how much is used, and bill our customers for their use. We're at the end of the phone when they call with questions and we're the smiling faces they see when they visit the department. We educate our customers about the quality of their water, how to use less water and provide them the tools to do so. Our work includes the maintenance and operation of Loch Lomond Recreation area, as well as the protection of the Majors, Liddell, Newell Creek, Zayante, and Laguna watersheds. We are stewards of an important community asset, the water system and all it entails, as well as a range of natural resources and ecosystems that we and many species depend upon and that are important elements of a sustainable community. We take pride in meeting the diverse needs of the broad region we serve.

FY 2016 ACCOMPLISHMENTS

Departmental accomplishments in FY 2016 fall into seven major categories which are highlighted in the sections below:

1. Drought Response

Despite an 83% full reservoir going into the spring-summer season, a Stage 3 Water Shortage Emergency was re-declared in 2015 due to persistently low runoff in the San Lorenzo River. Department customers reduced overall water use by 1.3 billion gallons or 30 percent during the May–October peak season, leading the State Water Resources Control Board to recognize the Department in August 2015 as a “Top Performer” for its efforts in achieving water use reductions and showing other communities what could be done in the midst of a statewide drought emergency. The Department also received a silver Davey state-wide marketing award for our water rationing communication campaign.

The 2015 drought response program included assigning allotments to all single and multi-family residential customers, providing increases for large households and/or health and safety exceptions, establishing water budget allocations for large landscape customers, working with large business customers to implement their water conservation plans, increasing our focus on responding to water main leak detection and repair, successfully locating and repairing 84 water main leaks and 206 service line leaks, and hosting numerous sessions of the highly successful Water School Program. Despite levying over \$1M in excessive-use penalties, no appeals were filed by customers seeking administrative relief for exceeding their allotment.

CITY COUNCIL STRATEGIC PLAN 3-YEAR GOALS:

1. Environmental Sustainability & Well-Managed Resources
2. Community Safety & Well-Being
3. Economic Vitality
4. Financial Stability & Organizational Health
5. Reliable & Forward-Thinking Infrastructure and Facilities
6. Engaged & Informed Community

FY 2016 ACCOMPLISHMENTS (continued)**1. Drought Response (continued)**

In addition to the rationing program, the Department successfully worked with state and federal fishery agencies to adapt flow releases to drought conditions, and implemented the monitoring and reporting provisions of the Newell Creek Temporary Urgency Change Petition, which allowed for reduced fishery releases from Loch Lomond into Newell Creek, allowing for improved storage levels during drought conditions.

2. Water Supply Advisory Committee

The City Council appointed Water Supply Advisory Committee (WSAC) process completed its work in October 2015, developing and unanimously agreeing to a robust strategy for providing water security for Santa Cruz by 2025. The strategy uses a multi-pronged approach that takes future fish flow release requirements into account and considers the potential impacts of climate change. On November 24, 2015, the City Council adopted a resolution thanking the WSAC for its work, declaring November 2015 as Water Supply Advisory Committee month, and accepting the WSAC recommendations. The Department was further directed by Council to integrate the WSAC recommendations into the 2016 update of the City's Urban Water Management Plan and begin implementing the water supply augmentation strategy. In other recognition related to the WSAC, the Department received a national gold MarCom award from the Association of Marketing and Communication Professionals for the "Our Water-Our Future" Water Supply Advisory Committee community mailer.

3. Financial Planning

In preparation for initiating a major water system reinvestment and investment cycle, the Department prepared a 10 year Financing Strategy, which includes a 5 year Financial Plan. Elements of the work included creating a debt financing strategy, evaluating financial reserve requirements and policy alternatives, projecting revenue requirements, completing a Cost of Service Analysis for use in developing water rates, evaluating water rate structures, developing proposed water rates for consideration by the Water Commission and the City Council.

