



SCOTTS VALLEY  
WATER DISTRICT

**Fiscal Year 2021**

**Approved Budget**



## **Mission**

Scotts Valley Water District delivers a sustainable, high quality water service in an environmentally responsible and financially sound manner.

## **Core Values**

Scotts Valley Water District is:

- Innovative
- Efficient
- Adaptable
- Collaborative
- Approachable

## **Vision**

Scotts Valley Water District is a results-driven, data-oriented public agency that provides effective actions, superior customer service and visionary leadership.

**Scotts Valley Water District**  
**Board of Directors**  
**July 1, 2020**

Name	Title	Elected / Appointed	Current Term
Wade Leishman	President	Elected	2018-2022
William "Bill" Ekwall	Vice President	Elected	2018-2022
Chris Perri	Director	Elected	2016-2020
Danny Reber	Director	Elected	2016-2020
Ruth Stiles	Director	Elected	2018-2022



June 11, 2020

Board of Directors  
Scotts Valley Water District

Re: FY 2021 Budget Transmittal Letter

The FY 2021 Budget was developed to implement the FY 2021 Work Plan in support of the District strategic goals:

- Water Resource Management: SVWD meets the water supply needs of its customers by developing new, sustainable sources and maximizing the use of existing sources.
- Infrastructure Integrity: SVWD provides continuous investment in its infrastructure and process improvements to ensure the efficiency of its operations.
- Financial Stewardship: SVWD manages its financial resources in a manner that ensures the reliability of its operations and provides the greatest value to its customers.
- Community Engagement: SVWD proactively creates opportunities for strategic alliances and mutually beneficial relationships with its customers and partners.
- Organizational Vitality: SVWD recruits and retains the highest quality employees and board members by offering a work environment in which they can thrive and succeed.

The Work Plan in its entirety is attached for reference.

The total FY 2021 Budget amounts to \$10,962,429 in expenditures, including \$6,034,268 in Operating Expenses, \$643,161 in Debt Service, \$1,630,000 in New Projects, \$2,640,000 in Project Carryover, and \$15,000 in Purchase Order Carryover, and as described in the FY 2021 Budget Summary below.

In the March and April 2020 meetings, the Finance and Personnel Committee reviewed Budget Assumptions and the preliminary Proposed Operating Budget. During its April meeting, the Water Resource and Engineering Committee reviewed and commented on the Proposed Projects Budget. In May, the Board of Directors reviewed the Proposed Projects Budget and the Proposed Operating Budget.

The District successfully completed the Comprehensive Rate and Fee Study in compliance with the Proposition 218 requirements in December 2016 and implemented the new rate plan in February 2017. In November 2019, the Board approved a lower rate than 2016 adopted Rate Schedule. The approved/projected rate changes for FY 2020 through FY 2021 are below:

**Potable Water**

<b>Effective Date</b>	<b>Change in Basic Meter Charge</b>	<b>Change in Tiered Rate</b>
December 13, 2019	3%	3%
December 13, 2020	3% (TBD)	3% (TBD)

**Recycled Water**

<b>Effective Date</b>	<b>Change in Basic Meter Charge</b>	<b>Change in Tiered Rate</b>
December 13, 2019	46.7%	1.36%
December 13, 2020	37.5%	2.02%

To comply with the 2014 Sustainable Groundwater Management Act, the District along with the County of Santa Cruz and San Lorenzo Valley Water District formed the Santa Margarita Groundwater Agency (SMGWA), which operations are initially funded by the three member agencies. The FY 2021 Expense Budget includes funding of \$290,490, or \$18,669 more than the prior year budget, for SMGWA.

The Debt Service budget in the FY 2021 Budget is prepared pursuant to the payment schedule specified in the 2016 Installment Purchase Agreement. Debt service payments in FY 2021 increase 16% from \$554,841 to \$643,161. The Debt Service Coverage Ratio (DSCR) for the FY 2021 Budget is 4.4, exceeding the required 1.2 ratio. The ratio lowers to 3.1 if all development revenues from new service connections projected for FY 2021 were delayed to future years.

The FY 2021 Operating Expense Budget increases 7.5%, or \$423,973 from the prior year. The primary reason for the increase is that the FY 2021 budget provides funding for six professional service agreements that are operating in nature but do not occur annually. These budget enhancements total \$280,620. The total Operating Expense Budget, excluding these one-time enhancements would total \$5,741,079, a 2% increase from the FY 2020 Budget.

The budget for Salaries & Benefits in FY 2021 reflects a 3.15% Cost-of-Living Adjustment (COLA) increase for all non-exempt positions. Contributions to CalPERS for each of the Districts three pension plans also increased in FY 2021. Further, the minimum required payment on the District's Unfunded Accrued Liability increased 19% from \$148,000 to \$176,000. Overall, Salaries & Benefits are budgeted to increase by 3% in FY 2021.

Services & Supplies and Debt Service combined are budgeted to increase 10% in FY 2021.

**FY 2021 BUDGET SUMMARY**

	<b>Potable Water Fund 01</b>	<b>Recycled Water Fund 02</b>	<b>District Total Funds 01 and 02</b>
<b>REVENUE</b>			
Operating Revenue			
Water Sales	3,783,811	482,653	4,266,464
Water Services	2,168,674	65,345	2,234,019
New Connections	786,110	32,126	818,236
Subtotal	6,738,595	580,124	7,318,719
Non-Operating Revenue			
Property Taxes	1,077,212	-	1,077,212
Notes Receivable (principal)	-	169,412	169,412
Other	98,179	8,573	106,752
Subtotal	1,175,391	177,985	1,353,376
<b>TOTAL REVENUE</b>	<b>7,913,986</b>	<b>758,109</b>	<b>8,672,095</b>
<b>EXPENSES</b>			
Operating Expenses			
Administration	1,351,885	112,896	1,464,781
Finance/Customer Service/WUE	892,295	93,986	986,281
Operations	2,746,887	396,032	3,142,919
Engineering	266,949	29,661	296,610
Board	129,309	14,368	143,677
Subtotal	5,387,325	646,943	6,034,268
Debt Service (principal & interest)	390,270	252,891	643,161
Projects	1,622,800	7,200	1,630,000
<b>TOTAL EXPENSES</b>	<b>7,400,395</b>	<b>907,034</b>	<b>8,307,429</b>
FY 2020 Projects Carryover	2,115,000	525,000	2,640,000
FY 2020 Purchase Orders Carryover	15,000	-	15,000
<b>TOTAL BUDGET W/CARRYOVER</b>	<b>9,530,395</b>	<b>1,432,034</b>	<b>10,962,429</b>
Surplus/(Deficit)	-1,616,409	-673,925	-2,290,334

## **REVENUE**

The FY 2021 Budget comprises a total revenue of \$8,672,096 with \$7,913,987 in the Potable Water (01) Fund and \$758,109 in the Recycled Water (02) Fund.

Water Sales revenue includes consumption-based sales of potable water, recycled water, and bulk water. The FY 2021 Water Sales revenue budget assumes consumption will be equal to the recent three-year average, and a rate increase of 3% in December 2020.

Water Service revenue is based on monthly or bimonthly basic service charges and the number of existing meters for both potable and recycled water. For new connections added to the system in FY 2020, Water Service revenue is anticipated in FY 2021 and is included in the budget.

New Connections revenue is based on the development projects which are underway in the Service Area and anticipated to be completed in FY 2021. New Connections revenue has proven to be volatile and difficult to predict. The FY 2021 Budget is based on the most likely scenario projected at this time.

Non-Operating Revenue includes property taxes, notes receivable, interest, dividends, sale of surplus items, etc. Property tax revenue for FY 2021 is budgeted at 5.0% more than the FY 2020 estimated actual, based on the 5-year history of property tax revenue growth. Interest and dividends are budgeted based on current interest rates. Notes receivable, primarily the Reimbursement for the Reduction of the Recycled Water Entitlement from the City of Scotts Valley, is included in the proposed FY 2021 budget.

## **EXPENSES**

The FY 2021 Operating Budget totals \$6,034,268 including \$5,387,325 in the Potable Water (01) Fund and \$646,943 in the Recycled Water (02) Fund. The FY 2021 Operating Budget is comprised of \$3,050,086 in Salaries and Benefits and \$2,984,183 in Services, Supplies and Production Costs, as detailed below.

