

City of Scotts Valley

Service and Sphere of Influence Review



Adopted Version (March 3, 2021)

Local Agency Formation Commission of Santa Cruz County

701 Ocean Street, Room 318-D Santa Cruz, CA 95060

Website: www.santacruzlafco.org

Phone: (831) 454-2055



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PHOTO CREDITS

"City Drone Sunset" courtesy of Robert Aldana (Cover Page)

"Scotts Valley Fog" courtesy of Soaring Eagle Eyes, Paul Regan (Page 26)

"Scotts Valley Aerial" courtesy of Soaring Eagle Eyes, Paul Regan (Page 28)

"MacDorsa Park" courtesy of the City of Scotts Valley"

EXECUTIVE SUMMARY

Introduction

This Service and Sphere of Influence Review provides information about the services and boundaries of the City of Scotts Valley (“City”). This report will be used by the Local Agency Formation Commission to conduct a statutorily required review and update process. The Cortese-Knox-Hertzberg Act requires that the Commission conduct periodic reviews and updates of Spheres of Influence for all cities and special districts in Santa Cruz County (Government Code section 56425). It also requires LAFCO to conduct a review of municipal services before adopting sphere updates (Government Code Section 56430). The City’s last service review was adopted on November 2, 2016.

The municipal service review process does not require LAFCO to initiate changes of organization based on service review conclusions or findings; it only requires that LAFCO make determinations regarding the delivery of public services in accordance with the provisions of Government Code Section 56430. However, LAFCO, local agencies, and the public may subsequently use these determinations and related analysis to consider whether to pursue changes in service delivery, government organization, or spheres of influence.

Service and sphere reviews are informational documents and are generally exempt from environmental review. LAFCO staff has conducted an environmental review of the City’s existing sphere of influence pursuant to the California Environmental Quality Act (CEQA) and determined that this report is exempt from CEQA. Such exemption is due to the fact that it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment (Section 15061[b][3]).

City Overview

The City of Scotts Valley was incorporated in 1966 and operates as a general law city pursuant to the laws of the State of California. Scotts Valley’s city limits encompasses approximately five square miles and has a population estimated at 12,000. An overview map, depicting the current jurisdictional and sphere boundaries, is shown as **Figure 1** on page 5. The City provides an array of services, including but not limited to, law enforcement, animal control, wastewater treatment, and stormwater management. A full review of all services are covered within this report.

Sphere of Influence

Santa Cruz LAFCO adopted the City’s first sphere of influence on October 16, 1985. The current sphere includes areas outside the City’s jurisdictional boundary. The last sphere update occurred in November 2016. LAFCO staff is recommending that the sphere boundary be reaffirmed, as shown in **Figure 11** on page 31.

Key Findings

The following are key findings of the 2021 Service and Sphere of Influence Review for the City of Scotts Valley:

1. The City provides multiple services to an estimated 12,000 constituents.

Scotts Valley provides various types of municipal services, which can be categorized in two activities (Government and Business). Government activities include animal control, public safety, and public works. Business activities include recreation and wastewater services. In 2020, the City's population was estimated to be 12,145. LAFCO staff projects that the City's population will reach 12,418 by 2040.

2. The City is facing some financial constraints.

Scott Valley's financial performance has experienced a deficit in five of the last six years. The City is funded by business and government activities. Business activities are derived from wastewater and recreational services. Based on LAFCO staff's analysis, revenues from these business activities do not cover the annual costs. As a result, audited financial statements from 2014 to 2019 indicate that the City's net balance has been on a steady decline from \$39 million to \$26 million. As of June 30, 2020, the City was operating with a net position of approximately \$25 million.

3. The City has implemented a new rate structure for wastewater services.

Scotts Valley conducted a cost analysis in 2017 to determine the best method for addressing the financial gap between revenues and costs associated with its wastewater provisions. On average, total revenue has been around \$167,000 over the last five years; however, the average total expenditure is over \$408,000 during the same timeframe. Service rates have since been increased to ensure that total revenue cover annual costs. As a result, the City ended FY 2018-19 with a positive balance for the first time in four years.

4. The City is currently receiving water services from two special districts.

The Scotts Valley community currently receives water service from either the Scotts Valley Water District (SVWD) or the San Lorenzo Valley Water District (SLVWD). The majority of Scotts Valley residents receive water from SVWD. By having two water providers, the residents of Scotts Valley are subject to two different boards, policies, and water rates. It may be beneficial if the City, the two water districts, and LAFCO collaborate to determine the most efficient method of providing water service to the entire Scotts Valley community.

5. The City is currently within two supervisorial districts.

The Santa Cruz County Board of Supervisors consists of five Supervisors who are elected from one of five districts. Federal and State law requires the Board of Supervisors to adjust the boundaries of the five supervisorial districts every ten years to ensure that representation is equal among the districts. The last redistricting occurred in September 2011. At present, Supervisorial Districts No. 1 and No. 5 split the City of Scotts Valley. It may be beneficial for the City to coordinate with the County to see whether there are any benefits in redistricting the current boundaries to encompass the entire City in either District No. 1 or No. 5.

