



Water Department

## Water Commission Agenda

Regular Meeting

7:00 p.m. – January 9, 2017

**Revised location**

Police Community Room

155 Center Street, Santa Cruz

### Agenda

#### Call to Order

#### Roll Call

**Presentation** *Organized groups may make presentations to the Water Commission. Presentations that require more than three minutes should be scheduled in advance with Water Department staff.*

**Statements of Disqualification** *Section 607 of the City Charter states that “...All members present at any meeting must vote unless disqualified, in which case the disqualification shall be publicly declared and a record thereof made.”*

*The City of Santa Cruz has adopted a Conflict of Interest Code, and Section 8 of that Code states that no person shall make or participate in a governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect distinguishable from its effect on the public generally.*

**Oral Communications** No action shall be taken on this item.

**Announcements** No action shall be taken on this item.

#### Consent Agenda (Pages 1-10)

*Items on the consent agenda are considered to be routine in nature and will be acted upon in one motion. Specific items may be removed by members of the advisory body or public for separate consideration and discussion. Routine items that will be found on the consent agenda are City Council Items Affecting Water, Water Commission Minutes, Information Items, Documents for Future Meetings, and Items initiated by members for Future Agendas. If one of these categories is not listed on the Consent Agenda then those items are not available for action.*

1. City Council Actions Affecting Water ☆ (accept info) (Pages 1-2)
2. Approve the December 5, 2016 Water Commission Minutes ☆ (Pages 3-10)

#### Items Removed from the Consent Agenda

#### General Business (Pages 11-17)

*Any document related to an agenda item for the General Business of this meeting distributed to the Water Commission less than 72 hours before this meeting is available for inspection at the Water Administration Office, 212 Locust Street, Suite A, Santa Cruz, California. These docu-*

*ments will also be available for review at the Water Commission meeting with the display copy at the rear of the Council Chambers.*

3. Quarterly Financial Reporting ☆(Pages 11-14)

Recommendation: Receive information.

4. Calendar 2017 Draft Water Commission Work Plan ☆(Pages 15-17)

Recommendation: Review and approve a working draft of the Water Commission Work Plan for 2017 (note – continue from 12/05/16 agenda)

**Subcommittee/Advisory Body Oral Reports**

**Director’s Oral Report** No action shall be taken on this item.

**Adjournment** The next meeting of the Water Commission is tentatively scheduled for February 6, 2017 at 7:00 p.m. in Council Chambers.

☆Denotes written materials included in packet

**APPEALS** - Any person who believes that a final action of this advisory body has been taken in error may appeal that decision to the City Council. Appeals must be in writing, setting forth the nature of the action and the basis upon which the action is considered to be in error, and addressed to the City Council in the care of the City Clerk.

Other - Appeals must be received by the City Clerk within ten (10) calendar days following the date of the action from which such appeal is being taken. An appeal must be accompanied by a fifty dollar (\$50) filing fee.

The City of Santa Cruz does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities, please attend the meeting fragrance free. Upon request, the agenda can be provided in a format to accommodate special needs. Additionally, if you wish to attend this meeting and will require assistance such as an interpreter for American Sign Language, Spanish, or other special equipment, please call Water Administration at 831-420-5200 at least five days in advance so that arrangements can be made. The Cal-Relay system number: 1-800-735-2922.



WATER COMMISSION  
INFORMATION REPORT

DATE: 12/1/2016

AGENDA OF: January 9, 2017  
TO: Water Commission  
FROM: Rosemary Menard, Water Director  
SUBJECT: City Council Items Affecting Water

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December 13, 2016

Purchase of 2016 Case Backhoe (WT)

**Motion carried** authorizing the purchase of a 2016 Case backhoe from Sonsray Machinery (San Leandro, CA) in the amount of \$116,933.96.

Water Department Financial Reserve Policy (WT)

**Resolution No. NS-29,179 was adopted** replacing Council Policy 34.4 "Water Rate Stabilization Fund" with an updated "Water Department Financial Reserve Policy."

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## Water Department

**Water Commission**  
**DRAFT**  
**7:00 p.m. – December 5, 2016**  
**Council Chambers**  
**809 Center Street, Santa Cruz**

### **Minutes of a Water Commission Meeting**

**Call to Order** Chair Wadlow called the meeting to order at 7:01 p.m. in the City Council Chambers.

#### **Roll Call**

**Present:** W. Wadlow (Chair), L. Wilshusen (Vice-Chair), D. Engfer, A. Schifffrin, D. Stearns

**Absent:** D. Schwarm (with notification); D. Baskin (with notification)

**Staff Present:** R. Menard, Water Director; H. Luckenbach, Deputy Director/Engineering Manager; T. Goddard, Administrative Service Manager; K. Crossley, Sr. Civil Engineer; D. Valby, Associate Civil Engineer; I. Rivera, Associate Civil Engineer; K. Dodd, Associate Civil Engineer; T. Ronne, Associate Civil Engineer; M. Zeman, Engineering Associate; A. Poncato, Administrative Assistant III.