### Salaries and Benefits

Salaries and Benefits	FY 2020	FY 2021	Change	%
	Approved Budget	Proposed Budget		
Administration	624,052	641,272	17,220	3%
Finance	537,784	563,967	26,183	5%
Operations	1,589,423	1,619,059	29,636	2%
Engineering	95,241	105,710	10,469	11%
Board	118,000	120,077	2,077	2%
<b>Total</b>	<b>2,964,500</b>	<b>3,050,085</b>	<b>85,585</b>	<b>3%</b>

The FY 2021 Salaries and Benefits budget provides for an increase of \$85,585, or 3%, over the FY 2020 budget. The Salaries budget includes scheduled step increases for eligible hourly employees and compensation adjustments for exempt employees. The budget also includes a COLA of 3.15%, as mentioned above, based upon the calendar year 2019 CPI-U average for hourly employees. Directors Fees for the board include compensation for Directors and Associate Directors to attend board and committee meetings as well as time spent at conferences, training events and other functions. The Benefits budget includes an average increase of 4% in medical premium rates; an increase of \$28,012 or 19%, for the unfunded pension liability related to prior service by employees; an increase of \$23,687, or 14%, for normal pension costs covering current service by employees; and moderate increases in other benefits.

The number of positions remains unchanged at 18, including the 0.5 full-time equivalent (FTE) Administrative Office Assistant position which supports the Santa Margarita Groundwater Agency (SMGWA). The costs of this position are included within the Administration Division salary and benefit line item budgets. The cost of this position is offset with a revenue item budget (within the revenue budget) because fifty percent of the position is funded by SMGWA. A summary of budgeted full-time equivalent (FTE) positions follows:



**Positions**

<b>Position</b>	<b>FTE in FY 2020</b>	<b>FTE in FY 2021</b>
General Manager	1	1
Operations Manager	1	1
Assistant to the General Manager	1	1
Finance & Customer Service Manager	1	1
Engineering Technician	1	1
Operations Supervisor	1	1
Water Use Efficiency Coordinator	1	1
Lead Water Facilities Operator	2	2
Water Facilities Operator III	2	2
Water Facilities Operator II	2	2
Utility Service Representative, Field	1	1
Electrician/Instrumentation Technician	1	1
Accounting Specialist	1	1
Administrative Office Assistant	0.5	0.5
Administrative Office Assistant - SMGWA	0.5	0.5
Utility Service Representative, Office	1	1
<b>Total Positions</b>	<b>18</b>	<b>18</b>

**Services, Supplies and Production Costs**

<b>Description</b>	<b>FY 2020 Approved Budget</b>	<b>FY 2021 Proposed Budget</b>	<b>Change</b>	<b>%</b>
Services	836,808	1,098,941	262,133	31%
Supplies	58,900	40,000	-18,900	-32%
General Production	86,100	97,000	10,900	13%
Source of Supply	511,821	460,490	-51,331	-10%
Pumping	386,930	513,400	126,470	33%
Water Treatment	448,000	430,000	-18,000	-4%
Transmission & Distribution	134,100	131,200	-2,900	-2%
Customer Accounts	180,138	207,113	26,975	15%
Other	3,000	6,039	3,039	101%
<b>Total</b>	<b>2,645,797</b>	<b>2,984,183</b>	<b>338,386</b>	<b>13%</b>

As shown on the prior page, total FY 2021 Services, Supplies and Production costs are budgeted at \$2,984,183, an increase of 13% from the prior year. Services costs increased 31% to

\$1,098,941 from \$836,808 in FY 2020. The driver for this increase was the various Budget Enhancements for Professional Services in the Administration, Finance/Customer Service and Engineering Divisions.

The following initiatives planned in Fiscal Year 2021 comprise the Budget Enhancements in the Services category: Urban Water Management Plan, Risk and Resilience Study, Rate Study, Recycled Water Alternatives Study and Pressure Analysis Report. These initiatives total \$280,620. Excluding these Budget Enhancements, the FY 2021 Services, Supplies and Production costs would instead total \$2,703,563 an increase of \$57,766, or 2% more than the amount budgeted in FY 2020.

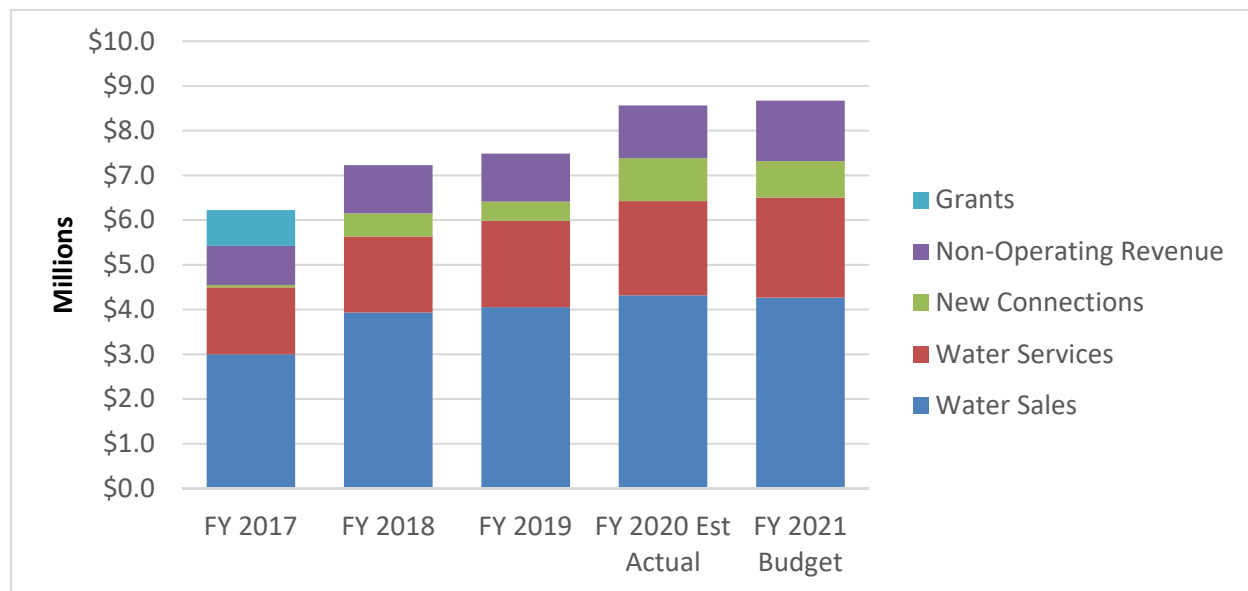
**FY 2021 Purchase Order Carryover**

One purchase order with an estimated balance of \$15,000 was encumbered in FY 2020, but not expected to be completed by year-end. The balance will be rolled into the FY 2021 Operating Budget to continue the work and is reflected in the budget as an FY 2020 Purchase Order Carryover in FY 2021.

**FIVE-YEAR TREND/COMPARISON:**

**Revenue:**

The following chart provides a five-year trend of District revenues, excluding Notes Receivable:



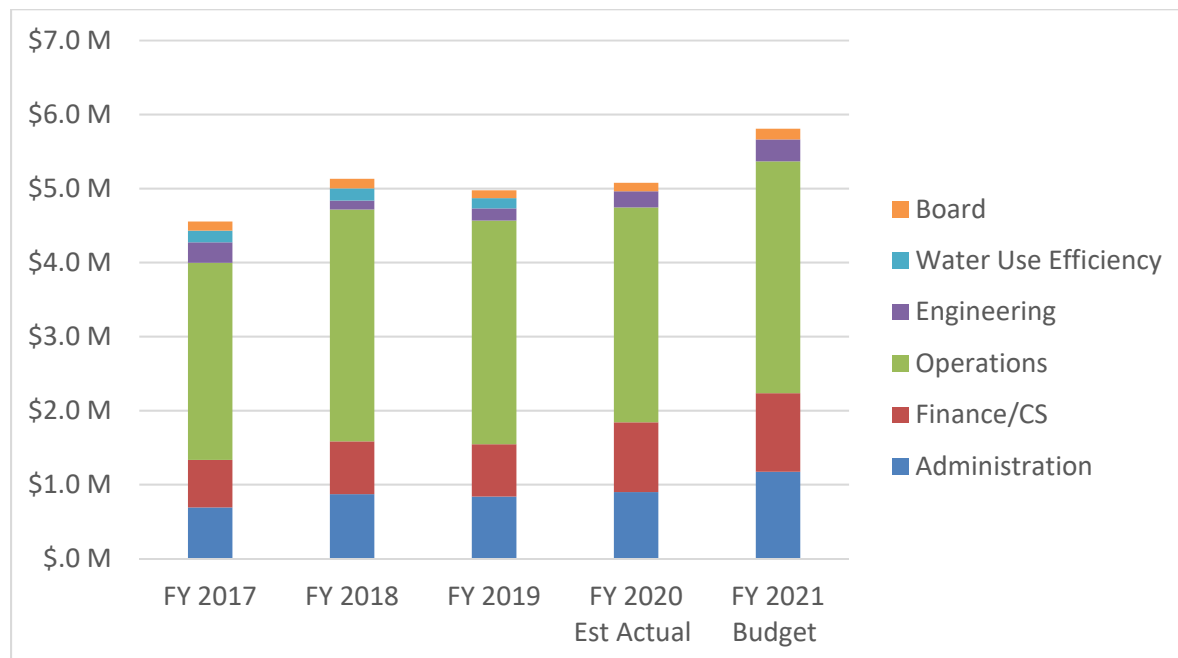
Revenue has steadily increased since FY 2017. FY 2017 was the first year impacted by the Districts current Rate Schedule, a five-year plan that became effective in December of 2016, impacting the second half of FY 2017. FY 2018 was the first full year impacted by the new rate plan and reflects the expected trend of increasing revenues.