6. The City's sphere of influence is larger than its jurisdictional boundary.

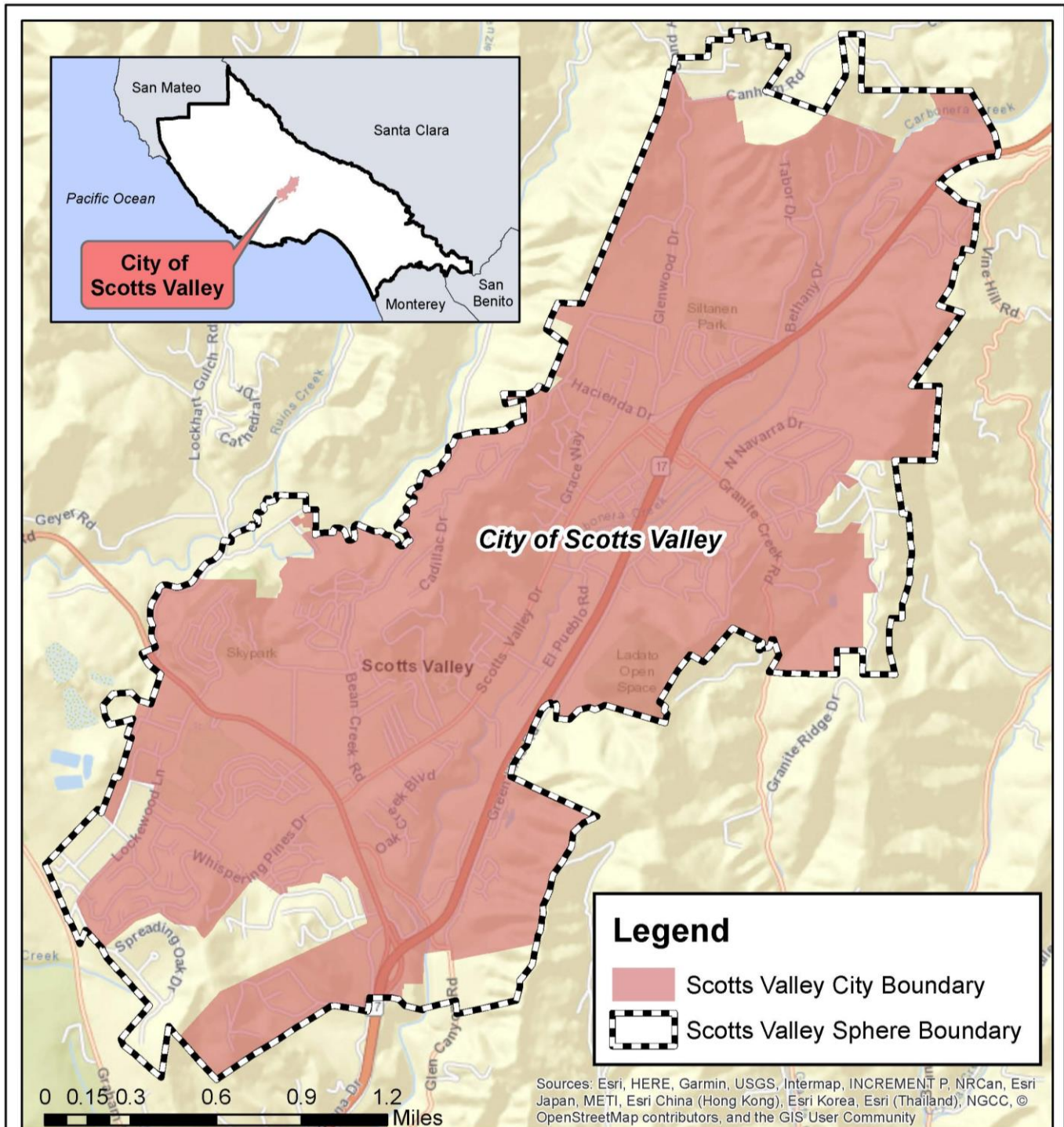
Scotts Valley's original sphere boundary was established on October 16, 1985. At present, the current sphere goes beyond City limits and includes 11 unincorporated areas totaling 547 acres. The last sphere update occurred in November 2016. LAFCO staff is not recommending any changes to its existing sphere.

Recommended Actions

Based on the analysis and findings in the 2021 Service and Sphere of Influence Review for the City of Scotts Valley, the Executive Officer recommends that the Commission:

1. Find, pursuant to Section 15061(b)(3) of the State CEQA Guidelines, that LAFCO determined that the sphere of influence review is not subject to the environmental impact evaluation process because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and the activity is not subject to CEQA;
2. Determine, pursuant to Government Code Section 56425, that LAFCO is required to develop and determine a sphere of influence for the City of Scotts Valley, and review and update, as necessary;
3. Determine, pursuant to Government Code Section 56430, that LAFCO is required to conduct a service review before, or in conjunction with an action to establish or update a sphere of influence; and
4. Adopt LAFCO Resolution (No. 2021-06) approving the 2021 Service and Sphere of Influence Review for the City of Scotts Valley with the following conditions:
 - a. Reaffirm the City's current sphere of influence;
 - b. Coordinate with the City, Scotts Valley Water District, and San Lorenzo Valley Water District to determine whether there is a more efficient way to provide water service to the Scotts Valley community beyond the status quo;
 - c. Coordinate with the City and the County to determine whether unincorporated communities adjacent to Scotts Valley should be located in only one Supervisorial district; and
 - d. Direct the Executive Officer to distribute a copy of this adopted service and sphere review to the City of Scotts Valley, Scotts Valley Water District, San Lorenzo Valley Water District, the Board of Supervisors and any other interested or affected parties identified in the service review.