**Others:** There were 13 members of the public.

**Presentation:** Presentation by Ron Duncan, General Manager of Soquel Creek Water District.

**Statements of Disqualification:** There were no statements of disqualification.

**Oral Communications:** Oral communications provided by Becky Steinbruner and Jerry Paul.

**Announcements:** Ms. Menard stated that we have received \$20.4 million dollars from the California Economic and Infrastructure Investment Bank (I-Bank) as reimbursement for capital expenses that have accrued since 2014. As presented in our Long Range Financial Plan, this is the first disbursement of a \$25 million loan for major investments made to the water system includes projects such as the Bay Street Reservoir, Graham Hill filter project, North Coast pipeline and the well replacement of Beltz Well #12.

#### **Consent Agenda**

1. City Council Actions Affecting Water
2. Approve the November 7, 2016, Water Commission Minutes
3. Approve Revised Financial Reserve Policy and Recommend Adoption to the City Council
4. Water Commission 2017 Meeting Calendar

Commissioner Schiffrin moved the Consent Agenda. Commissioner Wilshusen seconded.

VOICE VOTE: MOTION CARRIED

AYES: All.

NOES: None.

ABSENT: None.

### **Items Removed from the Consent Agenda**

No items were removed from the consent agenda.

### **General Business**

#### 5. Discussion of the status and challenges of water transfers for in-lieu recharge, including participation by staff representatives of the Soquel Creek Water District.

Ms. Menard introduced Taj Dufour, Engineering Manager/Chief Engineer of the Soquel Creek Water District and Christine Mead, Operations and Maintenance Manager of the Soquel Creek Water District who presented an overview of the status and challenges of the water transfers between Santa Cruz and the Soquel Creek Water District for the in-lieu recharge pilot program.

Does Santa Cruz mix our ground water with our surface water?

- We mix ground and surface water in our Beltz Wells system on a seasonal rotation and we have not noticed any particular issues when mixing these water sources.

How is water distributed from the Beltz Wells?

- The Beltz well system generally operates from May to September and we usually have 3-4 wells to choose from during that time period. There is a possibility of flow reversals in the system at start up and shut down because when we are pumping out of the Graham Hill Treatment Plant (GHTP) the water is pushed southward or eastward and the flow has the potential to change direction when we turn on the Beltz Wells, particularly the lower Beltz wells. Changes in water quality that a customer may notice could be from both a change in water quality and a temporary increase in turbidity in the delivered water due to directional changes. We've been using the lower Beltz system since the 1960's and it maybe that both the distribution system and customer plumbing have equilibrated to any seasonal changes to water quality changes that occur.

It was mentioned that the Soquel Creek Water District (SqCWD) only represents 50% of the people who use the water from the aquifer. In terms of the effect on the SqCWD water system, how are the other 50% of users of the aquifer going to be treated? Won't the effect of blending water underground have potential consequences for pipes in the system?

- Two responses:
  - When in lieu water is being supplied, it never goes into the aquifer unless it is in the form of wastewater from an on-site septic system.
  - On the other hand, if we pursue aquifer storage and recovery (ASR), the water does go into the aquifer, and the natural minerals in the aquifer matrix may add minerals to the surface water that end up making it less corrosive. A lot of the

pilot testing work on aquifer storage and recovery is focused on answering this type of question.

If we were to create a timeline from where we are now to when we may be ready to begin pumping water from the City to Soquel, what are some of the critical elements that need to be completed before we can begin?

- One critical element is completion of what is known as a “pipe loop” study. In a pipe loop study, you’re evaluating the corrosiveness of a water supply using segments of actual pipe material that are found in your distribution system. You can also do bench scale treatment of the water to determine how effective different approaches are at reducing the leaching of metals from the pipes.
- Another issue to resolve is whether the pipe loop testing has to be completed using the same conditions as when water would be being transferred to Soquel, i.e., between November – April. Water that would be supplied during this time will have different temperatures than water delivered in the warmer season. So, if the pipe loop study requires matching conditions, we would have to delay the work until next winter.

Will galvanized service lines that bring water from the distribution system to the customer’s home or place of business be included in these studies?

- Yes.

When will we be able to determine if it is feasible to go forward with in lieu water transfers, not go forward with in lieu water transfers, or it is only going to be feasible if we spend X amount of money?

- Not sooner than one year but no more than two years from today.

Public comments made by Scott McGilvray and Jerry Paul.

## 6. Parade of Projects

Ms. Luckenbach introduced Mr. Crossley who presented an update on the North Coast System Rehabilitation Program and the Tait Wells Replacement project.