FY 2020 Estimated Actuals reflect continued revenue growth. However, the growth is not as significant as was originally estimated in the FY 2020 Budget. The Board implemented a 3% rate increase, replacing an originally adopted 10%, in December 2019. Water Sales revenue in FY 2020 is essentially flat, with revenue growth coming from Water Services, New Connections and Non-Operating (property tax) increases.

The projected FY 2021 Water Sales revenue assumes that overall consumption will mirror the 3-year average. Water Service revenue has increased steadily throughout the implementation of the Rate Schedule. Total revenue is anticipated to be essentially flat in FY 2021. The District projects that the ‘Shelter in Place’ requirements will result in decreased consumption in commercial sector. However, consumption decreases will be offset by the projected three percent rate increase.

**Expenses:**

The following chart provides a five-year trend of District expenses by Division.



The figures above exclude Debt Service. In FY 2020 the Water Use Efficiency division budget shifted to the Finance / CS division to align with the changed organizational structure.

**DEBT SERVICE**

The FY 2021 Debt Service budget totals \$643,161, including \$390,270 in the Potable Water (01) Fund and \$252,891 in the Recycled Water (02) Fund, a decrease of \$10,585 in total from the FY 2020 Budget of \$653,746.

	PW (01) Fund	RW (02) Fund	Total
2016 JP Morgan Loan			
Interest	\$46,034	\$29,829	\$75,863
Principal	\$344,236	\$223,062	\$567,298
Total	\$390,270	\$252,891	\$643,161

**DEBT SERVICE COVERAGE RATIO (DSCR)**

The 2016 Refunding Loan requires that the District prescribe, revise and collect such charges for providing water, which, after allowances for contingencies and errors, produce sufficient income in each fiscal year to provide net revenues equal to at least 1.20 times the sum of 1) 2016 Loan installment payments becoming due and payable in such fiscal year and 2) all debt service and any related payments required with respect to any additional parity debt for such fiscal year. Parity debt consists of any additional debt obligations incurred by the District and secured by a debt on District revenues equally and ratably with the 2016 Loan payments. No parity debt currently exists.

The FY 2021 Budget presents a debt coverage ratio of 4.4, which is well above the minimum requirement of 1.20. New Connections revenue including Meter Fees, Capacity Fees, Will Serve Fees, and Development Project Review Fees are budgeted for a total of \$0.8 million and included in the calculation. In the worst case, if all New Connections revenues were delayed and thus not included in this calculation, the DSCR would be adjusted to 3.1.

**PROJECTS**

The FY 2021 Projects budget totals \$1,630,000, with \$1,622,800 in the Potable Water Fund and \$7,200 in the Recycled Water Fund. Additionally, projects that are in progress in FY 2020 are projected to have a total unspent balance of \$2,640,000 by FY 2020 year-end, and this amount will be carried forward into FY 2021, so that those projects may be completed. Combining the FY 2021 Project budget of \$1,630,000 with the carryover budget of \$2,640,000, the Proposed FY 2021 Projects budget will have a total of \$4,270,000. Project spending in FY 2021 will be funded by rate revenues. Budgeted projects are listed below:

Category	Project	Potable Water (01) Fund	Recycled Water (02) Fund	FY 2020 Carryover	FY 2021 Total
Transmission Mains	Main Replacement Program	550,000		75,000	625,000
Treatment Plants	Orchard Run Water Treatment Plant Improvements	310,000		1,890,000	2,200,000
	El Pueblo Water Treatment Plant Improvements			30,000	30,000
	Well 10 WTP Water Quality Improvements	113,000			113,000
	Treatment Facility for New Production Well	100,000			100,000
Storage Tanks	Bethany Tank Rehabilitation	100,000		100,000	200,000
Pump Stations	Polo Ranch PS	75,000			75,000
Wells	Lompico Formation Production Well (Well 9 Replacement)	100,000			100,000
Recycled Water Supply	Purified Recycled Water Recharge			525,000	525,000
Meters	Automated Metering Infrastructure (AMI)	100,000			100,000
	Meter Replacement Program	75,000			75,000
Technology	Utility Billing Software Improvements	10,000		20,000	30,000
Fleet	Vehicle Replacement Program	37,800	4,200		42,000
	Specialized Operations Equipment	25,000			25,000
Buildings	Administrative Building Improvements	27,000	3,000		30,000
<b>Totals:</b>		<b>1,622,800</b>	<b>7,200</b>	<b>2,640,000</b>	<b>4,270,000</b>

**Summary of the FY 2021 Projects Budget:**

The most significant FY 2021 projects are described further below:

- \$2,200,000 Orchard Run Water Treatment Plant Improvements:  
Implement esthetic taste and odor improvements to treatment process by adding new Granular Activated Carbon (GAC) filter and chlorine analyzer injection system. Infrastructure improvements include replacing ammonia-based air scrubbing system with a Bio Filtration scrubber. Replace 40,000 gallon bolted steel back wash tank and install new sewer lateral.
- \$525,000 Purified Recycled Water Recharge:  
Supplemental supply project to increase groundwater reliability, especially in dry years (climate related change). Could be shifted to SMGWA or replaced with conjunctive use with other water suppliers.
- \$625,000 Main Replacement Program:  
Replace and upgrade 1,100 feet of potable water main lines at Vine Hill School Rd, Johnston Way, Scott Ct, and Upper Sunset Terrace.
- \$200,000 Bethany Tank Rehabilitation:  
Construct additional tank on-site to allow for roof reconstruction and interior and exterior coating replacement of 400,000 gallon Bethany Tank.

**BUDGETARY CONTROL**

Through approval of the budget, the board appropriates the resources necessary to maintain District service levels and achieve specified objectives. The District prepares a detailed line item operating budget, which represents an estimate based on operations at the time the budget is prepared. Throughout the fiscal year management applies best business practices to improve operational efficiencies. As a result, actual expenses may differ from the budget.

The level of budgetary control is set at the major expense category by division. Each Division Manager is responsible for his/her division budget. The General Manager is responsible for the District budget with authority to move appropriations between divisions. Budgetary control for projects is set at the total Projects budget amount approved for the year, including carryover project funding. Spending on a project not listed in the budget would require the board's review and approval through an agenda report.

**FUND BALANCE**

Fund Balance is defined as funds readily available for new expenses and/or commitments. It is based on working capital, calculated as current assets (excluding Notes Receivable, shown separately below) minus current liabilities (excluding Debt Service, shown separately below).

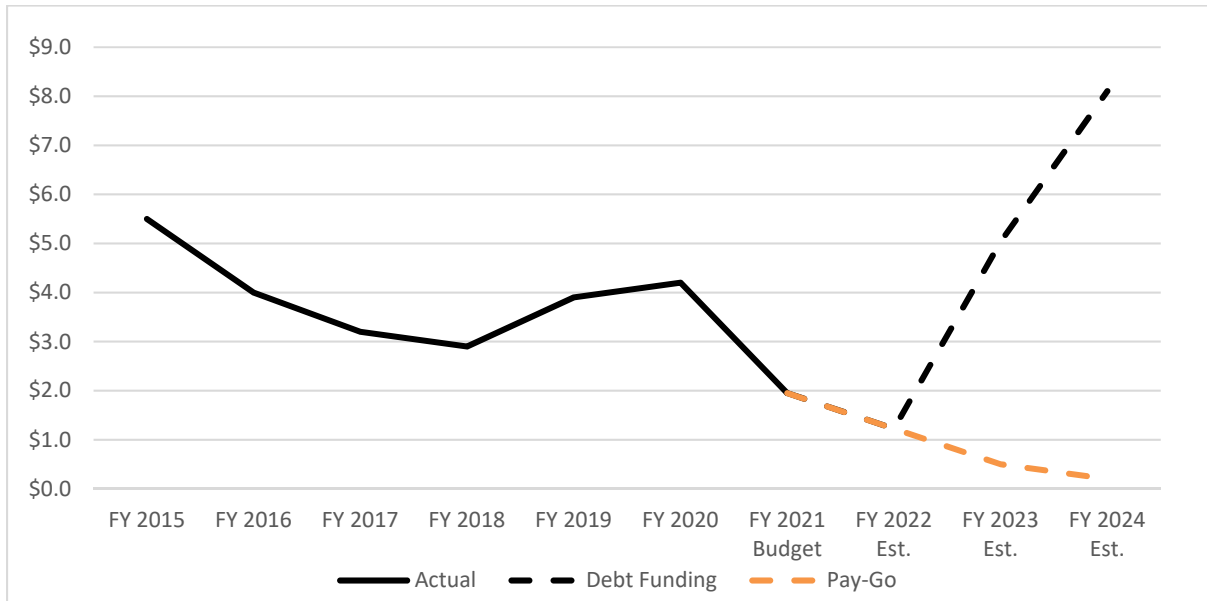
<b>FY 2020 Estimated Actual</b>	Potable Fund	Recycled Fund	District Total
Audited Fund Balance 6/30/2019	3,283,458	15,578	3,299,036
Revenue	7,998,300	565,096	8,563,396
Notes Receivable	-	173,019	173,019
Operating Expense	(4,781,795)	(515,028)	(5,296,823)
Debt Service	(336,678)	(218,163)	(554,841)
Project Costs	(1,782,146)	(198,016)	(1,980,162)
Increase / (Decrease) of Fund Balance	1,097,682	(193,093)	904,589
Transfer from 01 Fund to 02 Fund	(177,515)	177,515	-
<b>Projected Fund Balance 6/30/2020</b>	<b>4,203,625</b>	<b>-</b>	<b>4,203,625</b>

