



## Water Department

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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 are at the end of the phone when customers call, and the smiling faces customers see when they visit the department. We educate our customers about the quality of their water and how to use less. Our work includes maintenance and operation of the Loch Lomond Recreation area as well as the protection of 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 many species depend on. We take pride in meeting the diverse needs of the broad region we serve and value our partnerships with neighboring agencies to develop long range solutions to the region's drinking water needs.

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## Core Services

Everyday department staff work hard to produce and deliver millions of gallons of water to nearly 98,000 customers and perform all the related utility, land and natural resource management activities that often happen behind the scenes, but play a part in providing reliable, high quality water service to our community. In addition to the department's daily duties, the department is undergoing a major reinvestment in water infrastructure from upgrades to the water treatment plant, improvements to the Loch Lomond dam and the replacement of all system meters, to mention a few. To perform this work, the Water Department is organized into four areas: Operations; Engineering; Customer Service; and Administration.

**Operations** - The Operations group is responsible for managing the watersheds; collecting, treating and testing untreated and treated water; and storing and distributing treated water to our customers and consists of the following sections: Water Resources; Water Production; Water Quality Control (laboratory); Distribution; and the Water Recreation Facility (Loch Lomond).

- 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.
- 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. This 24/7 work is made more challenging with the Concrete Tank Replacement project underway and planned upgrades to the Graham Hill Water Treatment Plant soon.
- The Water Quality Control (laboratory) 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.
- 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. Distribution staff also replace significant segments of distribution mains as part of the Capital Investment Program (CIP).
- The Water Recreation Facility section operates and maintains Loch Lomond Recreation Area. This section is also responsible for patrolling watershed property and protecting source water quality. We are pleased our ranger staff are, once again, providing in-person, watershed education program for local elementary school children at Loch Lomond.

**Engineering** - The Water Engineering section is composed of two main functions: Engineering and Utility and Environmental Planning.

- 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

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requests for water services; maintains record of facilities, installations, and maps; and oversees the Backflow Prevention Program. In 2017, the department embarked on an ambitious system-wide reinvestment with the Engineering section at the helm. This program includes the replacement of storage tanks, transmission lines, and the exploration of increasing storage in underground aquifers in partnership with neighboring agencies.

- The Utility and Environmental Planning group helps the department adequately plan for a 21<sup>st</sup> Century drinking water system. Foundational documents such as the Urban Water Management Plan guide future projects by ensuring there are adequate water supplies. In addition, there are numerous federal, state, and local environmental laws the department must comply with to complete the planned infrastructure investments in the water system.

Customer Service - The Customer Service group consists of three sections: Customer Service; the Meter Shop; and Customer Assistance. These three sections interface with the public frequently and we strive to provide consistently excellent customer service.

- The Customer Service 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 customer requests.
- 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. As part of a large capital project, all water meters in the service area are being replaced. The new meters will give water customers more timely and accurate usage information as well as improve the billing process.
- The Customer Assistance section will help customers resolve leaks and implement a water affordability program for low-income households.

Administration - 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, solicits federal, state, and other funds to finance the department's Capital Investment Program, and ensures adequate reserves. This section also facilitates the communication and interaction with the Water Commission, City Council, City Manager's Office, and regulatory agencies.

## Accomplishments and Goals

FY 2023 Accomplishments	Infrastructure	DT & Other Business Sectors	Fiscal Sustainability	Core Services	Equity, Health & Well-Being, Sustainability	New & Improved Funding Sources	Green Economy
Substantially completed construction of the \$102 million Newell Creek Dam Inlet Outlet project to renew major infrastructure	X			X			
Substantially completed installation of the system-wide Meter Replacement Project	X		X	X			
Advanced design of the \$160 million Graham Hill Water Treatment Project to modernize and enhance treatment and water quality	X			X	X		
Secured over \$9M in grant funding for regional projects to build an intertie between the City of Santa Cruz and the Scotts Valley Water District to increase opportunities for conjunctive use of surface and groundwater resources, support opportunities for regional collaboration, and achieve Santa Margarita Basin Groundwater Sustainability Plan recommendations	X		X		X	X	
Responded to, and repaired, 47 main leaks through the end of December 2022, the largest of these in front of Bay Street Elementary School, where the 14" cast iron main failed	X		X	X	X		
Repaired or replaced 161 City-owned service laterals to date	X		X	X			
Completed an ASR Demonstration Study on Beltz Wells 8 and 12 to determine feasibility in achieving the City's water supply reliability goal	X		X				