How does the North Coast System Rehabilitation program fit into the importance of the overall system in terms of what it allows us to do?

- The North Coast System is the highest quality source of water the city of Santa Cruz has available and it flows year-round. Being able to reliably deliver that water to the treatment plant is important and the rehabilitation project we complete will be a long lasting improvement to our system.

How many more phases are left until the North Coast System Rehabilitation project is complete?

- We anticipate that it will take a total of 6 phases, and we’re just completing Phase 3. We expect the remaining phases to take approximately another 15 years to complete.

How does the Tait Wells Replacement project fit into the importance of the overall system in terms of what it allows us to do?

- The Tait Wells helps with water quality in the winter and water supply in the summer.

Does the water in the Tait Wells and the San Lorenzo River surface water have similar chemical characteristics?

- Water from the Tait wells is much more similar in chemical characteristics including conductivity, pH, and temperature than would be the case for our other groundwater sources.

Mr. Crossley introduced Mr. Rivera who presented an update on the Newell Creek Dam Inlet/Outlet Pipeline project.

Why would you choose to do the construction while the reservoir is full rather than draining it first?

- One of the goals is to keep as much water in as possible in Loch Lomond to ensure that we have water during the peak season. If we were to draw down Loch Lomond to accommodate construction, and we had a dry winter the following year, we could find ourselves being unable to refill the reservoir until we had one or more normal winters.

How does the Newell Creek Dam Inlet/Outlet Pipeline project fit into the importance of the overall system in terms of what it allows us to do?

- The Inlet/Outlet pipe allows us to pump water into the reservoir when we have room to store water from the river and bring lake water to town for supply when we need it. When we are unable to use San Lorenzo river water during high turbidity events we are able to bring in Loch Lomond water to the GHTP and to our customers.

Mr. Rivera introduced Mr. Zeman who presented an update on the Felton Diversion Rubber Bladder Replacement and the Graham Hill Treatment Plant Filter Rehabilitation and Upgrades project.

Are our water rights threatened if we continue to not use the Felton Diversion enough, and is the ability to use the diversion dam itself at risk?

- The Water Rights Conformance Project includes a request for an extension of time to demonstrate the full utilization of the 3000 acre feet (about 980 million gallons) of the City's Felton permits. The extension of time to perfect rights is pretty common thing for the State Water Resources Control Board to do, meaning, the City's ability to use the Felton Diversion is likely not at risk.

So does this mean if we were able to use the amount of water that we have the right to use and need to use to retain that right, that this would be an important addition to our supply, then, to have a facility that does that?

- Yes, in addition to saying that we're going to use it, what the State Board likes to see is that you have the infrastructure available that allows you to use it.

Is this project going to create that infrastructure that will allow us to fully use this water right?

- No, the infrastructure already exists it's only replacing the inflatable dam that allows us to divert the water.



So the reason that we're not using it to the extent that we have the right to use it is that at this point we're only able to store water at the lake, but that the lake gets filled and we could put more in but that it's already full?

- That's part of it but this facility was built to pump water to two dams, only one of which exists. It was built in advance of building Zayante Reservoir so the strategy was to send water to both Loch Lomond and Zayante Reservoir and since the second one was not built it's never been fully utilized.

Seeing as though we have to look outside of the United States to replace the rubber bladder, are there any methods we can purchase in the United States?

- There are a couple other types of movable dam structures in use in the United States. Some of these are steel gates that are propped up, often by an inflatable rubber dam. The inflatable dam is the method of choice for the situation such as ours; it's in a pretty good location for it as the river is fairly narrow and there is lots of tree cover, so it doesn't get a lot of direct sunlight which tends to damage the fabric of the dam over time.

As a result of the enhancements to the filtration stuff, are we able to treat more turbid water?

- That would have to be determined through additional pilot testing. What we're seeing is that some of the filter runs times are longer than we are experienced formerly. We noticed that a computer glitch caused a filter to run past its regular 70-hour run time to 100 hours without any trouble. We are getting water savings during our water backwash system cycle, it's a shorter more aggressive wash but with less water, but it does seem that our finished water turbidity is maybe a little bit lower than we had previously in our filtered water.

Have the upgrades either enhanced or created a new constraint on productive capacity?

- If we were to run the filters at their designed capacity we would be able to treat much more water than we have ever had to and, for that matter, have the transmission facilities needed to bring that quantity of water into the plant. If we change some of those other operating supply parameters we potentially could treat more water through the filtration process than we have prior.

An addition to this is what we're seeing in the disinfection byproducts formation that is really becoming a limiter in what we're dealing with in this treatment plant. We're trying to understand more about how characteristics of the different sources contribute to the formation of disinfection byproducts and how our treatment process is contributing to the problem as well.