Figure 1: Vicinity Map



City of Scotts Valley Jurisdictional and Sphere Boundaries

Original Sphere of Influence adopted on October 16, 1985

Last Sphere of Influence Update on November 2, 2016

Proposed Sphere Reaffirmation on March 3, 2021

CITY OVERVIEW

History

Scotts Valley was incorporated as a city on August 2, 1966 and is currently a small community that encompasses an area of approximately five (5) square miles with a population of approximately 12,000. **Appendix A** provides a timeline of all the boundary changes approved by LAFCO since its inception. Scotts Valley is located in the center of Santa Cruz County and is six miles north of the City of Santa Cruz, as shown on page 5. The City operates under a council-manager form of municipal government and provides an array of municipal services.

Services & Operations

The City of Scotts Valley provides various types of municipal services which can be categorized in two activities (Government and Business). Government activities include animal control through a joint powers authority, public safety, planning and building, and public works. Business activities include recreation and wastewater services. At present, the City does not offer fire protection or water services. These two municipal services are provided by the Scotts Valley Fire Protection District and Scotts Valley Water District or San Lorenzo Valley Water District, respectively. The following provides a summary of Scotts Valley's government and business operations. The *Governance Chapter* of this report provides a breakdown of the number of full-time employees within each service and operation.

Animal Control

The City is a member of the Santa Cruz County Animal Shelter, a Joint Powers Authority (JPA) formed in June 2002 that includes the County and all four cities (Capitola, Santa Cruz, Scotts Valley, and Watsonville). The JPA provides a full range of services to the community and operates two shelters: one located on 7th Avenue in Santa Cruz County and one located on Airport Boulevard in Watsonville. The JPA is responsible for enforcing laws and codes involving animals within incorporated and unincorporated areas.

Public Safety (Police Protection)

The Police Department provides public safety for Scotts Valley through community partnerships, proactive law enforcement and professionalism. Under the Office of the Police Chief, the department is organized into two divisions: Operations and Services. Operations encompass uniformed patrol services, whereas the Services division is comprised of the Investigation Unit and Communications/Records. The department employs crime prevention strategies that include community awareness and education, proactive targeted enforcement of problem areas, and community oriented policing. Although services were scaled back during the COVID-19 pandemic, the department typically facilitates community outreach through daily interactions, a School Resource Officer assignment and teaching DARE in schools, police department tours, neighborhood watch programs, foot patrols, social media, and many other community outreach programs. The Police Department's workload remains consistent from year to year. These typical recurring activities are assumed in the baseline activities of the department. Forces that may impact the department's workplan include changes in laws and policies, new technology, work force levels, and personnel development. **Table 1** on page 7 shows several goals outlined in the Police Department's workplan for FY 2020/21.

Table 1: Police Department Workplan (FY 2020-21)

Goal/Project	Description
1. Communications	The department maintains an independent PSAP (Public Safety Answering Point), or dispatch center. Often the first point of contact for individuals in crisis, our dispatchers triage priority and non-priority calls and dispatch officers accordingly.
2. Community Outreach Programs	The department will continue its outreach into the community by partnering with other Scotts Valley organizations, offering crime prevention education, and through social media. The department will continue to use social media, such as Facebook, Nixle and NextDoor to keep our community informed. The department's Facebook page is the most followed governmental site in Scotts Valley. The department's personnel also organize and work annual charity events: Holiday Toy Drive and DARE Golf Tournament.
3. Emergency Operations Planning	The department will update the Emergency Operations Plan addressing any changes to personnel and contact information. The department will conduct a city-wide Emergency Operations Center training and exercise to better prepare for potential major disasters, such as earthquakes.
4. Patrol Operations	This is the department's largest commitment of resources and personnel. Through uniformed patrols, officers respond to calls for service and conduct self-initiated activities to bring safety and a high quality of life to citizens of Scotts Valley, including Scotts Valley schools. For FY 2020/21, the department will be creating a bicycle patrol team for enhanced patrols of open space, trail systems, and commercial districts.
5. Personnel Development	The department will develop existing personnel for more responsibilities and advancement. The department will focus on outside training opportunities for existing personnel so they can develop their skills and prepare to take on more responsibilities. Additionally, the department will update its in-service training program and technology.
6. Policy	The department will update its department policy manual reflecting current case law and best practices.
7. Recruitment	The department will continue to seek out and hire highly qualified officers and dispatchers. The department will continue its aggressive recruitment program to attract and hire the best possible employees for this department.