The total Fund Balance is projected to increase \$0.9 million by the end of FY 2020, from \$3.3 million to \$4.2 million. This increase is primarily due to the District not spending the full budget for projects in FY 2020. The Estimated Actual for projects in FY 2020 is \$2.0 million. It is anticipated that \$2.6 million will be required in FY 2021 as carryover project funding.

<b>FY 2021 Budget</b>	Potable Fund	Recycled Fund	District Total
Projected Fund Balance 6/30/2020	4,203,625	-	4,203,625
Revenue	7,913,987	588,697	8,502,684
Notes Receivable	-	169,412	169,412
Operating Expense	(5,387,325)	(646,942)	(6,034,267)
Debt Service	(390,270)	(252,891)	(643,161)
Project Costs	(1,622,800)	(7,200)	(1,630,000)
Increase / (Decrease) of Fund Balance	513,592	(148,925)	364,668
FY 2020 Purchase Orders Carryover	15,000	-	15,000
FY 2020 Projects Carryover	(2,640,000)	-	(2,640,000)
Transfer from 01 Fund to 02 Fund	(148,925)	148,925	-
<b>Projected Fund Balance 6/30/2021</b>	<b>1,943,292</b>	<b>-</b>	<b>1,943,292</b>

The FY 2021 Budget anticipates a \$2.2 million draw on Fund Balance from \$4.2 million on 6/30/2020 to \$2.0 million on 6/30/2021. The FY 2021 budget includes a sizable \$4.3 million spending in projects. While the budget represents the financial resources that are needed for the project, it is likely that the full budget amount will not be needed in the fiscal year.

**Fund Balance (in millions of \$)**



After four consecutive years of budget deficits from FY 2015 through FY 2018, the FY 2019 Fund Balance reversed the trend by ending the year in a surplus. This trend continued in FY 2020. As discussed above and shown in the Fund Balance chart above, the FY 2021 budget will draw on fund balance. As the District continues to see revenue grow, and as essential projects are completed, fund balance is anticipated decrease for a few years and then grow in future years.

Estimating future year fund balances requires making numerous assumptions. One of the most significant assumptions is how the District will pay for the Purified Recycled Water Project, the largest project in the Capital Improvement Program. The Fund Balance chart above depicts two funding scenarios: Debt Funding and Pay-Go. The Debt Funding scenario assumes that grant funding and debt financing will fully fund the project. In this scenario, fund balance will continue to increase to meet or exceed the Target Reserve. The Pay-Go scenario assumes that the project will be funded by a combination of grant funding, rate revenue and fund balance. In this scenario, the District will draw on fund balance to pay for the project and the District would not achieve the Reserve Target in the forecast period.



## ALLOCATION OF EXPENSES BETWEEN POTABLE FUND AND RECYCLED FUND

In general, recycled water revenue receipts, portions of debt service for the 2016 Refunding Loan, water meters for recycled accounts, repairs and maintenance of the recycled water plant and 10% of the general and administrative expenses are budgeted in the Recycled Water Fund. As the budget needs to be balanced by fund, a \$137,736 loan from the Potable Water Fund to the Recycled Water Fund is required to make the Recycled Water Fund whole for FY 2021. It should be noted that all District fund balance reserves are allocated to the Potable Fund and none is currently allocated to the Recycled Fund. The repayment of the cumulative interfund loans will be addressed in future budgets as the District implements continuing rate adjustments and completes various capital projects.

## TARGET RESERVE

As part of the 2016 rate study, various reserve types and respective levels were discussed and recommended to the Board. The target reserves were established in District Policy P200-17-2. For FY 2021, the calculated target reserve amount is approximately \$4.5 million, as summarized below. The projected Reserve Balance, based upon fund balance at June 30, 2021, is \$1.95 million, or \$2.5 million less than the Target Reserve. It is highly unlikely that 100% of the budgeted Project expenditures will actually be spent in the FY 2021 and therefore it is anticipated that the actual Reserve Balance will exceed the \$1.95 million.

### District Reserve Components:

		<b>FY 2021</b>
Operating Reserve		
FY 2021 Operating Expense Budget	6,034,268	
Reserve Level: 90 days (25%)	25%	1,508,567
Rate Stabilization Reserve		
FY 2021 Water Sales Revenue Budget	4,266,464	
20% of volumetric water sales revenue	20%	853,293
Emergency Reserve		
Net Asset Value @ 6/30/2019	21,067,532	
2.5% of Net Asset Valuation	2.50%	526,688
Capital Reserve		
FY 2019 Depreciation	998,094	
1 year of Depreciation	100%	998,094
Debt Service Reserve		
FY 2021 Debt Service	643,161	
100% of Debt Service	100%	643,161
<b>Target Reserve:</b>		<b>4,529,803</b>

In summary, the FY 2021 Budget reflects a Revenue budget of cautious optimism, an Operating Expense budget that maintains the Districts high service levels, and a detailed Projects budget. Looking ahead, the District plans to complete a Rate Study in FY 2021 to evaluate future revenue requirements. This FY 2021 Budget ensures that high service levels are maintained, essential projects are completed, with the District remaining on the path toward achieving the target reserve level over time.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Piret Harmon".

Piret Harmon  
General Manager

**Scotts Valley Water District**  
**FY 2021 Proposed Budget: Revenue**

Account Number	Account Description	FY 2020 Budget	FY 2020 Estimated Actual	FY 2021 Budget
<b>Fund (01)</b>	<b>POTABLE WATER</b>			
R10	Operating Revenue - Water Sales			
01-000-41101	Residential Consumption - SF	\$2,321,579	\$2,194,244	\$2,292,073
01-000-41102	Residential Consumption - MF	\$167,537	\$165,133	\$169,499
01-000-41103	CII Consumption	\$1,231,742	\$1,130,989	\$964,099
01-000-41105	Irrigation Consumption	\$324,929	\$311,295	\$332,394
01-000-41200	Bulk Water	\$16,000	\$33,484	\$25,745
	<b>R10 Operating Revenue-Water Sales Total:</b>	<b>\$4,061,787</b>	<b>\$3,835,146</b>	<b>\$3,783,811</b>
R20	Operating Revenue - Water Services			
01-000-41300	Late Penalty	\$27,260	\$24,030	\$25,800
01-000-42100	Standby Basic Meter Charge	\$1,975,029	\$1,972,585	\$2,074,649
01-000-42121	Standby FP Basic Meter Charge	\$50,397	\$56,043	\$57,725
01-000-43300	Other Operating Revenue	\$13,269	\$10,475	\$10,500
	<b>R20 Operating Revenue - Water Services Total:</b>	<b>\$2,065,955</b>	<b>\$2,063,133</b>	<b>\$2,168,674</b>
R25	Operating Revenue - New Connections			
01-000-42101	Meter Fee	\$12,093	\$14,549	\$12,891
01-000-42102	Capacity Buy-in Fee	\$1,448,187	\$898,861	\$761,528
01-000-42120	FP Meter Fee	\$4,946	\$5,537	\$4,691
01-000-43100	Will Serve	\$788	\$1,375	\$1,000
01-000-43200	Development Project Review	\$2,118	\$7,354	\$6,000
	<b>R25 Operating Revenue - New Connections Total:</b>	<b>\$1,468,130</b>	<b>\$927,676</b>	<b>\$786,110</b>
R30	Non-Operating Revenue			
01-000-46000	Property Taxes	\$920,746	\$1,025,917	\$1,077,212
01-000-47110	Interest & Dividend	\$4,869	\$28	\$21
01-000-47120	Interest - LAIF	\$11,737	\$25,345	\$52,500
01-000-47520	Miscellaneous Non-Operating Revenue	\$3,000	\$117,992	\$45,658
01-000-47530	Unrealized Gain/Loss on Investment	\$0	\$3,063	\$0
	<b>R30 Non-Operating Revenue Total:</b>	<b>\$940,352</b>	<b>\$1,172,345</b>	<b>\$1,175,391</b>
<b>Fund (01) Potable Water Revenue Total:</b>		<b>\$8,536,225</b>	<b>\$7,998,300</b>	<b>\$7,913,987</b>