Mr. Crossley presented an update on the Concrete Tanks at the Graham Hill Treatment Plant and the Water Resources Management Building project.

There were no questions or comments.

Mr. Crossley introduced Mr. Valby who presented an update on the Trunk Transmission Main Inspection and Condition Assessment Project, the Santa Cruz Wharf Emergency Water Main Replacement Project and the Bay Street Reservoir Replacement project.

How much will the Trunk Transmission Main Inspection cost?

- \$335,000

Mr. Crossley introduced Mr. Ronne who presented an update on the U5 Tank Replacement project.

Is the intent to increase the size of the tank?

- No, the tank can hold 2 million gallons of water and we've determined that that is adequate for the area being served by the tank.

#### 7. WSAS Quarterly Review

Mr. Goddard briefly spoke about the steadily failing and aging Sensus metering system and Ms. Luckenbach answered questions about the information provided about the WSAS Quarterly Review.

How many Sensus meter units fail each day?

- On average, 4-5 units fail each day.

Are Commissioners notified about recycled water feasibility study webinars?

- Those are specific webinars designed for technical staff.

What does it mean to change some of the Aquifer Storage and Recover (ASR) modeling assumptions?

- Mostly what it means is to get us organized and on the same page so that, for example, when I am speaking with Robert Marks of Pueblo Water Resources about how we are going to model and think about ASR, and then I speak with Gary Fiske of Gary Fiske and Associates, Inc., to do the Confluence modeling, we are all on the same page and thinking about the project in the same way. We need to ensure that Robert's interpretation of groundwater monitoring data is not different from how Gary views the project and uses the Confluence model to create the data that he submits to Robert. It has been challenging for all parties to be on the same page because of the evolving nature of this project.

#### Final comments and follow up

- Please provide Source Water Monitoring plan.
- Please define acronyms in future reports.
- Please provide results for Gravity Trunk Main inspection.

#### 8. Water Commission 2017 Draft Work Program

Continued until the next Water Commission meeting.

**Subcommittee/Advisory Body Oral Reports**      No items.

**Director's Oral Report**      No action shall be taken on this item.

- The water supply situation is looking good.

**Adjournment** Meeting adjourned at 10:43 p.m. The next meeting of the Water Commission is scheduled for January 9, 2017, at 7:00 p.m. in the Santa Cruz Police Department Community Room located at 155 Center Street, Santa Cruz.

Respectfully submitted,

**Amy  
Poncato**

Digitally signed by Amy Poncato  
DN: cn=Amy Poncato, o=Water  
Department, ou=Administration,  
email=aponcato@cityofsantacruz.  
com, c=US  
Date: 2017.01.05 08:14:21 -08'00'

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Staff

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WATER COMMISSION  
INFORMATION REPORT

DATE: 1/3/2017

AGENDA OF: January 9, 2017  
TO: Water Commission  
FROM: Malissa Kaping, Management Analyst  
SUBJECT: 1<sup>st</sup> Quarter FY2017 Financial Report

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RECOMMENDATION: Receive information.

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**BACKGROUND:** On June 6, 2016, the Commission approved the Water Department's Long Range Financial Plan (LRFP). The plan creates a framework to ensure financial stability and maintain the credit rating needed to debt finance major capital investments. This framework includes financial targets for debt service coverage ratio, days cash on hand, and establishes when the Department will seek debt financing in the future.

The process for seeking debt financing requires documenting creditworthiness by providing fiscal year-end financial statements, fiscal year budgets for operations and capital improvements, revenue projections, cash flows, and a history of meeting financial targets. Such information was collected for a follow-up rating review by Fitch Rating in 2016 and a standard reporting template was created for collecting the information for future reviews. It was determined that this information could be formatted into a quarterly financial report for distribution to the Water Commission using the information the Department will collect and maintain for use with credit rating agencies. The first such report for the 1<sup>st</sup> quarter of FY2017 is attached.

As Department staff prepared this report, it informally sought feedback from two Water Commission members, inviting Commissioners Doug Engfer and Andy Schiffrin to a meeting to review and provide feedback on the report. In response to their comments, some additional data was added to the report. One request, adding a column for the percent completion for each CIP project, was not added because Engineering staff noted that "percent complete" must be defined per project and is subject to change as projects move through the process.

The data provided in the attached report does require some explanation.

- Quarterly reports have not been created in the past primarily because the data is subject to change. The City operates on a fiscal year basis and allows transactions to post to any period of the year until the books are formally closed after June 30<sup>th</sup>. The attached report is a snapshot in time created on 10/19/16 of transactions posted within the first three months of FY2017.