<p><b>FY 2023 Accomplishments (continued)</b></p>	<p><b>Infrastructure</b></p>	<p><b>DT &amp; Other Business Sectors</b></p>	<p><b>Fiscal Sustainability</b></p>	<p><b>Core Services</b></p>	<p><b>Equity, Health &amp; Well-Being, Sustainability</b></p>	<p><b>New &amp; Improved Funding Sources</b></p>	<p><b>Green Economy</b></p>
<p>Finalized replacement of the Ocean Street water main by replacing a fire hydrant that required the longest GHWTP shut down on record: 20 hours (a record previously set at 12 hours)</p>	<p>X</p>						
<p>Developed and proposed Securing Our Water Future to the City Council to guide towards achieving a reliable water supply</p>			<p>X</p>	<p>X</p>	<p>X</p>		
<p>Provided \$579,582 in federal/state program funding to 858 low-income water service customers and \$175,778 in program funding to 546 low-income wastewater customers</p>				<p>X</p>	<p>X</p>	<p>X</p>	
<p>Completed the loan application and approval process for a \$128 Million EPA WIFIA (Water Infrastructure Finance and Innovation Act) Loan, a low-interest, flexible-term funding source from USEPA</p>	<p>X</p>		<p>X</p>	<p>X</p>		<p>X</p>	
<p>Improved fire suppression capability at the Loch Lomond Recreation Area by installing two 10,000-gallon water storage tanks</p>	<p>X</p>		<p>X</p>	<p>X</p>			



FY 2024 Goals	Infrastructure	DT & Other Business Sectors	Fiscal Sustainability	Core Services	Equity, Health & Well-Being, Sustainability	New & Improved Funding Sources	Green Economy
Improve water system reliability by converting Beltz 8 and 12 wells into full-scale and permanent injection and retrieval sites	X			X			
Commence construction on two pipelines (Brackney Landslide Risk Reduction project and the Newell Creek Pipeline Felton to Graham Hill WTP project) to enhance resilience of water delivery	X						
Begin construction on an intertie between the City of Santa Cruz and Scotts Valley Water District to augment SCWD's water supply and to facilitate regional collaboration	X						
Secure WIFIA and DWSRF funding agreements			X			X	
Issue a Draft Environmental Impact Report for the project in the summer of 2023: an important GHWTP FIP milestone	X				X		
Initiate a process to adopt a new Enterprise Resource Planning (ERP) software to replace the Utility Billing System	X			X			
Complete federal and state endangered species act permitting processes	X			X	X		X
Enhance water system infrastructure at Laguna Street Water Main Replacement Project by replacing 350 linear feet of 4" asbestos cement water main with 6" PVC	X						
Upgrade Majors/Allegro Water Main by replacing 1100 linear feet of 4" cast iron with 6" PVC	X						
Optimize the new TESLA Power Pack at the Coast Pump Station to reduce electrical costs			X				

## Workload Indicators and Performance Measures

Workload Indicators	Focus Area	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Goal
Drinking water consumed (billions of gallons)	Core Service	2.31	2.25	2.22	2.3	2.4
Number of phone calls, emails and lobby visits handled by SCMU Customer Service Unit	Core Service	63,653	64,000	49,664	50,000	50,000
Amount of dollars of new construction investments (in millions)	Infrastructure	\$29.7	\$46.0	\$52.7	\$63.4	\$53.4

Performance Measures	Focus Area	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Goal
Compliance with drinking water standards	Core Service	100%	100%	100%	100%	100%
Number of workers comp claims requiring employee absence greater than 30 days	Core Service	0	0	0	2	0
Maintain excellent bond ratings to ensure favorable borrowing rates thereby reducing cost to customers	Infrastructure	AA-/A+	AA-/A+	AA-/A-	AA-/A-	AA-/A-
Percentage of customer bills paid within 60 days <sup>1</sup>	Fiscal Sustainability	97%	91%	97%	97%	98%

1. The Governor's Executive Order prohibited water shutoff from 4/2/20 to 12/31/21. Accordingly, FY20 and FY21 are higher than normal delinquency rates.