**Scotts Valley Water District**  
**FY 2021 Proposed Budget: Revenue**

Account Number	Account Description	FY 2020 Budget	FY 2020 Estimated Actual	FY 2021 Budget
<b>Fund (02)</b>	<b>RECYCLED WATER</b>			
R10	Operating Revenue - Water Sales			
02-000-41105	Irrigation Consumption	\$465,177	\$473,099	\$482,653
02-000-41200	Bulk Water	\$25,000	\$5,758	\$0
	<b>R10 Operating Revenue - Water Sales Total:</b>	<b>\$490,177</b>	<b>\$478,857</b>	<b>\$482,653</b>
R20	Operating Revenue - Water Services			
02-000-42100	Standby Basic Meter Charge	\$45,124	\$47,528	\$65,345
	<b>R20 Operating Revenue - Water Services Total:</b>	<b>\$45,124</b>	<b>\$47,528</b>	<b>\$65,345</b>
R25	Operating Revenue - New Connections			
02-000-42101	Meter Fee	\$0	\$797	\$825
02-000-42102	Capacity Fee	\$90,869	\$27,591	\$31,301
	<b>R25 Operating Revenue - New Connections Total:</b>	<b>\$90,869</b>	<b>\$28,388</b>	<b>\$32,126</b>
R30	Non-Operating Revenue			
02-000-47110	Interest and Dividend	\$7,598	\$10,323	\$8,573
02-000-47560	Notes Receivable	\$163,019	\$173,019	\$169,412
	<b>R30 Non-Operating Revenue Total:</b>	<b>\$170,617</b>	<b>\$183,342</b>	<b>\$177,985</b>
<b>Fund (02) Recycled Water Revenue Total:</b>		<b>\$796,787</b>	<b>\$738,115</b>	<b>\$758,109</b>
<b>Fund (01) and Fund (02) Revenue Total:</b>		<b>\$9,333,012</b>	<b>\$8,736,415</b>	<b>\$8,672,096</b>
Total Revenue excluding Notes Receivable		\$9,169,993	\$8,563,396	\$8,502,684

**Scotts Valley Water District**  
**Potable Water Fund (01)**  
**FY 2021 Proposed Budget: Expense**

<b>Account Number</b>	<b>Account Description</b>	<b>FY 2020 Budget</b>	<b>FY 2020 Estimated Actual</b>	<b>FY 2021 Budget</b>
<b>Fund (01)</b>	<b>Potable Water</b>			
<b>Dept (100)</b>	<b>Administration</b>			
<b>E01</b>	<b>Salaries &amp; Benefits</b>			
01-100-51110	Regular Pay	337,955	330,695	343,228
01-100-51111	Temporary Pay	10,000	4,000	11,000
01-100-51114	Overtime Pay	-	282	-
01-100-51115	Separation Pay	-	2,439	-
01-100-51116	Bonus Pay	-	3,669	-
01-100-51132	Special Vacation Pay	10,000	7,345	7,500
01-100-51150	Vehicle & Phone Allowance	3,840	3,852	3,840
01-100-51161	Medicare	5,165	5,018	5,371
01-100-51202	Retirement - Tier 2	26,110	25,789	29,500
01-100-51203	Retirement - Tier 3	4,766	4,491	4,782
01-100-51204	Unfunded Pension Liability	147,796	142,714	175,808
01-100-51206	Retirement - Survivor Benefit	73	80	73
01-100-51210	Medical Insurance	47,010	32,551	29,450
01-100-51212	Dental Insurance	3,329	2,699	2,461
01-100-51213	Vision Insurance	668	693	668
01-100-51214	Life & AD&D Insurance	1,170	1,146	1,209
01-100-51215	457 & HSA Contributions	12,800	11,413	12,800
01-100-51216	Employee Assistance Program	85	102	97
01-100-51220	Other Post-Employment Benefits	6,240	6,124	6,222
01-100-51240	Workers' Compensation	1,795	1,958	2,014
01-100-51250	Tuition Reimbursement	5,250	-	5,250
01-100-51698	Reimbursement from SMGWA	(52,188)	-	-
01-100-51700	Allocation to Fund (02)	(57,186)	(58,706)	(64,127)
	<b>E01 Salaries &amp; Benefits Totals:</b>	<b>514,678</b>	<b>528,352</b>	<b>577,145</b>
<b>E03</b>	<b>Services</b>			
01-100-52110	Contractual Services	20,000	18,000	21,800
01-100-52120	Landscape Maint	5,000	4,180	5,000
01-100-52210	Professional Services	77,000	68,600	207,000
01-100-52230	IT Services	70,000	70,000	70,000
01-100-52231	Website Maint	5,500	4,500	5,500
01-100-52250	Legal Counsel	36,000	36,000	36,000
01-100-52280	Election Service	-	-	14,000
01-100-52310	Sewer Service	485	418	500
01-100-52320	Solid Waste Service	600	608	625
01-100-52330	Electricity & Gas	11,288	10,886	11,500
01-100-52340	Telephone & Internet	9,600	8,376	9,600
01-100-52410	Software Licensing & Maint	1,000	976	1,000
01-100-52420	Equipment Rental & Maint	5,100	4,800	4,900
01-100-52510	Travel & Meetings	12,000	5,400	12,000
01-100-52520	Training	4,000	1,500	4,000
01-100-52530	Dues & Memberships	24,000	22,000	24,060
01-100-52540	Employee Recognition	5,000	3,049	6,000

Account Number	Account Description	FY 2020 Budget	FY 2020 Estimated Actual	FY 2021 Budget
01-100-52570	Printing Services	2,500	2,100	2,400
01-100-52620	Legal Advertising	200	-	200
01-100-52630	Advertising & Promotion	13,000	12,000	13,000
01-100-52660	Recruitment	1,000	269	500
01-100-52700	Safety Services	2,000	1,069	2,000
01-100-52725	HR Processing Fees	2,100	1,980	2,170
01-100-52800	Regulatory Oversight & Comp	200	68	100
01-100-52810	General Building Maint	18,500	15,000	17,000
01-100-52980	Allocation to Fund (02)	(32,607)	(29,168)	(47,086)
<b>E03 Services Totals:</b>		<b>293,466</b>	<b>262,612</b>	<b>423,770</b>
<b>E05</b>				
<b>Supplies</b>				
01-100-53100	Office Supplies	4,000	4,032	4,200
01-100-53110	Building Maint Supplies	2,000	1,130	2,000
01-100-53400	Books & Subscriptions	550	100	1,000
01-100-53500	Safety Supplies	-	5,775	1,000
01-100-53700	Special Division Supplies	5,000	635	5,000
01-100-53910	Office Equipment	3,000	1,500	2,000
01-100-53920	Furniture & Furnishings	3,000	4,213	2,000
01-100-53980	Allocation to Fund (02)	(1,755)	(1,738)	(1,720)
<b>E05 Supplies Totals:</b>		<b>15,795</b>	<b>15,646</b>	<b>15,480</b>
<b>E10</b>				
<b>Source of Supply</b>				
01-100-52211	Contributions to SMGWA	271,821	295,821	290,490
01-100-52212	Professional Services	100,000	-	30,000
01-100-52290	Regional Groundwater Activities	10,000	2,000	10,000
<b>E10 Source of Supply Totals:</b>		<b>381,821</b>	<b>297,821</b>	<b>330,490</b>
<b>E70</b>				
<b>Other</b>				
01-100-52950	Contingency for Litigation	-	500	5,000
<b>E70 Other Totals:</b>		<b>-</b>	<b>500</b>	<b>5,000</b>
<b>Dept 100 Sub Totals:</b>		<b>1,205,760</b>	<b>1,104,931</b>	<b>1,351,885</b>
<b>Dept (200)</b>				
<b>E01</b>				
<b>Finance/Customer Service</b>				
<b>Salaries &amp; Benefits</b>				
01-200-51110	Regular Pay	356,387	368,299	382,639
01-200-51111	Temporary Pay	10,000	604	5,000
01-200-51114	Overtime Pay	1,000	113	1,000
01-200-51150	Vehicle & Phone Allowance	960	963	960
01-200-51161	Medicare	5,286	5,260	5,667
01-200-51202	Retirement - Tier 2	19,695	20,545	23,020
01-200-51203	Retirement - Tier 3	10,682	10,786	12,608
01-200-51206	Retirement - Survivor Benefit	97	100	97
01-200-51210	Medical Insurance	77,629	75,407	76,229
01-200-51212	Dental Insurance	3,243	3,243	3,243
01-200-51213	Vision Insurance	891	891	891
01-200-51214	Life & AD&D Insurance	1,127	1,293	1,488
01-200-51215	457 & HSA Contributions	8,800	6,617	8,800
01-200-51216	Employee Assistance Program	114	118	130
01-200-51220	Other Post-Employment Benefits	39,798	38,986	39,668
01-200-51240	Workers' Compensation	2,075	1,713	2,527