- It is also important to note that the City's revenue data of nearly \$6.4 million (shown as 1<sup>st</sup> Qtr Actual YTD) for water sales is based on the amount collected and accurately shows what has been paid; whereas the water sales (shown as green in the bottom chart on page 1) is based on the amount billed and more accurately shows water sold to date.
- The projected sales (shown red in the bottom chart on page 1) is based on conservative assumption of 2.5 BGY of water sold and matches the assumption made in the LRFP.
- The October drop-off in the projected water sales (shown as red in the bottom chart on page 1) is due to the implementation of the new water rate structure. The October billings included the new, reduced ready to service charge plus the consumption usage from the previous month at the old volume rates. The projected revenue budget of \$30,278,463 included this consideration.
- Annual targets established in the LRFP will not be included in the quarterly reports. Financial strength metrics such as annual debt service coverage, days cash on hand, debt to operating revenues, and debt to capitalization ratio are calculated on an annual basis from data published in the City's Comprehensive Annual Financial Report.

The financial planning work completed within the last few years has set the Department on a path to financial strength. Looking long-term, the Department is better positioned to handle temporary reductions in water sales. Although the 1<sup>st</sup> quarter actual water sales are below the budget, sales are above the last fiscal year actuals. The Department will continue monitoring actual water sales and does not recommend adjusting any financial targets based on this quarterly report.

FISCAL IMPACT: None

PROPOSED MOTION: Receive information.

ATTACHMENT: 1<sup>st</sup> Quarter FY2017 Financial Report

**1st Quarter FY2017**  
**Preliminary, Unaudited, as of 9/30/16**

**Water Operations, Fund 711**

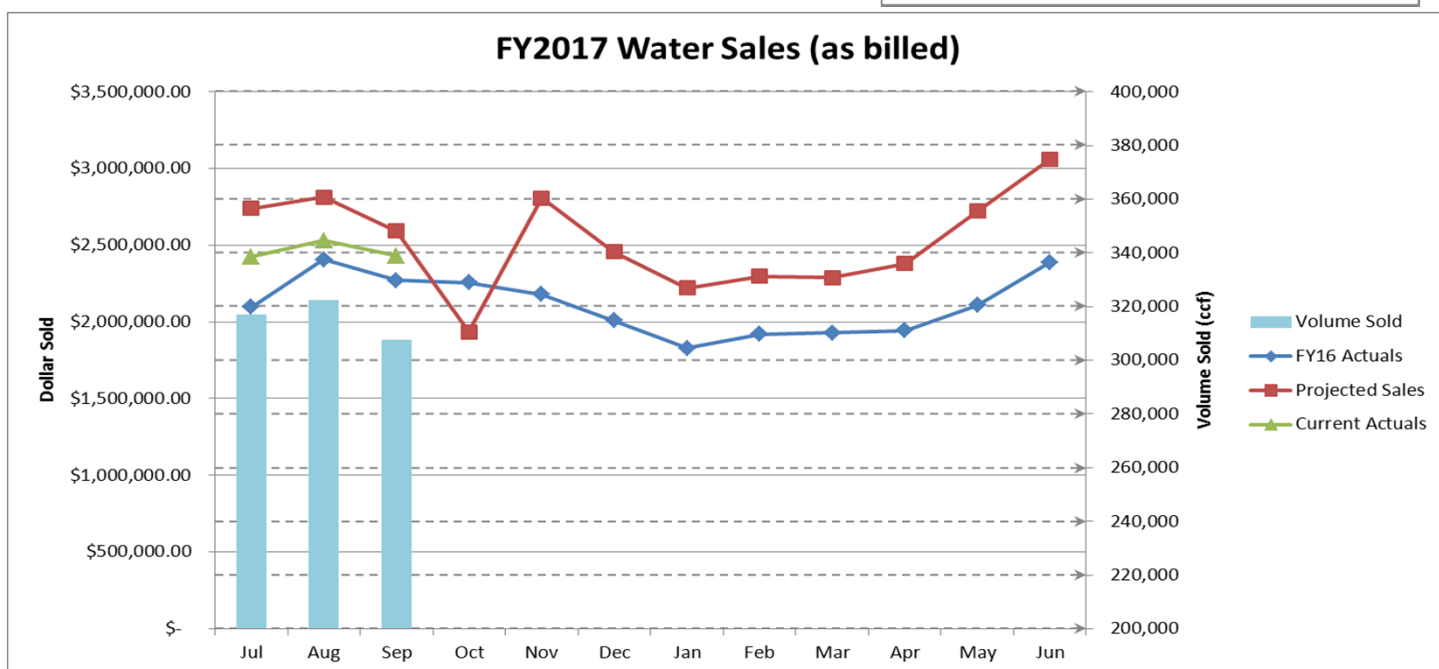
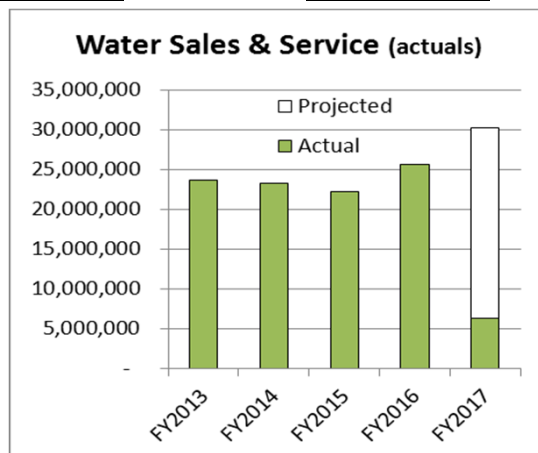
	FY2017 Ado Budget	FY2017 Adj Budget	1st Qtr Actual YTD	Remaining Enc	FY2017 YTD Act + Enc	YTD % of Budget Act + Enc
<b>Revenues</b>						
Water Sales and Service *	30,278,463	30,278,463	6,373,440	-	6,373,440	21%
Miscellaneous	3,045,315	3,045,315	227,269	-	227,269	7%
Grants & Other Financing	20,008,000	20,008,000	-	-	-	0%
<b>Total Revenues</b>	<b>53,331,778</b>	<b>53,331,778</b>	<b>6,600,709</b>	<b>-</b>	<b>6,600,709</b>	<b>12%</b>
<b>Expenses</b>						
Personnel	12,741,984	12,741,984	2,609,069	-	2,609,069	20%
Services, Supplies, and Other	20,794,807	21,442,474	1,338,982	1,896,988	3,235,971	15%
Capital Outlay: Other	965,000	978,050	-	13,050	13,050	1%
Debt Service	970,550	970,550	292,054	-	292,054	30%
<b>Total Expenses</b>	<b>35,472,341</b>	<b>36,133,058</b>	<b>4,240,106</b>	<b>1,910,038</b>	<b>6,150,144</b>	<b>17%</b>
<b>Balance</b>		<b>17,198,720</b>	<b>2,360,603</b>		<b>450,565</b>	