4. Infrastructure Rehabilitation and Replacement

The Department completed or made substantial progress on a number of significant infrastructure improvements projects during FY 2016 including:

- Commissioned the Beltz 12 well and treatment plant;
- Completed the Ocean Street Main Trunk Valve replacement project. This project required several years of planning, including the completion of several other large CIP projects, and department wide collaboration for its successful completion;

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FY 2016 ACCOMPLISHMENTS (continued)**4. Infrastructure Rehabilitation and Replacement (continued)**

- Made significant progress on the Graham Hill Water Treatment Plant filter rehabilitation project, including successfully managing hurdles associated with not being able to completely assess the condition of the basins until they were drained and dismantled;
- Completed the third phase of the Bay Street Tank project which brought the second 6 million gallon drinking water tank on line. The final phase, Phase 4, is in process and includes landscaping and other site improvements;
- Completed the installation of 3,500 LF of water main on Soquel Avenue, 2,100 LF of water main on Modesto, and 900 LF for the Twin Lakes water main project;
- Completed an emergency repair on a significant leak on the north coast main system;
- Completed the emergency repair of the 10” water main that serves the Santa Cruz Municipal Wharf;
- Completed rehabilitation of the two DeLaveaga distribution storage tanks as well as University tank #2;
- Repaved and restriped the Loch Lomond Recreation Area and began improvements to comply with the American with Disabilities Act such as additional parking, accessible picnicking areas and restrooms, and an accessible viewing deck;
- Purchased property for a new groundwater well on Tait Street; and
- Completed a solar energy feasibility study for the Bay Street Tank site. The study analyzed the opportunities for renewable energy produced by solar Photovoltaic cells at the Bay Street Tank site which could offset the electrical energy consumed at the U2 Pump Station and potentially export energy credits to a City offsite electrical account.

5. Water Quality and Treatment

Water Quality and treatment functions ensure that water delivered meets all state and federal drinking water regulations. Some key achievements of these groups in FY 2016 included:

- Successfully completed the State of Water Resources Control Board’s Environmental Laboratory Accreditation Program (ELAP), which involves an on-site audit and evaluation and resulted in recertification of the Water Quality Laboratory for all approved analytical methods;
- Successfully completed all required drinking water monitoring and compliance sampling, analyses, and reporting for regulated contaminants, maintaining the Department’s strong performance for providing a water supply that is consistently in compliance with or of better quality than required by state and federal regulation;
- Completed the triennial sampling for the Lead and Copper Rule, with the excellent and in compliance results demonstrating the effectiveness of the Department’s ongoing corrosion control treatment program;
- Began the two year monitoring project required under the Long Term 2 Enhanced Surface Water Treatment Rule (LT2ESWTR) to evaluate source waters for the presence of two key microbial pathogens, *Cryptosporidium*, and *Giardia*; and

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FY 2016 ACCOMPLISHMENTS (continued)**5. Water Quality and Treatment (continued)**

- Supported a variety of emergency and planned infrastructure repair projects by collecting and processing water quality samples to ensure the new facility was properly disinfected to avoid bacterial contamination prior to it being returned to service.

6. Conservation, Water Resources Management, Environmental Compliance and Recreation

The Conservation and Water Resources groups play an important role in managing key water and land based natural resources programs and systems, working with water right and regulatory compliance issues, providing education and outreach, and planning, administering and managing the Department's recreation programs at the Loch Lomond Recreation Area.

Key accomplishments in these areas include:

- Expanded educational programming, including Trout in the Classroom interpretation program, and initiated the Loch Lomond walk/talk interpretive events;
- Proactively undertook a range of actions to reduce the danger of wildfire in the City's watersheds including finishing the 4 mile Loch Sloy /Highland shaded fuel break loop, improving Eagle's Roost area fuel break in the Loch Lomond Recreation Area, and installing wildfire preparedness signage in the Loch Lomond Recreation Area;
- Began a comprehensive Water Loss Control Study to assess water loss management practices and support design of a cost-effective water loss control program;
- Developed an econometric water demand forecast for the period 2015 to 2035;
- Updated the Water Conservation Master Plan work to reflect the Water Supply Advisory Committee recommendations, new demand forecast, and new plumbing codes requirements;
- Updated the Loch Lomond Recreation Area fee schedule, added a reservations system for group picnic areas, an alcohol permit program, and revamped private boat storage for better customer service and improved efficiency;
- Conducted a wide range of ecological monitoring and reporting tasks including those related to anadromous salmonid and Mount Hermon June Beetles, conducted intensive monitoring of the water quality and fisheries issues in the San Lorenzo lagoon, and assisting with several San Lorenzo lagoon water level control operations; and
- Completed and supported a variety of actions needed to comply with regulatory mandates including prepared and filed an NPDES permit application for the operations of a drinking water utility, developed a sediment management permit with California Department of Fish and Wildlife for the Majors Diversion, and prepared an environmental compliance procedures manual covering the Department's activities.