Account Number	Account Description	FY 2020 Budget	FY 2020 Estimated Actual	FY 2021 Budget
01-200-51700	Allocation to Fund (02)	(53,778)	(53,499)	(56,397)
	<b>E01 Salaries &amp; Benefits Totals:</b>	<b>484,006</b>	<b>481,490</b>	<b>507,570</b>
<b>E03</b>	<b>Services</b>			
01-200-52210	Professional Services	69,550	22,550	88,170
01-200-52240	Audit Services	30,000	15,000	15,000
01-200-52260	Financial/Regulatory Reporting	1,250	1,250	1,250
01-200-52300	Auto & Liability Insurance	47,000	46,918	48,790
01-200-52400	Property Insurance	14,000	14,855	15,450
01-200-52410	Software Licensing & Maint	12,705	13,013	13,403
01-200-52420	Equipment Rental & Maint	480	-	-
01-200-52510	Travel & Meetings	4,950	3,700	3,900
01-200-52520	Training	3,000	300	1,500
01-200-52550	Printing & Mailing Services	500	50	50
01-200-52630	Advertising & Promotion	1,500	1,250	2,500
01-200-52720	Payroll Processing Fees	6,510	7,795	8,300
01-200-52740	Bank Service Fees	5,600	4,420	4,600
01-200-52745	Fiscal Agent Fees	1,000	-	-
01-200-52760	Health Benefits Admin Fees	508	473	500
01-200-52980	Allocation to Fund (02)	(16,830)	(13,832)	(21,016)
01-200-54015	Property Tax Admin Fees	6,750	6,750	6,750
	<b>E03 Services Totals:</b>	<b>188,473</b>	<b>124,492</b>	<b>189,147</b>
<b>E05</b>	<b>Supplies</b>			
01-200-53200	Postage	3,000	3,000	3,000
01-200-53290	Promotional Give-Aways	2,000	200	1,000
01-200-53980	Allocation to Fund (02)	(300)	(320)	(400)
	<b>E05 Supplies Totals:</b>	<b>4,700</b>	<b>2,880</b>	<b>3,600</b>
<b>E35</b>	<b>Customer Accounts</b>			
01-200-52415	Software Licensing & Portal	19,895	33,847	35,031
01-200-52555	Printing & Mailing	19,800	11,039	20,493
01-200-52560	Collection Agency Fees	1,107	275	1,146
01-200-52650	AMI Data Subscription	29,904	32,089	30,951
01-200-52710	Payment Processing Fees	56,770	57,816	58,757
01-200-53250	Rebates - Pressure Regulators	-	2,175	3,000
01-200-53260	Rebates- Turf / Drip Replacement	40,000	38,657	40,000
01-200-53270	Rebates- Outdoor Efficiency	5,000	686	1,000
01-200-53280	Rebates- Indoor Efficiency	5,500	3,324	5,000
01-200-53700	Special Division Supplies	5,500	1,046	3,000
01-200-54980	Allocation to Fund (02)	(12,898)	(14,307)	(15,438)
01-200-59400	Bad Debt	-	8,000	8,000
	<b>E35 Customer Accounts Totals:</b>	<b>170,578</b>	<b>174,647</b>	<b>190,940</b>
<b>E70</b>	<b>Other</b>			
01-200-54010	Property Taxes	1,000	1,017	1,038
	<b>E70 Other Totals:</b>	<b>1,000</b>	<b>1,017</b>	<b>1,038</b>

Account Number	Account Description	FY 2020 Budget	FY 2020 Estimated Actual	FY 2021 Budget
<b>E80</b>	<b>Debt Service</b>			
01-200-54740	Bond Interest - 2016 JPMorgan	52,402	52,344	46,034
01-200-54750	Bond Principal - 2016 JPMorgan	344,326	284,334	344,236
	<b>E80 Debt Service Totals:</b>	<b>396,728</b>	<b>336,678</b>	<b>390,270</b>
	<b>Dept 200 Sub Totals:</b>	<b>1,245,485</b>	<b>1,121,204</b>	<b>1,282,565</b>
<b>Dept (300)</b>	<b>Operations</b>			
<b>E01</b>	<b>Salaries &amp; Benefits</b>			
01-300-51110	Regular Pay	1,025,683	982,106	1,054,771
01-300-51114	Overtime Pay	64,480	82,497	82,300
01-300-51132	Special Vacation Pay	12,900	4,640	13,300
01-300-51150	Vehicle & Phone Allowance	6,240	6,629	6,240
01-300-51161	Medicare	15,150	15,106	15,621
01-300-51201	Retirement - Tier 1	26,372	26,075	29,282
01-300-51202	Retirement - Tier 2	51,647	51,056	59,299
01-300-51203	Retirement - Tier 3	19,306	18,543	22,494
01-300-51206	Retirement - Survivor Benefit	266	268	266
01-300-51210	Medical Insurance	221,856	188,868	190,672
01-300-51211	Medical Cash-in-lieu	-	2,667	3,000
01-300-51212	Dental Insurance	10,910	11,319	11,288
01-300-51213	Vision Insurance	2,450	2,499	2,450
01-300-51214	Life & AD&D Insurance	2,446	2,525	3,095
01-300-51215	457 & HSA Contributions	23,000	18,009	24,100
01-300-51216	Employee Assistance Program	313	367	356
01-300-51220	Other Post-Employment Benefits	78,203	70,798	68,703
01-300-51240	Workers' Compensation	28,201	28,850	31,822
01-300-51700	Allocation to Fund (02)	(158,941)	(151,282)	(161,906)
	<b>E01 Salaries &amp; Benefits Totals:</b>	<b>1,430,482</b>	<b>1,361,539</b>	<b>1,457,153</b>
<b>E03</b>	<b>Services</b>			
01-300-52120	Landscape Maint	11,300	15,260	15,000
01-300-52210	Professional Services	20,600	3,750	10,000
01-300-52310	Sewer Service	400	418	600
01-300-52320	Solid Waste Service	3,100	3,054	3,100
01-300-52340	Telephone & Internet	8,200	11,078	11,400
01-300-52420	Equipment Rental & Maint	20,600	22,339	24,000
01-300-52500	Uniform Laundering Services	5,300	4,540	5,300
01-300-52510	Travel & Meetings	7,700	6,044	7,000
01-300-52520	Training	15,500	7,508	10,000
01-300-52550	Printing & Mailing Services	800	250	800
01-300-52700	Safety Services	2,100	2,100	1,500
01-300-52810	General Building Maint	4,100	4,340	4,560
01-300-52830	Landfill Fees	3,100	6,014	5,000
01-300-52910	Vehicle Maint	27,800	20,087	22,000
01-300-52930	Facility Site Maint	41,200	59,597	60,000
01-300-52980	Allocation to Fund (02)	(19,240)	(19,885)	(20,526)
01-300-55130	GIS Maint	20,600	32,467	25,000
	<b>E03 Services Totals:</b>	<b>173,160</b>	<b>178,961</b>	<b>184,734</b>