**FY2017 Fund Balances**

	Balance as of 9/30/16	Target Balance
711- Enterprise Operations **	632,473	6,600,000
713- Rate Stabilization	2,468,285	2,450,000
714- Public Art	326,990	N/A
715-System Devel. Charges	2,506,014	N/A
716- 90-Day Operating Reserve **	-	6,600,000
717- Emergency Reserve	1,035,984	3,100,000
718- MHJB Endowment	144,814	145,000

\* Actual revenues received (not as billed)

\*\* Target balance is 90-days operating cash



## CIP Projects Overview, as of 9-30-16

Rehabilitation or Replacement Projects	Project #	Life of Project Total (Projected) **	Spend Thru 9/30/16*	Project Duration	Current Status
Newell Creek Dam Inlet/Outlet Pipeline	c701606	42,563,700	988,265	2016 - 2021	Design
Bay Street Reservoir Reconstruction	c700313 & -027	26,174,172	24,427,842	2007 - 2016	Project Wrap-up
North Coast System Rehabilitation -Phase 3	c709835	14,500,000	13,083,200	2012 - 2017	Construction
Newell Creek Pipeline Rehabilitation	c701701	18,000,000	-	2016 - 2020	Feasibility
WTP Concrete Tanks	c701501	9,600,000	248,745	2014 - 2020	Pre-Design
WTP Filter Rehabilitation and Upgrades	c701303	6,037,300	5,627,958	2013 - 2016	Construction
Felton Diversion Replac. & Pump Station	c701602	4,500,000	73,636	2016 - 2020	Feasibility
Recoat University Reservoir No. 5	c701506	1,935,000	99,698	2014 - 2018	Pre-Design
Recoat University Reservoir No. 4	c701505	1,570,000	-	2014 - 2018	Feasibility
San Lorenzo River Diversion & Tait Wells	c709872	1,525,014	1,972,178	2002 - 2017	Construction
WTP Solids Handling	c701605	500,000	-	2016 - 2018	Pre-Design
Water Treatment Upgrades ***	c700025 +	552,927	416,411	TBD	Feasibility
Gravity Trunk Main Valve Replacement	c701504	350,000	258,019	2014 - 2016	Project Wrap-up
Pressure Regulating Stations	c701703	190,000	6,698	2017 - 2020	Feasibility
		<b>127,998,113</b>			