CITY COUNCIL STRATEGIC PLAN 3-YEAR GOALS:

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FY 2016 ACCOMPLISHMENTS (continued)**7. State and Regional Planning, Partnerships, and Initiatives.**

Finally, the Water Department accomplished other tasks in FY2016 that will have on-going regional water supply impacts:

- Participated in the development of and signed on to the Joint Powers Authority for the Santa Cruz Mid County Groundwater Agency, the new local agency that will be responsible for the implementation of the state's 2014 Sustainable Groundwater Management Act. This new agency will be responsible for completing a Groundwater Sustainability Plan by 2020;
- Made significant progress updating the City's 2015 Urban Water Management Plan; and
- Began implementing the WSAC recommendations with a particular focus on creating regional partnerships that could be used to enable more conjunctive use of surface and groundwater resources, for example in lieu recharge and aquifer storage and recovery.

FY 2017 GOALS

In FY 2017, the Department is transitioning from a period focused on planning to a period focused on implementation, with key initiatives being reinvestment in the water system's backbone infrastructure, and finalizing and adopting a revised water rate structure and five year rate schedule that will support continued operation of the water utility and the planned investments in infrastructure rehabilitation and replacement and water supply security. A second focus will be on organizational performance, and will use a combination of strategic planning, organizational development, and leadership development tools and approaches to complete an organizational assessment and design and implement the strategies that will help us efficiently and effectively meet the challenges ahead. And, a third focus will be on succession planning, particularly related to some of the Department's operational staffing requirements for employees working in maintenance of electrical, mechanical, instrumentation systems and in the treatment and distribution of drinking water. The department is planning to explore a range of strategies for workforce development initiatives with other City departments as well as with other regional utilities and will begin with one Utility Mechanical Maintenance Trainee position in 2017.

Additional goals for FY 2017 include:

- Continuing to deliver a reliable and high quality supply of water that complies with all state and federal drinking water standards to our 95,000 customers 24 hours a day, 7 days a week, and 365 days a year;
- Continuing to work on fuels management on City watershed lands, including finishing the Lompico Truck Trail fuel break work;
- Continue to working collaboratively with Soquel Creek Water District on the short term water transfer project and the related water quality and water quantity monitoring needed to assess project performance;

CITY COUNCIL STRATEGIC PLAN 3-YEAR GOALS:

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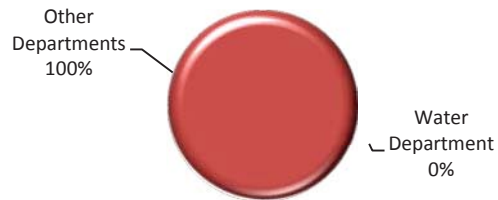
FY 2017 GOALS (continued)

- Continue working to implement the Water Supply Augmentation Strategy Work Plan, making major progress on partnerships for in lieu recharge, and on studies of aquifer storage and recovery and advanced treated recycled water;
- Begin to implement the updated Water Conservation Master Plan;
- Complete and submit for state review the Updated Urban Water Management Plan;
- Completing agreements for a draft aquatic-species Habitat Conservation Plan/Section 2081 Permit with NOAA and California DFW and begin necessary procedural review;
- Reinitiate the Department's Water Rights Conformance Project that is intended to clarify provisions of or provide time extensions for certain City water rights, and expand the initial set of issues covered by this project to address the places of use for City water rights so as to allow opportunities for more conjunctive use of surface and groundwater resources in mid and northern Santa Cruz County;
- Completing construction on several significant infrastructure rehabilitation and replacement projects including:
 - Phase 4 of the Bay Street Tank project,
 - Phase 3 of the North Coast Main replacement project, which covers replacing approximately 3 miles of raw water main adjacent to Highway 1,
 - Two new groundwater wells on Tait Street as well as rehabilitating an existing well at the same location,
 - The Cedar Street (~2,000 LF), Water Street (~4,500LF), Carol Avenue (~1,900 LF), and Mission Drive water main replacement projects, and
 - ADA improvements at the Loch Lomond Recreation Area.
- Complete the design of several new projects and facilities including:
 - A new building to house the Water Resources Section and their necessary tools and equipment to be located at the Graham Hill Water Treatment Plant,
 - Three new 750,000 gallon tanks at the Graham Hill Water Treatment Plant to replace existing 60-year-old concrete tanks; and
- Expand participation in monthly educational and interpretive walks and in watershed school educational programs to include Live Oak elementary schools, and partner with the California Department of Fish and Wildlife to sponsor the Trout in the Classroom program.