# Budget Summary - Water

	Fiscal Year* 2022 Actuals	Fiscal Year 2023			Fiscal Year 2024 Adopted
		Adopted Budget	Amended* Budget	Year-End Estimate	
<b>EXPENDITURES BY CHARACTER:</b>					
Personnel Services	14,449,468	17,691,832	17,911,780	15,865,111	17,930,284
Services, Supplies, and Other Charges	13,601,279	16,156,529	17,223,256	13,462,541	18,381,436
Capital Outlay	375,401	323,000	570,523	352,230	510,732
Debt Service	4,298,354	5,131,706	10,231,706	10,698,357	6,017,146
Total Expenditures	<u>32,724,501</u>	<u>39,303,067</u>	<u>45,937,266</u>	<u>40,378,239</u>	<u>42,839,598</u>
<b>EXPENDITURES BY ACTIVITY:</b>					
Water Administration	7101 6,181,308	6,952,880	7,339,231	6,260,166	7,738,018
Water Engineering	7102 2,143,153	2,929,364	3,057,536	2,739,337	3,283,373
Water Customer Services	7103 2,119,794	2,221,948	2,233,863	2,172,045	2,430,032
Water Conservation	7104 749,419	1,238,471	1,138,750	617,752	1,190,522
Water Resources	7105 1,515,018	2,104,695	2,498,932	1,096,191	2,713,228
Water Production	7106 6,978,055	8,315,225	8,748,102	7,435,136	8,271,435
Water Quality	7107 1,844,413	2,052,893	2,052,893	1,933,993	2,373,579
Water Distribution	7108 4,220,434	5,292,432	5,565,953	4,578,822	5,491,619
Water Recreation	7109 1,281,323	1,399,897	1,399,897	1,308,682	1,467,611
Water Operations	7110 416,866	635,719	635,719	344,036	749,490
Water Meter Shop	7113 803,338	1,027,837	1,027,837	1,168,652	1,293,545
Water Debt Service	7140 4,298,354	5,131,706	10,231,706	10,581,075	5,837,146
Drought Response 2014	7199 173,026	-	6,848	142,351	-
Subtotal Other Funds	<u>32,724,501</u>	<u>39,303,067</u>	<u>45,937,266</u>	<u>40,378,239</u>	<u>42,839,598</u>
Total Expenditures	<u>32,724,501</u>	<u>39,303,067</u>	<u>45,937,266</u>	<u>40,378,239</u>	<u>42,839,598</u>
<b>RESOURCES BY FUND :</b>					
Water	711 38,306,648	38,526,543	38,534,676	40,246,160	46,670,984
Water Rate Stabilization Fund	713 2,816,551	3,058,312	3,058,312	3,082,527	3,082,527
Water System Development Fees Fund	715 1,210,153	472,000	472,000	1,002,512	1,042,612
Total Resources	<u>42,333,353</u>	<u>42,056,855</u>	<u>42,064,988</u>	<u>44,331,199</u>	<u>50,796,123</u>
	<b>FY 2022</b>			<b>FY 2023</b>	<b>FY 2024</b>
<b>TOTAL AUTHORIZED PERSONNEL:</b>	<u>118.25</u>			<u>121.25</u>	<u>122.25</u>