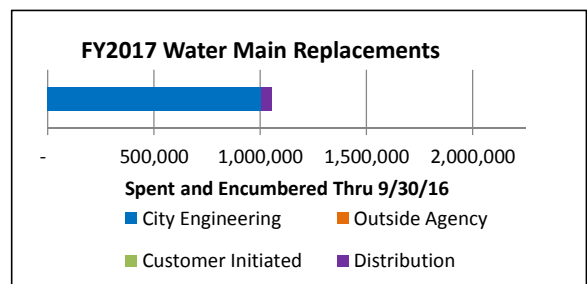
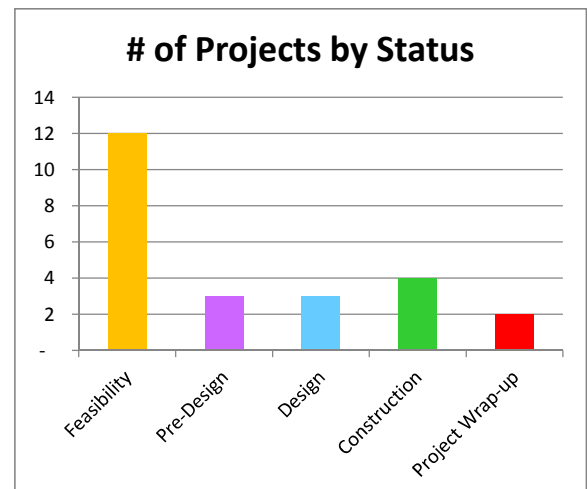
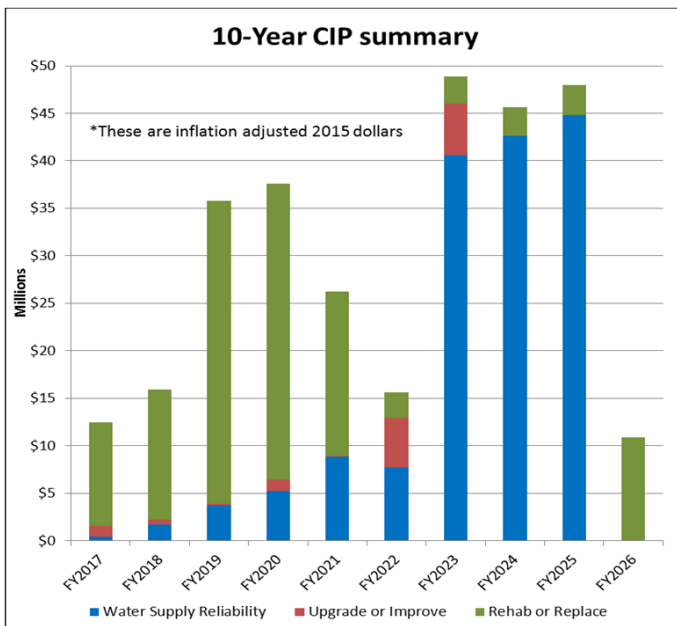
Upgrades or Improvement Projects		Life of Project Total (Projected) **	Spend Thru 9/30/16*	Project Duration	Current Status
Advanced Metering Infrastructure (AMI)	c701603	8,100,000	5,600	TBD	Feasibility
Loch Lomond Facilities Improvements	c701301	1,450,000	74,376	2013 - 2020	Construction
Water Resources Building	c701702	1,100,000	200,020	2016 - 2017	Design
Photovoltaic System Evaluation/Construc	c701607	540,000	-	2016 - 2018	Feasibility
Spoils and Stockpile Handling Facilities	c701508	350,000	5,100	2015 - 2016	Design
Security Camera & Building Access Upgrades	c701704	95,000	-	2016 - 2019	Feasibility
		<b>11,635,000</b>			

Water Supply Reliability & Studies		Life of Project Total (Projected) **	Spend Thru 9/30/16*	Project Duration	Current Status
Water Supply- WSAS Implementation	c701705	104,400,000	-	2020 - 2025	Feasibility
Source Water Evaluation	c701608	7,100,000	57,588	2016 - 2020	Feasibility
Aquifer Storage and Recovery	c701609 & -10	2,235,000	446,370	2016 - 2020	Feasibility
Recycled Water	c701611 & -12	500,000	448,599	2016 - TBD	Feasibility
		<b>114,235,000</b>			

\* Amount includes encumbered and spent funds from the project start through 6/30/16.

\*\* Non-inflated 2015 dollars, subject to change as projects move through design process.

\*\*\* Includes former projects for flocculator mixers, hypochlorite generation, Pasatiempo UV System, and pipe chase.







WATER COMMISSION  
INFORMATION REPORT

DATE: 1/3/17

AGENDA OF: January 9, 2017  
TO: Water Commission  
FROM: Rosemary Menard, Water Director  
SUBJECT: Draft Water Commission Work Plan for Calendar Year 2017

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RECOMMENDATION: Receive and accept Draft Water Commission Work Plan as a framework to focus Water Commission Efforts in Calendar Year 2017

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**NOTE: Updated Draft 2017 Work Plan Attached**

BACKGROUND: Preparing a work plan for the Water Commission creates an opportunity for staff and Water Commissioners to discuss the key issues that will be coming before the Water Commission in the coming calendar year.