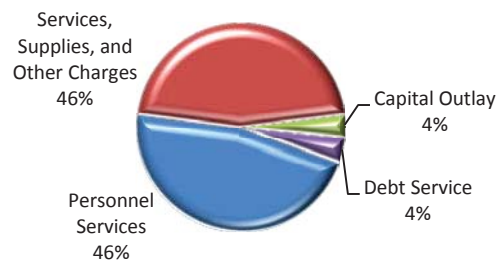
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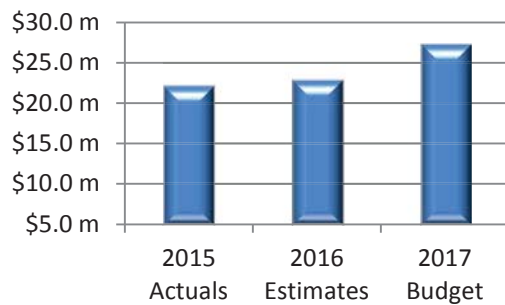
PERCENTAGE OF PRIMARY GENERAL FUND BUDGET



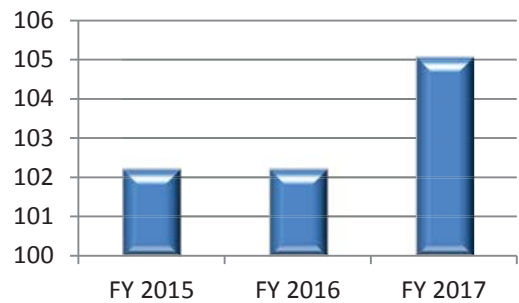
EXPENDITURES BY CHARACTER Fiscal Years 2016-2017



EXPENDITURE HISTORY



AUTHORIZED PERSONNEL



DEPARTMENT SUMMARY

	Fiscal Year* 2015 Actuals	Fiscal Year 2016			Fiscal Year 2017 Adopted
		Adopted Budget	Amended* Budget	Estimated Actual	
EXPENDITURES BY CHARACTER:					
Personnel Services	10,225,879	11,879,181	12,045,806	10,580,127	12,741,984
Services, Supplies, and Other Charges	11,014,604	12,377,301	13,710,778	11,446,712	12,616,410
Capital Outlay	328,650	338,500	367,484	272,251	965,000
Debt Service	696,815	1,762,552	1,762,552	692,742	1,111,938
Total Expenditures	<u>22,265,947</u>	<u>26,357,534</u>	<u>27,886,620</u>	<u>22,991,832</u>	<u>27,435,332</u>
EXPENDITURES BY ACTIVITY:					
Water Administration	7101 4,233,451	4,720,650	4,955,452	4,537,730	5,166,074
Water Engineering	7102 1,732,543	2,376,051	2,625,863	2,228,680	3,028,647
Water Customer Services	7103 1,193,137	1,330,926	1,410,942	1,402,491	1,480,547
Water Conservation	7104 759,010	941,326	1,227,382	961,275	1,032,724
Water Resources	7105 1,190,178	1,369,219	1,317,332	1,161,382	1,486,943
Water Production	7106 5,630,763	6,278,405	6,550,988	5,479,546	6,100,712
Water Quality	7107 856,347	996,194	1,038,653	921,612	1,021,798
Water Distribution	7108 3,978,580	4,418,767	4,466,975	3,604,687	5,108,627
Water Recreation	7109 697,216	964,580	1,308,820	1,075,136	1,150,497
Water Meter Shop	7113 -	-	-	-	746,825
Meter Shop	7118 966,975	985,611	989,361	747,082	-
Water Debt Service	7140 696,815	1,762,552	1,762,552	692,742	1,111,938
Drought Response 2014	7199 330,933	213,253	232,300	179,469	-
Subtotal Other Funds	<u>22,265,947</u>	<u>26,357,534</u>	<u>27,886,620</u>	<u>22,991,832</u>	<u>27,435,332</u>
Total Expenditures	<u>22,265,947</u>	<u>26,357,534</u>	<u>27,886,620</u>	<u>22,991,832</u>	<u>27,435,332</u>
RESOURCES BY FUND					
Water	711 23,284,501	57,221,775	57,221,775	27,013,702	53,294,778
Water System Development Fees Fund	715 700,034	850,000	850,000	475,000	330,000
Water - Emergency Reserve Fund	717 600,000	-	-	35,984	-
Total Resources	<u>24,584,535</u>	<u>58,071,775</u>	<u>58,071,775</u>	<u>27,524,686</u>	<u>53,624,778</u>
	FY 2015			FY 2016	FY 2017
TOTAL AUTHORIZED PERSONNEL:	<u>102.25</u>			<u>102.25</u>	<u>105.10</u>