****Footnote: Workplan was adopted prior to COVID-19***

Planning & Building

The Planning Department is responsible for current and long-term planning as it relates to the growth and development of the City. Staff reviews development proposals and processes residential and commercial applications. The Planning Department periodically updates an active project list which identifies key development projects that are under construction, approved, or under review, as shown in **Appendix B**. This is not an all-inclusive list, but reflects highly visible projects in the community. As of January 2021, there have been 7 projects under construction, 3 approved projects, and 7 projects under review.

Public Works

The Public Works Department provides the City of Scotts Valley with a variety of services, including but not limited to engineering design, stormwater management, and street maintenance. The following provides an overview of such services.

Engineering

The Engineering Division includes three primary categories: design and construction, traffic engineering, and land development. The design and construction category includes design and implementation of capital improvement projects. Traffic engineering consists of the review of traffic impact studies, traffic movement counts, capacity analyses, and management of traffic signals throughout the City. Land development includes reviewing projects proposed by perspective land developers and coordinating the review process with other departments such as Planning, Police, and other agencies.

Stormwater Management

The City storm drain system collects storm water runoff from City streets along gutters and through underground pipes to discharge into waterways. The system is designed for the control of flooding and does not provide any treatment to storm water runoff. In June 2009, the City adopted a Storm Water Management Plan. Urban runoff and other “non-point source” discharges are regulated by the 1972 Federal Clean Water Act (CWA) through the National Pollutant Discharge Elimination System (NPDES) permit program. The City's plan is a comprehensive program designed to reduce the discharge of pollutants to the maximum extent practicable (MEP) and encompasses best practices. Scotts Valley continues to condition projects in order to detain a 10-year storm event for pre-development rates and include percolation considerations to the maximum extent feasible including percolation pits and roof leaders directed into landscaped areas.

Street Maintenance

The condition of road and street infrastructure is primarily a factor of available funding and acceptable levels of service. Two management tools that are used by cities in California are a Pavement Management Program and a Pavement Condition Index (PCI). A Pavement Management Program serves as a master plan and identifies maintenance needs, pavement condition, and projected costs. It generally includes an implementation plan as well as funding priorities. A PCI is generated by an inventory of street and road segments and an evaluation of their present condition. PCI data provides existing conditions information for the Pavement Management Program. PCI ratings are based on a scale of 0 to 100. A rating of 25 or below indicates significant deterioration, while 75

and above indicates that the segment is acceptable and generally meets standards. An agency's average PCI can easily fluctuate over a given time period due to funding availability, weather, and the amount of deferred maintenance.

The Road Repair and Accountability Act of 2017 (SB1) will provide nearly \$200,000 in revenues to the City to fund road maintenance and rehabilitation. In FY 2017-18 a pavement management study (PMS) was completed to inform the prioritization and funding of streets throughout the City. Based on the study, there is a need for nearly \$900,000 in funding required to maintain the City's roadways at a PCI level of 58. Additional resources will be required to maintain PCI levels desired by the City. Transportation-related projects currently expect to be funded based upon additional revenue sources provided by Santa Cruz County Measure D, gas tax revenues, and SB-1 funding. SB-1 funds have helped the City increase its annual street maintenance/resurfacing program from \$75,000 to \$295,000.

Parks & Recreation

The Parks & Recreation Department provides a variety of public parks, recreation facilities and recreation programming for the community. These facilities include approximately 50 acres of open space with hiking trails, BBQ areas and athletic fields, a community center, a dog park, large parks with playgrounds, a senior center, skate parks, smaller neighborhood parks, and tennis courts. Although services were reduced due to the limitations of the COVID-19 pandemic, the City typically provides high quality recreation programming that includes children and adult activities ranging from sports and crafts to music and aquatics. Despite the ongoing pandemic, the City of Scotts Valley has spearheaded efforts to provide its residents resources and activities during a time of social distancing, as shown in **Table 2**.

Table 2: City of Scotts Valley Recreation Online Resource Center

Resource	Description
Library	Offering a "Spring Reading Challenge" and virtual parenting workshops.
Social Media	Access to Scotts Valley's two Facebook pages dedicated to recreation activities and updates on city-related news
School Age Recreation	Offering arts and crafts, "Games of the Week", basketball dribbling challenges, and snack recipes.
Senior Center	Access to Scotts Valley's senior center newsletter, which provides community news, highlights local businesses, and other interesting activities and information.
Local Information Activities	Offering information about Scotts Valley Unified School District's lunch program, and the latest news about access to countywide parks and beaches.
TK/Preschool	Offering creative ways to entertain children in an educational manner during these unusual times.

Wastewater

The Scotts Valley Water Reclamation Facility (WRF) is owned and operated by the City to provide residents with efficient, reliable wastewater treatment services and high-quality recycled water for landscape irrigation and other potential beneficial uses. The plant was originally constructed in 1964 as a 30,000 gallon per day package wastewater treatment plant in order to provide secondary level wastewater treatment. In 1972, an activated sludge treatment system was added and plant capacity was expanded to 120,000 gallons/day. Over the years plant capacity has been expanded several times to serve growth in the community and it now has the capacity to treat 1.5 million gallons each day, enough to see the City through planned build-out. The City produces annual reports evaluating the status of the wastewater system and its infrastructure. Each report since 2008 is available on the City's website. **Appendix C** provides a copy of the 2019 report.