Account Number	Account Description	FY 2020 Budget	FY 2020 Estimated Actual	FY 2021 Budget
<b>E05</b>	<b>Supplies</b>			
01-300-53100	Office Supplies	1,500	1,689	1,500
01-300-53110	Building Maint Supplies	-	1,000	-
01-300-53400	Books & Subscriptions	500	755	500
01-300-53500	Safety Clothing & Equipment	13,000	9,903	14,500
01-300-53600	Vehicle Fuel	14,500	21,871	500
01-300-53910	Office Equipment	-	1,904	-
01-300-53920	Furniture & Furnishings	1,000	98	-
01-300-53980	Allocation to Fund (02)	(3,050)	(3,722)	(1,700)
	<b>E05 Supplies Totals:</b>	<b>27,450</b>	<b>33,498</b>	<b>15,300</b>
<b>E07</b>	<b>General Production Costs</b>			
01-300-52800	Regulatory Oversight & Comp	21,500	28,861	29,000
01-300-53300	Small Tools & Equipment	18,500	16,396	16,000
01-300-53700	Special Division Supplies	9,200	6,756	8,000
01-300-55980	Allocation to Fund (02)	(8,510)	(9,748)	(8,900)
01-300-56500	SCADA Maint	35,900	45,467	36,000
	<b>E07 General Production Totals:</b>	<b>76,590</b>	<b>87,732</b>	<b>80,100</b>
<b>E10</b>	<b>Source of Supply</b>			
01-300-55230	Well Maint	130,000	167,921	130,000
	<b>E10 Source of Supply Totals:</b>	<b>130,000</b>	<b>167,921</b>	<b>130,000</b>
<b>E15</b>	<b>Pumping</b>			
01-300-56310	Pumps & Boosters	40,000	82,356	50,000
01-300-56330	Pumps - Electricity & Gas	342,930	355,197	411,900
	<b>E15 Pumping Totals:</b>	<b>382,930</b>	<b>437,553</b>	<b>461,900</b>
<b>E20</b>	<b>Water Treatment</b>			
01-300-52315	Wastewater Disposal	76,600	78,536	60,000
01-300-55110	Chemical Supplies	102,500	66,745	85,000
01-300-55120	Laboratory Services	35,900	32,451	35,000
01-300-55210	Treatment Plant Maint	123,000	58,970	120,000
	<b>E20 Water Treatment Totals:</b>	<b>338,000</b>	<b>236,702</b>	<b>300,000</b>
<b>E25</b>	<b>Transmission &amp; Distribution</b>			
01-300-52410	Software Licensing & Maint	6,200	6,699	6,200
01-300-55240	Tank & Reservoir Maint	24,600	5,509	24,000
01-300-56100	Main Maint & Repair	56,400	29,768	50,000
01-300-56200	Service Lateral Maint & Repair	14,400	12,487	14,000
01-300-56400	Fire Hydrant Maint	8,700	2,687	8,500
01-300-56600	Meter Maint	10,300	31,748	15,000
	<b>E25 Transmission &amp; Distribution Totals:</b>	<b>120,600</b>	<b>88,899</b>	<b>117,700</b>
	<b>Dept 300 Sub Totals:</b>	<b>2,679,212</b>	<b>2,592,805</b>	<b>2,746,887</b>
<b>Dept (400)</b>	<b>Engineering</b>			
<b>E01</b>	<b>Salaries &amp; Benefits</b>			
01-400-51110	Regular Pay	78,810	74,533	84,975
01-400-51114	Overtime Pay	2,500	-	2,500
01-400-51150	Vehicle & Phone Allowance	480	473	480
01-400-51161	Medicare	1,186	1,127	1,319

Account Number	Account Description	FY 2020 Budget	FY 2020 Estimated Actual	FY 2021 Budget
01-400-51202	Retirement - Tier 2	7,629	7,272	8,909
01-400-51206	Retirement - Survivor Benefit	24	25	24
01-400-51211	Medical Cash-in-lieu	3,000	3,000	3,000
01-400-51212	Dental Insurance	782	946	1,273
01-400-51213	Vision Insurance	223	223	223
01-400-51214	Life & AD&D Insurance	83	98	109
01-400-51215	457 & HSA Contributions	-	2,171	2,200
01-400-51216	Employee Assistance Program	28	33	32
01-400-51240	Workers' Compensation	496	554	666
01-400-51700	Allocation to Fund (02)	(9,524)	(9,045)	(10,571)
<b>E01 Salaries &amp; Benefits Totals:</b>		<b>85,717</b>	<b>81,409</b>	<b>95,139</b>
<b>E03</b>	<b>Services</b>			
01-400-52210	Professional Services	20,000	1,335	20,000
01-400-52215	Professional Services (3rd-Party Funded)	(20,000)	-	(10,000)
01-400-52220	Engineering Services	87,760	113,905	170,000
01-400-52410	Software Licensing & Maint	200	7,500	7,500
01-400-52510	Travel & Meetings	1,500	1,711	1,400
01-400-52520	Training	750	1,593	1,000
01-400-52980	Allocation to Fund (02)	-	(12,604)	(18,990)
<b>E03 Services Totals:</b>		<b>90,210</b>	<b>113,440</b>	<b>170,910</b>
<b>E05</b>	<b>Supplies</b>			
01-400-53700	Special Division Supplies	1,000	1,000	1,000
01-400-53980	Allocation to Fund (02)	-	(100)	(100)
<b>E05 Supplies Totals:</b>		<b>1,000</b>	<b>900</b>	<b>900</b>
<b>Dept 400 Sub Totals:</b>		<b>176,927</b>	<b>195,749</b>	<b>266,949</b>
<b>Dept (900)</b>	<b>Board of Directors</b>			
<b>E01</b>	<b>Salaries &amp; Benefits</b>			
01-900-51120	Director Fees	33,500	22,697	38,240
01-900-51161	Medicare	508	328	554
01-900-51162	Social Security	2,170	1,407	2,371
01-900-51212	Dental Insurance	3,734	3,734	3,734
01-900-51213	Vision Insurance	891	891	891
01-900-51214	Life & AD&D Insurance	223	238	290
01-900-51220	Other Post-Employment Benefits	21,932	22,494	21,305
01-900-51240	Workers' Compensation	192	124	227
01-900-51260	Medical Premiums	54,850	53,861	52,465
01-900-51700	Allocation to Fund (02)	(11,800)	(10,577)	(12,008)
<b>E01 Salaries &amp; Benefits Totals:</b>		<b>106,200</b>	<b>95,197</b>	<b>108,069</b>
<b>E03</b>	<b>Services</b>			
01-900-52410	Software Licensing & Maint	120	120	200
01-900-52510	Travel & Meetings	15,700	9,420	15,600
01-900-52520	Training	7,000	-	7,000
01-900-52980	Allocation to Fund (02)	(2,282)	(954)	(2,280)
<b>E03 Services Totals:</b>		<b>20,538</b>	<b>8,586</b>	<b>20,520</b>

Account Number	Account Description	FY 2020 Budget	FY 2020 Estimated Actual	FY 2021 Budget
<b>E05</b>	<b>Supplies</b>			
01-900-53100	Office Supplies	250	-	200
01-900-53910	Office Equipment	600	-	600
01-900-53980	Allocation to Fund (02)	(85)	-	(80)
	<b>E05 Supplies Totals:</b>	<b>765</b>	<b>-</b>	<b>720</b>
	<b>Dept 900 Sub Totals:</b>	<b>127,503</b>	<b>103,783</b>	<b>129,309</b>
	<b>Expense Totals:</b>	<b>5,434,887</b>	<b>5,118,473</b>	<b>5,777,595</b>

**Scotts Valley Water District**  
**Recycled Water Fund (02)**  
**FY 2021 Proposed Budget: Expense**

Account Number	Account Description	Approved Budget	FY 2020 Estimated Actual	FY 2021 Budget
<b>Fund (02)</b>	<b>Recycled Water</b>			
<b>Dept (100)</b>	<b>Administration</b>			
<b>E01</b>	<b>Salaries &amp; Benefits</b>			
02-100-51700	Allocation from Fund (01)	57,186	58,706	64,127
	<b>E01 Salaries &amp; Benefits Totals:</b>	<b>57,186</b>	<b>58,706</b>	<b>64,127</b>
<b>E03</b>	<b>Services</b>			
02-100-52980	Allocation from Fund (01)	32,607	29,168	47,049
	<b>E03 Services Totals:</b>	<b>32,607</b>	<b>29,168</b>	<b>47,049</b>
<b>E05</b>	<b>Supplies</b>			
02-100-53980	Allocation from Fund (01)	1,755	1,738	1,720
	<b>E05 Supplies Totals:</b>	<b>1,755</b>	<b>1,738</b>	<b>1,720</b>
	<b>Dept 100 Sub Totals:</b>	<b>91,548</b>	<b>89,612</b>	<b>112,896</b>
<b>Dept (200)</b>	<b>Finance/Customer Service</b>			
<b>E01</b>	<b>Salaries &amp; Benefits</b>			
02-200-51700	Allocation from Fund (01)	53,778	53,499	56,397
	<b>E01 Salaries &amp; Benefits Totals:</b>	<b>53,778</b>	<b>53,499</b>	<b>56,397</b>
<b>E03</b>	<b>Services</b>			
02-200-52980	Allocation from Fund (01)	16,830	12,657	21,016
	<b>E03 Services Totals:</b>	<b>16,830</b>	<b>12,657</b>	<b>21,016</b>
<b>E05</b>	<b>Supplies</b>			
02-200-53980	Allocation from Fund (01)	300	320	400
	<b>E05 Supplies Totals:</b>	<b>300</b>	<b>320</b>	<b>400</b>
<b>E35</b>	<b>Customer Accounts</b>			
02-200-52650	AMI Data Subscription	662	715	735
02-200-54980	Allocation from Fund (01)	12,898	14,307	15,438
	<b>E35 Customer Accounts Totals:</b>	<b>13,560</b>	<b>15,022</b>	<b>16,173</b>
<b>E80</b>	<b>Debt Service</b>			
02-200-54740	Bond Interest - 2016 JPMorgan	33,956	33,918	29,829
02-200-54750	Bond Principal - 2016 JPMorgan	223,062	184,245	223,062
	<b>E80 Debt Service Totals:</b>	<b>257,018</b>	<b>218,163</b>	<b>252,891</b>
	<b>Dept 200 Sub Totals:</b>	<b>341,486</b>	<b>299,661</b>	<b>346,877</b>