\*Sums may have discrepancies due to rounding



# Staffing

Positions	2020-21 Revised*	2021-22 Revised*	2022-23 Revised*	2023-24 Adopted	FY 2024 Change
Administrative Assistant I/II	2.00	2.00	2.00	2.00	-
Administrative Assistant III	2.00	2.00	2.00	2.00	-
Assistant Engineer I/II	4.00	4.00	4.00	4.00	-
Associate Planner I/II	3.00	3.00	3.00	3.00	-
Associate Professional Engineer	4.75	4.75	4.75	4.75	-
Chief Ranger	1.00	1.00	1.00	1.00	-
Community Relations Specialist	1.00	1.00	1.00	-	(1.00)**
Customer Service Manager	1.00	1.00	1.00	1.00	-
Deputy Water Director/Engineering Mgr	1.00	1.00	1.00	1.00	-
Deputy Water Director/Operations Mgr	1.00	1.00	1.00	1.00	-
Director of Water Department	1.00	1.00	1.00	1.00	-
Engineering Associate	1.00	1.00	1.00	1.00	-
Engineering Technician	2.00	2.00	3.00	3.00	-
Environmental Microbiologist I/II/III	2.00	2.00	2.00	2.00	-
Environmental Programs Analyst I/II	1.00	1.00	1.00	3.00	2.00
Laboratory Technician	2.00	2.00	2.00	2.00	-
Management Analyst	3.00	3.00	3.00	3.00	-
Principal Management Analyst	1.00	2.00	2.00	2.00	-
Principal Planner	1.00	1.00	1.00	1.00	-
Ranger I/II	3.00	3.00	3.00	3.00	-
Ranger Assistant	3.50	3.50	3.50	3.50	-
Senior Electrician	1.00	1.00	1.00	1.00	-
Senior Professional Engineer	1.00	1.00	1.00	2.00	1.00
Senior Ranger	2.00	2.00	2.00	2.00	-
Senior Water Distribution Operator	6.00	6.00	6.00	6.00	-
Superintendent of Water Treatment & Production	1.00	1.00	1.00	1.00	-
Superintendent of Water Distribution	1.00	1.00	1.00	1.00	-
Utility Account Specialist	4.00	4.00	4.00	4.00	-
Utility Maintenance Technician	4.00	4.00	4.00	4.00	-
Utility Service Field Technician I/II	2.00	2.00	2.00	2.00	-
Utility Service Representative I/II	6.00	6.00	6.00	6.00	-
Utility Supervisor	1.00	1.00	1.00	1.00	-
Water Chief Financial Officer	1.00	1.00	1.00	1.00	-
Water Conservation Representative	2.00	2.00	2.00	-	(2.00)
Water Distribution Crew Leader III/IV	6.00	6.00	6.00	6.00	-
Water Distribution Operator II/ III	9.00	9.00	9.00	9.00	-
Water Distribution Sup V Chief Distribution Operator	1.00	1.00	1.00	1.00	-
Water Facilities Electrical/Instr Tech II/III	1.00	1.00	1.00	1.00	-
Water Facilities Field Supervisor	1.00	1.00	2.00	2.00	-

	2020-21 Revised*	2021-22 Revised*	2022-23 Revised*	2023-24 Adopted	FY 2024 Change
Water Facilities Mechanical Tech II/III	2.00	2.00	2.00	2.00	-
Water Facilities Mechanical Supervisor	1.00	1.00	1.00	1.00	-
Water Meter Specialist I/II	3.00	3.00	3.00	3.00	-
Water Meter Specialist Lead	-	-	-	1.00	1.00
Water Meter Supervisor	1.00	1.00	1.00	1.00	-
Water Meter Technician	1.00	1.00	1.00	1.00	-
Water Quality Chemist I/II/III	2.00	2.00	2.00	2.00	-
Water Quality Manager	1.00	1.00	1.00	1.00	-
Water Resources Analyst	3.00	3.00	3.00	3.00	-
Water Resources Supervisor	1.00	1.00	1.00	1.00	-
Water SCADA Analyst	-	-	1.00	1.00	-
Water Treatment Operator II/III/IV	8.00	8.00	8.00	8.00	-
Water Treatment OIT II/III/IV	1.00	1.00	1.00	1.00	-
Water Treatment Sup IV/V-Chief Plant Operator	1.00	1.00	1.00	1.00	-
Watershed Compliance Manager	1.00	1.00	1.00	1.00	-
	<u>117.25</u>	<u>118.25</u>	<u>121.25</u>	<u>121.25</u>	<u>1.00</u>

\*Revised salary authorizations are Adopted staffing plus any Mid-year adjustments

\*\* 1.00 FTE Community Relations Specialist will begin reporting to City Manager's Office



# Organization Chart