Reclamation Facility Upgrades

Recent plant upgrades include a Tertiary Treatment Facility that treats up to 1 million gallons per day (MGD) of recycled water. In 2001, the City received a permit from the Regional Water Quality Control Board to produce recycled water for unrestricted irrigation use. The recycled water is used mainly for irrigation at businesses, landscape medians, local parks, residences, and schools. State-of-the-art ultraviolet disinfection kills any pathogens (disease causing bacteria) without the use of chemicals such as chlorine. Following disinfection, the tertiary treated water meets State Title 22 standards for water reuse in California and is safe for all permitted uses.

Lift Stations

Scotts Valley owns and operates seven lift stations at various locations throughout the City. All stations are inspected three times each week. During these routine inspections, hourly readings are taken to verify normal running times and flow throughout. Stations equipped with permanent emergency generators are tested on emergency power on a weekly basis to ensure proper operation. Five of the seven stations are equipped with permanent emergency standby power. All of the City's seven stations have backup pumps, redundant controls, and alarm SCADA systems that automatically call 24-hour emergency personnel in case of a power outage or high-level conditions.

Service Rates

The City bills for their commercial wastewater service every two months and residential customers pay on their annual property tax bill. In March 2017, the City contracted with Bartle Wells Associates (BWA) to prepare a wastewater rate model for FY 2017/18. The last comprehensive wastewater study was completed in 1992. The most recent wastewater rate adjustment (5%) went into effect on July 1, 2015. The Five-Year Financial Plan was included in the adopted FY 2017/18 Annual Budget and it indicated that without any revenue adjustments, there would be an ongoing annual structural deficit in Wastewater Enterprise Funds of over \$1 million by FY 2020/21, depleting all reserves by FY 2021/22. In June 2017, the City reviewed a draft wastewater rate model prepared by BWA. Upon review of the draft rate model, the Council directed staff to issue a public hearing rate notice for a three-year rate model that includes a 15% increase in each of the three years. In August 2017, the Council approved rate increases for FY 2017-18 to FY 2019-20. **Table 3** on the following page shows wastewater rates from 2016 to 2020. **Appendix D** also provides a complete copy of the wastewater rate study.

Table 3: Wastewater Service Rates

Rates	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Residential				
<u>Single-Family</u>				
Flat Monthly Fee	\$30.57	\$35.16	\$40.43	\$46.49
Low-Income Homes	\$26.90	\$30.94	\$35.58	\$40.91
<u>Multi-Family</u>				
Flat Monthly Fee	\$21.41	\$24.62	\$28.31	\$32.56
Low-Income Homes	\$18.84	\$21.67	\$24.92	\$28.65
<u>Mobile Home</u>				
Flat Monthly Fee	\$20.40	\$23.46	\$26.98	\$31.30
Low-Income Homes	\$17.95	\$20.64	\$23.74	\$27.30
Commercial & Industrial				
<u>Commercial and Industrial</u>				
Monthly Minimum Fee	\$30.57	\$35.16	\$40.43	\$46.49
<u>Charge per 100gal</u>				
Uniform Rate	\$0.79	-	-	-
<u>Charge per 100gal (w/ strength factor)</u>				
Low Strength	-	\$0.63	\$0.73	\$0.84
Medium Strength	-	\$0.84	\$0.97	\$1.11
High Strength	-	\$1.08	\$1.24	\$1.43

2021 Wastewater Study

It is LAFCO's understanding that a new wastewater study is currently underway and expected to be presented to the City Council in April 2021. This additional study highlights the City's ongoing efforts to accurately reflect the funding needed to continue providing wastewater services to their residents at an efficient and effectively level.

Population and Growth

The Association of Bay Area Governments (ABAG) and the Association of Monterey Bay Area Governments (AMBAG) provide population projections for cities and counties in the Coastal Region. In general, the Coastal Region is anticipated to have a slow growth over the next twenty years. Based on staff's analysis, the population for the City of Scotts Valley in 2020 was estimated to be around 12,000. **Table 4** shows the City's anticipated population over the next twenty years. The average rate of change is 0.56%. Under this rate, projections indicate that the entire population of Scotts Valley will be approximately 12,400 by 2040.

Table 4: Projected Population

	2020	2025	2030	2035	2040	Average Rate of Change
Santa Cruz County (unincorporated area)	136,891	137,896	139,105	140,356	141,645	0.96%
City of Scotts Valley	12,145	12,214	12,282	12,348	12,418	0.56%

Source: AMBAG 2018 Regional Growth Forecast

Disadvantaged Unincorporated Communities

State law requires LAFCO to identify and describe all “disadvantaged unincorporated communities” (DUCs) located within or contiguous to existing spheres of influence for cities and special districts that provide fire protection, sewer, and/or water services. DUCs are defined as inhabited unincorporated areas within an annual median household income that is 80% or less than the statewide annual median household income.