*Sums may have discrepancies due to rounding

Water Administration

Activity Number: 7101

ACTIVITY SUMMARY

Fund(s): Water & Water System Development Fees (711 & 715)

Department: Water

Activity Description:

The Water Administration section coordinates and manages department business by focusing on the following operational areas: human resources, finances, public relations, safety, and regulatory compliance. Administration is responsible for maintaining a rate structure that reflects cost of service, funds the department's capital improvement program, and provides adequate reserves. This section also facilitates the communication and interaction with the Water Commission, City Council, City Manager's Office and regulatory agencies.

	Fiscal Year 2015 Actuals	Fiscal Year 2016			Fiscal Year 2017 Adopted
		Adopted Budget	Amended Budget	Estimated Actual	
EXPENDITURES BY ACTIVITY:					
Personnel Services	1,147,830	1,255,255	1,318,255	1,356,527	1,408,213
Services, Supplies, and Other Charges	3,085,621	3,465,395	3,637,197	3,181,203	3,657,861
Capital Outlay	-	-	-	-	100,000
Total Expenditures	<u>4,233,451</u>	<u>4,720,650</u>	<u>4,955,452</u>	<u>4,537,730</u>	<u>5,166,074</u>

*Sums may have discrepancies due to rounding

Water Engineering

Activity Number: 7102

Fund(s): Water (711)

Department: Water

ACTIVITY SUMMARY

Activity Description:

The Water Engineering section provides engineering, planning, project design and construction management necessary for water facilities, as well as evaluation and installation of water saving technologies. The section keeps current with new technologies and water quality issues, remaining sensitive to mitigation of environmental impacts; reviews all requests for water services; maintains records of facilities, installations and maps; and oversees the Backflow Prevention Program.

	Fiscal Year 2015 Actuals	Fiscal Year 2016			Fiscal Year 2017 Adopted
		Adopted Budget	Amended Budget	Estimated Actual	
EXPENDITURES BY ACTIVITY:					
Personnel Services	1,329,495	1,750,138	1,750,138	1,545,561	2,228,946
Services, Supplies, and Other Charges	372,428	590,913	827,675	669,119	734,701
Capital Outlay	30,620	35,000	48,050	14,000	65,000
Total Expenditures	<u>1,732,543</u>	<u>2,376,051</u>	<u>2,625,863</u>	<u>2,228,680</u>	<u>3,028,647</u>
ACTIVITY RESOURCES:					
Grants	19,097	20,000	20,000	-	-
Rents, & Misc Revenues	-	-	-	1,231	-
Total Resources	<u>19,097</u>	<u>20,000</u>	<u>20,000</u>	<u>1,231</u>	<u>-</u>

*Sums may have discrepancies due to rounding

Water Customer Services

Activity Number: 7103

Fund(s): Water (711)

Department: Water

ACTIVITY SUMMARY

Activity Description:

The Customer Services section (Santa Cruz Municipal Utilities -SCMU) provides customer service for water, sewer, refuse, and recycling services to the residents and businesses of the City of Santa Cruz, and only water services to the unincorporated surrounding areas. This section manages utility accounts and billing, processes opening and closing of accounts; and provides service in response to requests from the customers.

	Fiscal Year 2015 Actuals	Fiscal Year 2016			Fiscal Year 2017 Adopted
		Adopted Budget	Amended Budget	Estimated Actual	
EXPENDITURES BY ACTIVITY:					
Personnel Services	838,658	941,897	941,897	944,026	1,022,433
Services, Supplies, and Other Charges	354,479	359,029	439,045	428,465	458,114
Capital Outlay	-	30,000	30,000	30,000	-
Total Expenditures	1,193,137	1,330,926	1,410,942	1,402,491	1,480,547
ACTIVITY RESOURCES:					
Charges for Services	641,935	691,062	691,062	691,062	725,615
Total Resources	641,935	691,062	691,062	691,062	725,615

*Sums may have discrepancies due to rounding

Water Conservation

Activity Number: 7104

ACTIVITY SUMMARY

Fund(s): Water & Water System Development Fees (711 & 715)

Department: Water

Activity Description:

The Water Conservation section is responsible for promoting efficient water use and for implementing management practices that reduce customer demand for water, including public information and education activities, water budgets for large landscape customers, plumbing fixture replacement and appliance rebate programs, technical assistance, administration of landscape, and water waste regulations.