<b>Dept (300)</b>	<b>Operations</b>			
<b>E01</b>	<b>Salaries &amp; Benefits</b>			
02-300-51700	Allocation from Fund (01)	158,941	151,282	161,906
	<b>E01 Salaries &amp; Benefits Totals:</b>	<b>158,941</b>	<b>151,282</b>	<b>161,906</b>
<b>E03</b>	<b>Services</b>			
02-300-52980	Allocation from Fund (01)	19,240	19,885	20,526
	<b>E03 Services Totals:</b>	<b>19,240</b>	<b>19,885</b>	<b>20,526</b>
<b>E05</b>	<b>Supplies</b>			
02-300-53980	Allocation from Fund (01)	3,050	3,722	1,700
	<b>E05 Supplies Totals:</b>	<b>3,050</b>	<b>3,722</b>	<b>1,700</b>
<b>E07</b>	<b>General Production Costs</b>			
02-300-53700	Special Division Supplies	1,000	-	8,000
02-300-55980	Allocation from Fund (01)	8,510	9,748	8,900
	<b>E07 General Production Totals:</b>	<b>9,510</b>	<b>9,748</b>	<b>16,900</b>
<b>E15</b>	<b>Pumping</b>			
02-300-56310	Pumps and Boosters	2,500	1,000	50,000
02-300-56330	Electricity	1,500	1,500	1,500
	<b>E15 Pumping Totals:</b>	<b>4,000</b>	<b>2,500</b>	<b>51,500</b>
<b>E20</b>	<b>Water Treatment</b>			
02-300-55210	Treatment Plant Maint	110,000	110,000	130,000
	<b>E20 Water Treatment Totals:</b>	<b>110,000</b>	<b>110,000</b>	<b>130,000</b>
<b>E25</b>	<b>Transmission &amp; Distribution</b>			
02-300-55240	Tank and Reservoir Maint	1,000	1,000	1,000
02-300-56100	Main Maint & Repair	7,500	7,500	7,500
02-300-56200	Service Lateral Maint & Repair	3,000	3,000	3,000
02-300-56600	Meter Maint	1,000	1,000	1,000
02-300-56800	Recycled Water Monitoring	1,000	1,000	1,000
	<b>E25 Transmission &amp; Distribution Totals:</b>	<b>13,500</b>	<b>13,500</b>	<b>13,500</b>
<b>E30</b>	<b>Water Use Efficiency</b>			
02-300-56900	Recycled Water Fill Station	2,000	-	-
	<b>E30 Water Use Efficiency Totals:</b>	<b>2,000</b>	<b>-</b>	<b>-</b>
	<b>Dept 300 Sub Totals:</b>	<b>320,241</b>	<b>310,637</b>	<b>396,032</b>
<b>Dept (400)</b>	<b>Engineering</b>			
<b>E01</b>	<b>Salaries &amp; Benefits</b>			
02-400-51700	Allocation from Fund (01)	9,524	9,045	10,571
	<b>E01 Salaries &amp; Benefits Totals:</b>	<b>9,524</b>	<b>9,045</b>	<b>10,571</b>
<b>E03</b>	<b>Services</b>			
02-400-52980	Allocation from Fund (01)	-	12,604	18,990
	<b>E03 Services Totals:</b>	<b>-</b>	<b>12,604</b>	<b>18,990</b>
<b>E05</b>	<b>Supplies</b>			
02-400-53980	Allocation from Fund (01)	-	100	100
	<b>E05 Supplies Totals:</b>	<b>-</b>	<b>100</b>	<b>100</b>
	<b>Dept 400 Sub Totals:</b>	<b>9,524</b>	<b>21,750</b>	<b>29,661</b>

<b>Dept (900)</b>	<b>Board of Directors</b>			
<b>E01</b>	<b>Salaries &amp; Benefits</b>			
02-900-51700	Allocation from Fund (01)	11,800	10,577	12,008
	<b>E01 Salaries &amp; Benefits Totals:</b>	<b>11,800</b>	<b>10,577</b>	<b>12,008</b>
<b>E03</b>	<b>Services</b>			
02-900-52980	Allocation from Fund (01)	2,282	954	2,280
	<b>E03 Services Totals:</b>	<b>2,282</b>	<b>954</b>	<b>2,280</b>
<b>E05</b>	<b>Supplies</b>			
02-900-53980	Allocation from Fund (01)	85	-	80
	<b>E05 Supplies Totals:</b>	<b>85</b>	<b>-</b>	<b>80</b>
	<b>Dept 900 Sub Totals:</b>	<b>14,167</b>	<b>11,531</b>	<b>14,368</b>
	<b>Expense Totals:</b>	<b>776,966</b>	<b>733,192</b>	<b>899,834</b>

**Scotts Valley Water District**  
**FY 2021 Proposed Budget: Project Costs**  
**Capital Improvement and Maintenance Projects**

Category	Project Name	Project Description	FY 2020 Carryover	FY 2021 Request	FY 2021 Budget
Transmission Mains	Main Replacement Program - Potable	Replace and upgrade potable water mains based on leak history, service life, and size	\$ 75,000	\$ 550,000	\$ 625,000
Treatment Plants	Orchard Run Water Treatment Plant Improvements	Implement esthetic taste & odor improvements to treatment process by adding new GAC filter and chlorine analyzer injection system. Infrastructure improvements include replacing ammonia based H2S air scrubbing system with a Bio Filtration scrubber. Replace 40,000 gallon bolted steel back wash tank and install new sewer lateral.	\$ 1,890,000	\$ 310,000	\$ 2,200,000
	El Pueblo Water Treatment Plant Improvements	Replace manual 1980's filter control system with programable automated control system linked with SCADA.	\$ 30,000	\$ -	\$ 30,000
	Well 10 WTP Water Quality Improvements	Implement esthetic taste & odor improvements by adding additional filter bed and Chlorine analyzer equipment.	\$ -	\$ 113,000	\$ 113,000
	Treatment Facility for New Production Well	New Lompico Formation Production Well and Treatment Plant.	\$ -	\$ 100,000	\$ 100,000
Storage Tanks	Bethany Tank Rehabilitation	Construct additional tank on-site to allow for roof reconstruction and interior and exterior coating replacement of 400,000 gallon Bethany Tank. Project extends tank service life and provides additional permanent storage and redundancy.	\$ 100,000	\$ 100,000	\$ 200,000
Pump Stations	Polo Ranch Pump Station	Polo Ranch Flow control station has been modified to provide booster pumping into the Southwood pressure zone when needed. The Southwood Booster station on Granite Creek Road will be retired.	\$ -	\$ 75,000	\$ 75,000
Wells	Lompico Formation Production Well (Well 9 Replacement)	Construct a new production well that is needed to offset lost production capacity from Well 9 & Well 11A. The replacement well will in part be sited to provide for a more balanced withdrawal rate from the Lompico Aquifer.	\$ -	\$ 100,000	\$ 100,000
Recycled Water Supply	Purified Recycled Water Recharge	Supplemental supply project to increase groundwater reliability, especially in dry years (climate change related change). Could be shifted to SMGWA or replaced with conjunctive use.	\$ 525,000	\$ -	\$ 525,000
Meters	Automated Metering Infrastructure (AMI)	Install AMI transmitters on all meters over 3-4 year period.	\$ -	\$ 100,000	\$ 100,000
	Meter Replacement Program	Replace all meters installed before 2012 at the rate of 800-1000 meters per year.	\$ -	\$ 75,000	\$ 75,000
Technology	Utility Billing Software Improvements	Improvements and/or enhancements to Utility Billing (UB) and Payment Processing softwares	\$ 20,000	\$ 10,000	\$ 30,000
Fleet	Vehicle Replacement Program	Replace aging fleet: one vehicle per year on average, starting FY 2019.	\$ -	\$ 42,000	\$ 42,000
	Specialized Operations Equipment	Replace heavy equipment and specialized vehicles on as-needed basis.	\$ -	\$ 25,000	\$ 25,000
Buildings	Administrative Building Improvements	Repairs and modifications to the office facility to support business operations	\$ -	\$ 30,000	\$ 30,000
<b>Total Projects</b>			<b>\$ 2,640,000</b>	<b>\$ 1,630,000</b>	<b>\$ 4,270,000</b>