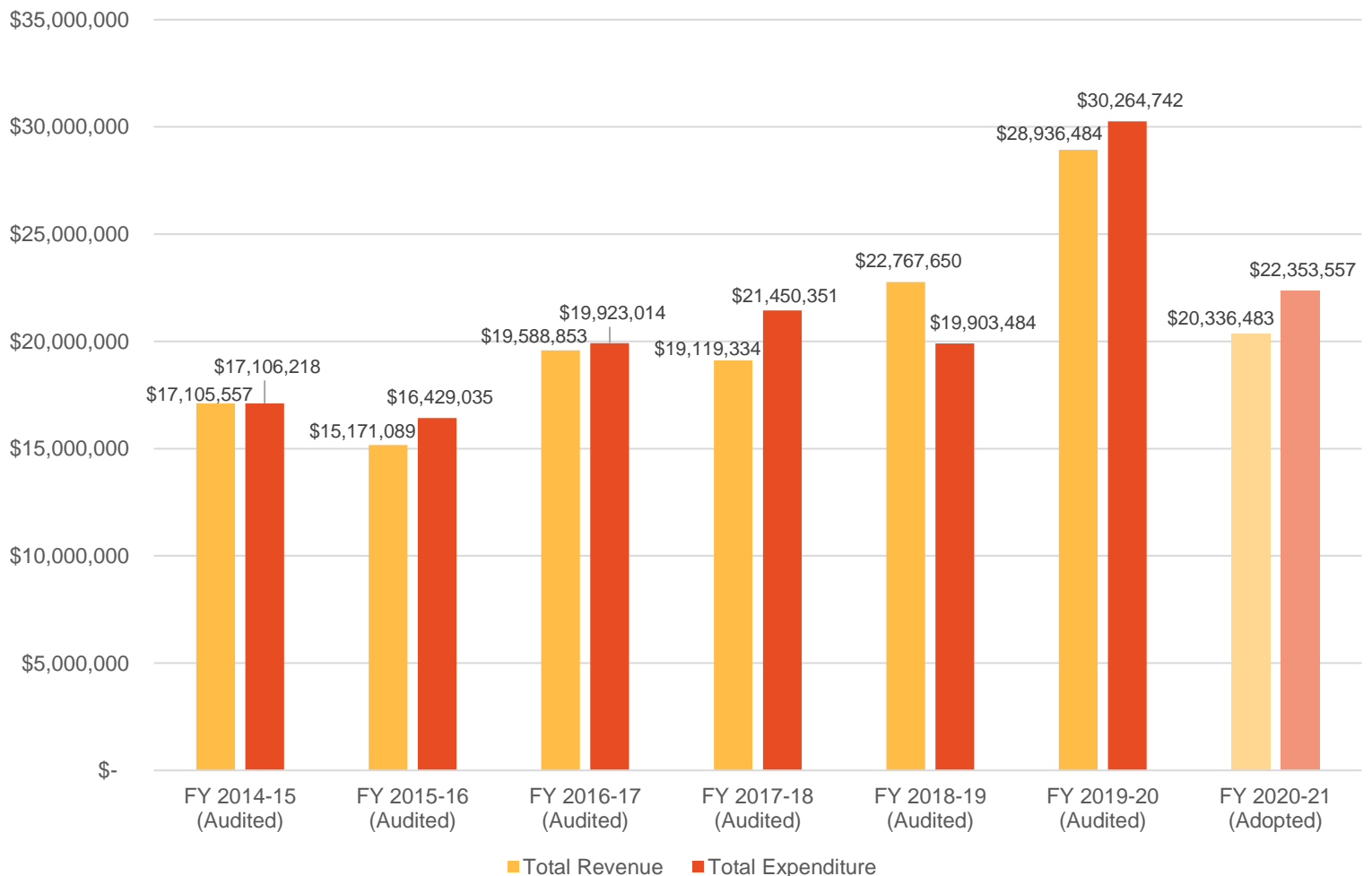
In 2017, the California statewide median household income was \$67,169, and 80% of that was \$53,735. LAFCO staff utilized the ArcGIS mapping program to locate any potential DUCs in the County. Based on the criteria set forth by SB 244, staff's analysis indicates that there are no disadvantaged unincorporated communities within or surrounding the City of Scotts Valley.

FINANCES

This section will highlight the City's financial performance during the most recent fiscal years. Fiscal Year 2019-20 is the latest audited financial statement available. LAFCO evaluated the City's financial health from 2014 to 2020, including the recently adopted budget for FY 2020-21. A comprehensive analysis of the City's financial performance during the past six years is shown in **Tables 8 and 9** on pages 19 and 20. The sources used by LAFCO are available in **Appendix E**.