	Fiscal Year 2015 Actuals	Fiscal Year 2016			Fiscal Year 2017 Adopted
		Adopted Budget	Amended Budget	Estimated Actual	
EXPENDITURES BY ACTIVITY:					
Personnel Services	215,522	390,285	396,410	161,187	387,103
Services, Supplies, and Other Charges	543,488	551,041	830,972	800,088	645,621
Total Expenditures	759,010	941,326	1,227,382	961,275	1,032,724
ACTIVITY RESOURCES:					
Rents, & Misc Revenues	675	-	-	-	-
Total Resources	675	-	-	-	-

*Sums may have discrepancies due to rounding

Water Resources

Activity Number: 7105

Fund(s): Water & Water June Beetle Endowment (711 & 718)

Department: Water

ACTIVITY SUMMARY

Activity Description:

The Water Resources Management section is responsible for the drinking water source protection, environmental regulatory compliance, and general natural resource management. The section coordinates environmental projects related to water rights, water supply, habitat conservation, and environmental resource protection.

	Fiscal Year 2015 Actuals	Fiscal Year 2016			Fiscal Year 2017 Adopted
		Adopted Budget	Amended Budget	Estimated Actual	
EXPENDITURES BY ACTIVITY:					
Personnel Services	516,729	556,260	556,260	503,782	569,579
Services, Supplies, and Other Charges	673,449	812,959	761,072	657,600	917,364
Total Expenditures	<u>1,190,178</u>	<u>1,369,219</u>	<u>1,317,332</u>	<u>1,161,382</u>	<u>1,486,943</u>

*Sums may have discrepancies due to rounding

Water Production

Activity Number: 7106

Fund(s): Water (711)

Department: Water

ACTIVITY SUMMARY

Activity Description:

The Water Production section is responsible for production, operation, and maintenance of water storage, diversion, collection, pumping, and treatment facilities from all sources throughout the system.

	Fiscal Year 2015 Actuals	Fiscal Year 2016			Fiscal Year 2017 Adopted
		Adopted Budget	Amended Budget	Estimated Actual	
EXPENDITURES BY ACTIVITY:					
Personnel Services	2,293,669	2,463,381	2,480,964	2,236,422	2,610,428
Services, Supplies, and Other Charges	3,192,960	3,668,524	3,923,524	3,125,737	3,415,284
Capital Outlay	144,133	146,500	146,500	117,387	75,000
Total Expenditures	<u>5,630,763</u>	<u>6,278,405</u>	<u>6,550,988</u>	<u>5,479,546</u>	<u>6,100,712</u>
ACTIVITY RESOURCES:					
Rents, & Misc Revenues	<u>384</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Resources	<u>384</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*Sums may have discrepancies due to rounding

Activity Number: 7107

Fund(s): Water (711)

Department: Water

ACTIVITY SUMMARY

Activity Description:

The Water Quality Control section performs all water quality testing, and oversees matters pertaining to water quality control to maintain compliance with State and Federal standards and for planning for future treatment needs.

	Fiscal Year 2015 Actuals	Fiscal Year 2016			Fiscal Year 2017 Adopted
		Adopted Budget	Amended Budget	Estimated Actual	
EXPENDITURES BY ACTIVITY:					
Personnel Services	647,816	692,490	704,949	672,247	718,944
Services, Supplies, and Other Charges	208,531	263,704	293,704	219,365	267,854
Capital Outlay	-	40,000	40,000	30,000	35,000
Total Expenditures	856,347	996,194	1,038,653	921,612	1,021,798

*Sums may have discrepancies due to rounding

Water Distribution

Activity Number: 7108

Fund(s): Water (711)

Department: Water

ACTIVITY SUMMARY

Activity Description:

The Water Distribution section is responsible for the maintenance and operation of all transmission mains, distribution mains, service lines, and hydrants in the service area.