DISCUSSION: The attached draft 2017 Water Commission Work Plan is indicative of where the Department is in dealing with many of the issues it faces. Apart from a relatively few items related to the annual budget and the Capital Improvement Program, the Department is largely focused on implementing established direction received from the City Council. This means that fewer of the items in 2017 will be Commission action items than was the case in 2016 where we were dealing with so much of the organization's financial underpinnings and creating the organizational framework needed to support implementation of the Water Supply Advisory Committee (WSAC) recommendations and the needed investments and reinvestments in the water system's aging infrastructure.

A continuing item on the Water Commission's 2017 Work Plan is the quarterly update item on the Water Supply Augmentation Strategy (WSAS). These ongoing discussions of the Department's work to implement the WSAS help both Water Commissioners and the public follow along as the Department works towards the water supply reliability decisions that will be made by the City, with the advice of the Water Commission, in 2020.

With the success of the very interesting and engaging workshop on aquifer storage and recovery that took place at the Commission's November 2016 meeting, the Department expects to be bringing forward additional workshops that are focused on WSAS elements that we are

evaluating during the feasibility assessment phase of implementing the WSAC's recommendations.

**FISCAL IMPACT:** None.

**PROPOSED MOTION:** Accept staff's draft Water Commission work plan as a framework to focus Water Commission Efforts in calendar year 2017.

**1-3-17 Working Draft – Calendar 2017 Water Commission Work Plan**

Water Commission Work Plan Item	Anticipated City Council Action on Water Commission Recommendations
<b>January 9, 2017</b>	
➤ 2017 Work Plan	
➤ Commission review and action on a Water Department proposed Quarterly Financial Report for the Water Commission	
<b>February 6, 2017</b>	
➤ Election of Officers	
➤ Peak Season 2017 Water Supply Outlook – First Look	
➤ Recycled Water Workshop (Study Presentation and Discussion)	
➤ Water Commission review and comment on draft Memorandum of Agreement with Scotts Valley Water District and San Lorenzo Valley Water District for collaborative work on water transfers and exchanges including potential in lieu and aquifer storage and recovery projects	
<b>March 6, 2017</b>	
➤ Presentation on FY 2018 – FY 2027 Draft Capital Improvement Plan (CIP)	➤
➤ Water Commission recommendation to the Council on a Memorandum of Agreement with Scotts Valley Water District and the San Lorenzo Water District on collaborative work on water transfers and exchanges	➤ City Council Action on Memorandum of Agreement with Scotts Valley Water District and the San Lorenzo Water District on collaborative work on water transfers and exchanges
<b>March 14, 2017 (tentative)</b>	
➤ Joint Study Session with City Council on WSAC Recommendations and Implementation of Water Supply Augmentation Strategy	
<b>April 3, 2017</b>	
➤ Water Commission action on FY 2018-2027 CIP	➤ City Council action on the FY 2018-2020 CIP (note the Council will look at the 10 year plan but only consider a 3 year plan, and actually takes action only on the first year of the CIP)
➤ Presentation on proposed FY 2018 Operations and Maintenance Budget	
➤ Peak Season 2017 Water Supply Outlook – Department Recommendation for Water Commission review and action	➤ Peak Season 2017 Water Supply Outlook – Council Action
➤ Report out on the results of the ASR hydrogeochemical testing	➤
<b>May 1, 2017</b>	
➤ Water Commission recommendation on the Water Department’s FY 2018 Operations and Maintenance Budget	➤ Council Action on the City’s Operating Budget (includes the Water Department)
➤ Update on status of work on a habitat conservation plan for coho salmon and steelhead trout	
<b>June 5, 2017</b>	
➤ Quarterly Update on WSAS	
➤ Water Commission update on regional activities to implement the California Sustainable Groundwater Management Act	
<b>July 3, 2017</b>	
➤ Recommend Cancelling as this falls the Monday before the 4 <sup>th</sup> of July	
<b>August 7, 2017</b>	
➤	
➤	
<b>September 4, 2017 (likely reschedule to the 11<sup>th</sup>)</b>	
➤ Quarterly Update on WSAS	
➤	
<b>October 2, 2017</b>	
➤ Report on the results of the Phase I study on Aquifer Storage and Recovery (ASR Workshop 2)	
➤	
<b>November 6, 2017</b>	
➤	
➤	
<b>December 4, 2017</b>	
➤ Quarterly Update on WSAS	
➤	

Unscheduled Items – Note these items will be scheduled when time is available and they are ready for presentation to/discussion with the Water Commission –

- Overview of the Department’s system maintenance program
- Water affordability
- Asset management program