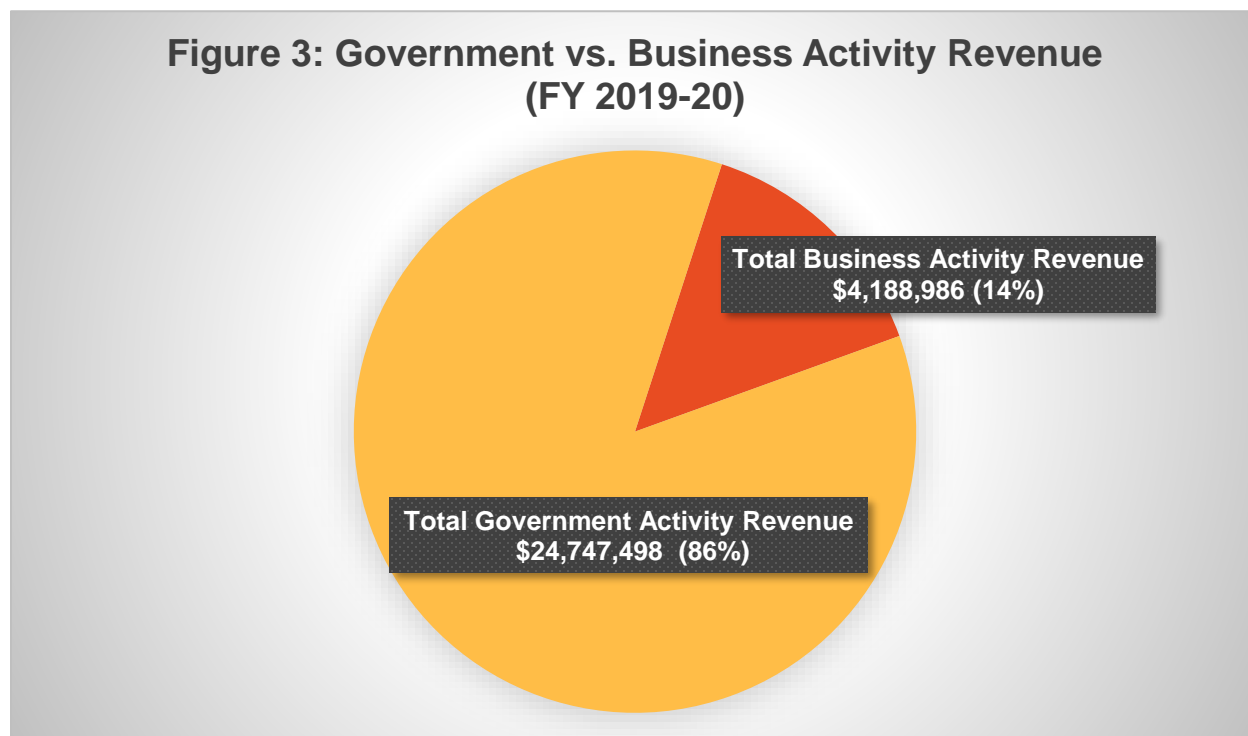
At the end of Fiscal Year 2019-20, total revenue collected was approximately \$28.9 million, representing a 27% increase from the previous year (\$22.7 million in FY 18-19). Total expenses for FY 2019-20 were approximately \$30.2 million, which increased from the previous year by 52% (\$19.9 million in FY 18-19). Excluding FY 2018-19, the City has ended each fiscal year with a deficit since 2014, as shown in **Figure 2**. LAFCO staff believes that this negative trend may continue based on the six-year performance and the fact that the City anticipates another possible deficit at the end of the next budget cycle due to the economic downturn from the ongoing pandemic.

**Figure 2: Total Revenue vs Total Expenses
(FY 2014-15 to FY 2020-21)**



Revenues

The City provides various municipal services to the Scotts Valley community. For financial purposes, the City categorizes its operations under two divisions: Government and Business-type activities. The primary source of revenue comes from government activities (86%), as shown in **Figure 3**. The following section summarizes the revenue stream from both categories.



Business Activity Revenue

The City provides wastewater services and recreational programs, both of which are funded through user fees. In FY 2019-20, revenues from this category increased by \$120,000 or 3% from the previous year. This is made up of an increase in charges for services of \$23,724 offset by a decrease in capital grants and contributions of (\$194,420). Charges for services increased in Wastewater by \$406,011, or 15%, due primarily to planned fee increases of 15% to wastewater rate payers. Charges for services in recreation programs, however, decreased by (\$382,287), or (35%), due primarily to the impacts of the stay-at-home orders issued by the County Health Department and the Governor's Office in March 2020 related to the COVID-19 pandemic. All recreation programs were effectively shut down from March 16, 2020 through the end of the fiscal year and, thus, revenues were not collected during that time. The decrease in capital grants and contributions was due to the completion of certain wastewater system improvements in FY 2019 that were partially funded through state grant programs.