	Fiscal Year 2015 Actuals	Fiscal Year 2016			Fiscal Year 2017 Adopted
		Adopted Budget	Amended Budget	Estimated Actual	
EXPENDITURES BY ACTIVITY:					
Personnel Services	2,105,613	2,497,826	2,546,034	2,123,416	2,598,943
Services, Supplies, and Other Charges	1,719,071	1,870,941	1,870,941	1,481,271	1,879,684
Capital Outlay	153,896	50,000	50,000	-	630,000
Total Expenditures	<u>3,978,580</u>	<u>4,418,767</u>	<u>4,466,975</u>	<u>3,604,687</u>	<u>5,108,627</u>

*Sums may have discrepancies due to rounding

Water Recreation

Activity Number: 7109

Fund(s): Water (711)

Department: Water

ACTIVITY SUMMARY

Activity Description:

The Water Recreation Facility section operates and maintains Loch Lomond Recreation Area. The section is also responsible for patrolling watershed property and protecting source water

	Fiscal Year 2015 Actuals	Fiscal Year 2016			Fiscal Year 2017 Adopted
		Adopted Budget	Amended Budget	Estimated Actual	
EXPENDITURES BY ACTIVITY:					
Personnel Services	550,572	696,288	711,788	563,032	790,205
Services, Supplies, and Other Charges	146,644	231,292	560,032	481,240	300,292
Capital Outlay	-	37,000	37,000	30,864	60,000
Total Expenditures	<u>697,216</u>	<u>964,580</u>	<u>1,308,820</u>	<u>1,075,136</u>	<u>1,150,497</u>
ACTIVITY RESOURCES:					
Licenses and Permits	-	600	600	15,000	600
Grants	4,931	-	-	-	-
Rents, & Misc Revenues	-	85,000	85,000	140,000	130,000
Total Resources	<u>4,931</u>	<u>85,600</u>	<u>85,600</u>	<u>155,000</u>	<u>130,600</u>

*Sums may have discrepancies due to rounding

Water Meter Shop

Activity Number: 7113

Fund(s): Water (711)

Department: Water

ACTIVITY SUMMARY

Activity Description:

Effective as of Fiscal Year 2017, the Meter Shop will move from under the management of the Water Distribution section (division 97) to Water Customer Service (division 92). This move will also transfer the Meter Shop operating budget from division 97, activity 7118 to division 92, activity 7113. The Meter shop will continue to be responsible for reading, inspecting, installing, maintaining, and replacing water meters in the service area that covers the City of Santa Cruz and the unincorporated surrounding areas.

	Fiscal Year 2015 Actuals	Fiscal Year 2016			Fiscal Year 2017 Adopted
		Adopted Budget	Amended Budget	Estimated Actual	
EXPENDITURES BY ACTIVITY:					
Personnel Services	-	-	-	-	407,190
Services, Supplies, and Other Charges	-	-	-	-	339,635
Total Expenditures	-	-	-	-	746,825
	-	-	-	-	746,825

*Sums may have discrepancies due to rounding

Activity Number: 7118

Fund(s): Water (711)

Department: Water

ACTIVITY SUMMARY

Activity Description:

The Meter Shop section is responsible for reading, inspecting, installing, maintaining, and replacing water meters in the service area that covers the City of Santa Cruz and the unincorporated surrounding areas.

	Fiscal Year 2015 Actuals	Fiscal Year 2016			Fiscal Year 2017 Adopted
		Adopted Budget	Amended Budget	Estimated Actual	
EXPENDITURES BY ACTIVITY:					
Personnel Services	375,043	476,361	480,111	304,049	-
Services, Supplies, and Other Charges	591,931	509,250	509,250	393,033	-
Capital Outlay	-	-	-	50,000	-
Total Expenditures	<u>966,975</u>	<u>985,611</u>	<u>989,361</u>	<u>747,082</u>	<u>-</u>

Water Debt Service

Activity Number: 7140

ACTIVITY SUMMARY

Fund(s): Water & Water System Development Fees (711 & 715)

Department: Water

Activity Description:

Funds principal and interest payments on issued debt.

	Fiscal Year 2015 Actuals	Fiscal Year 2016			Fiscal Year 2017 Adopted
		Adopted Budget	Amended Budget	Estimated Actual	
EXPENDITURES BY ACTIVITY:					
Debt Service	696,815	1,762,552	1,762,552	692,742	1,111,938
Total Expenditures	<u>696,815</u>	<u>1,762,552</u>	<u>1,762,552</u>	<u>692,742</u>	<u>1,111,938</u>

*Sums may have discrepancies due to rounding

Drought Response 2014

Activity Number: 7199

ACTIVITY SUMMARY

Fund(s): Water (711)

Department: Water

Activity Description:

This activity accounts for expenses and revenues beyond the department's base operating budget related to Stage 3 (or higher) Water Shortage Emergency incurred in calendar year 2014. Tracking of such expenses and revenues will begin with the Stage 3 Water Shortage Emergency declared by City Council on February 25, 2014 and continuing until such emergency is reduced to Stage 2 or lower.

	Fiscal Year 2015 Actuals	Fiscal Year 2016			Fiscal Year 2017 Adopted
		Adopted Budget	Amended Budget	Estimated Actual	
EXPENDITURES BY ACTIVITY:					
Personnel Services	204,932	159,000	159,000	169,878	-
Services, Supplies, and Other Charges	126,000	54,253	57,366	9,591	-
Capital Outlay	-	-	15,934	-	-
Total Expenditures	330,933	213,253	232,300	179,469	-
ACTIVITY RESOURCES:					
Fines and Forfeitures	217,229	-	-	500,000	-
Total Resources	217,229	-	-	500,000	-

*Sums may have discrepancies due to rounding

Water

Capital Improvement Projects

Fund	Project Number	Project Title	Fiscal Year 2016 Estimated	Fiscal Year 2017 Adopted Budget
Water Fund				
711	c701603	Advanced Metering Infrastructure (AMI)	50,000	-
711	c701609	Aquifer Storage and Recovery	374,500	-
711	c700313	Bay Street Reservoir Reconstruction	1,696,974	-
711	c700026	Beltz Well #11	-	70,000
711	c701003	Beltz Well #4 Replacement with #12	435,384	-
711	c701602	Felton Diversion Replacement and Pump Station Rehabilitation	300,000	-
711	c701504	Gravity Trunk Main Valve Replacement	350,000	-
711	c701301	Loch Lomond Facilities Improvements	280,324	-
711	c701606	Newell Creek Dam Inlet/Outlet Pipeline	563,700	2,000,000
711	c701701	Newell Creek Supply Main Rehabilitation	-	1,000,000
711	c709835	North Coast System Rehabilitation	5,316,199	4,150,000
711	c701607	Photovoltaic Systems Evaluation/Construction	40,000	500,000
711	c701703	Pressure Regulation Stations	-	10,000
711	c701505	Recoat University Reservoir No. 4	195,000	75,000
711	c701506	Recoat University Reservoir No. 5	152,502	1,750,000
711	c701611	Recycled Water	350,000	-
711	c709872	San Lorenzo River Diversion and Tait Wells	1,351,676	-
711	c701704	Security Camera & Building Access Upgrades	-	95,000
711	c701608	Source Water Evaluation	200,000	400,000
711	c701508	Spoils and Stockpile Handling Facilities Impro	350,000	-
711	c701507	Water Main Replacements - Distribution	403,570	325,000
711	c700002	Water Main Replacements -City Engineering	980,698	895,000
711	c700003	Water Main Replacements -Outside Agency	321,869	250,000
711	c701702	Water Resources Building	100,000	1,000,000
711	c700305	Water Supply Project	633	-
711	c701402	Water Supply Reliability	592,644	-
711	c709833	Water Transmission System Improvements	871,940	400,000
711	c700025	Water Treatment Upgrades	26,561	100,000
711	c701613	Wharf Water Main	500,000	-
711	c701501	WTP Concrete Tank Assessment and Rehabilitation	189,799	600,000

For more information about the projects listed above, please refer to the Capital Improvement Program section of this document.

Water

Capital Improvement Projects

Fund	Project Number	Project Title	Fiscal Year 2016 Estimated	Fiscal Year 2017 Adopted Budget
Water Fund				
711	c701303	WTP Filter Rehabilitation and Upgrades	2,314,272	-
711	c701502	WTP Flocculator Mixers	60,000	-
711	c701401	WTP Hypochlorite Generation	75,000	-
711	c701605	WTP Solids Handling	250,000	500,000
711	c701503	WTP UV System - Pasatiempo	40,000	-
Total Water Fund			18,733,245	14,120,000
Water System Development Fund				
715	c701610	Aquifer Storage and Recovery	160,500	-
715	c700027	Bay Street Reservoir Reconstruction	423,308	-
715	c701612	Recycled Water	150,000	-
715	c700004	Water Main Replacements -Customer Initiated	50,000	50,000
715	c700016	Water Supply Project	271	-
715	c701403	Water Supply Reliability	238,762	-
715	c700017	Water Transmission System Improvements	191,905	100,000
Total Water System Development Fund			1,214,746	150,000
Total Water Projects			19,947,991	14,270,000

For more information about the projects listed above, please refer to the Capital Improvement Program section of this document.