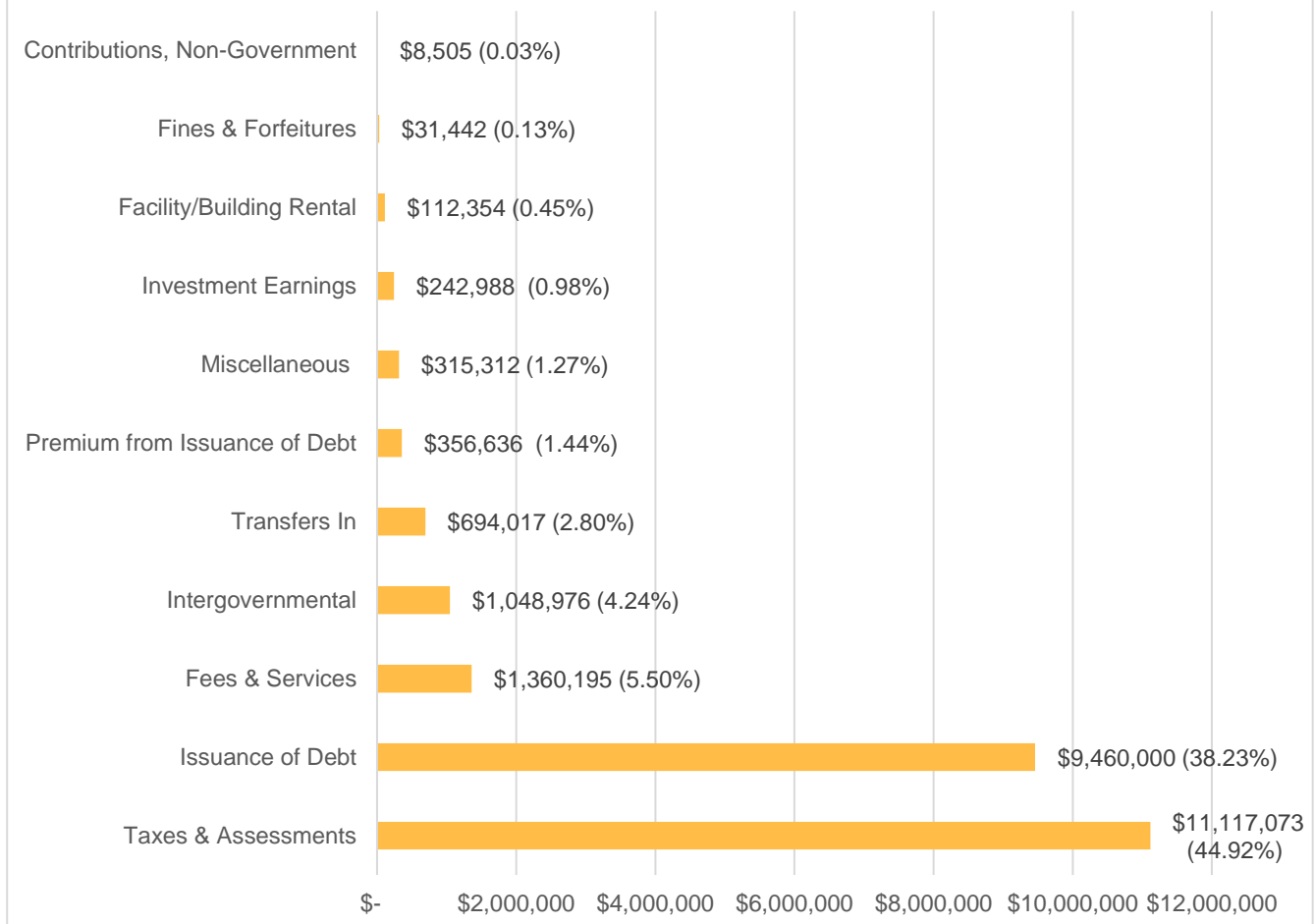
Based on LAFCO staff's analysis, total revenue from business activities continues to be lower than total expenditures, resulting in the ongoing deficit. **Table 5** on page 15 shows the City's business activity revenue trend from 2014 to 2020. Under this time frame, the City has an average total revenue of approximately \$167,000. However, the average total expenditure is approximately \$409,000, as shown on **Table 6** on page 16.

Table 5: Business Activity – Total Revenue

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Average
Total Revenue	\$3,353,634	\$3,083,251	\$3,401,538	\$4,001,412	\$4,068,805	\$4,188,986	
Difference (\$)		\$(270,383)	\$318,287	\$599,874	\$67,393	\$120,181	\$167,070
Difference (%)		-8%	10%	18%	2%	3%	5%

Government Activity Revenue

All other services are provided by the City through government activities. In FY 2019-20, revenues from governmental activities increased from the previous year by approximately \$6 million or 32%. However, the City experienced a decrease in charges for services revenues as a result of decreased development activity in FY 2020 as well as the impacts from the COVID-19 pandemic recession. Based on LAFCO staff's analysis, the City's primary source of government activity revenue is from property taxes (45%), as shown in the figure below.

Figure X: Government Activities - Total Revenue (FY 2019-20)

Expenditures

Business Activity Expenses

The City's business expenses represented approximately 15% of total expenditure during FY 2019-20, as shown in **Figure 5**. As previously mentioned, the average total revenue from business activities from FY 2014-15 to FY 2019-20 was \$167,000. However, based on LAFCO staff's analysis, total expenses from business activities during the same time period has been increasing at a higher rate. **Table 6** shows the trending in total expenses for business activities.

Figure 5: Government vs Business Activity Expenditure (FY 2019-20)

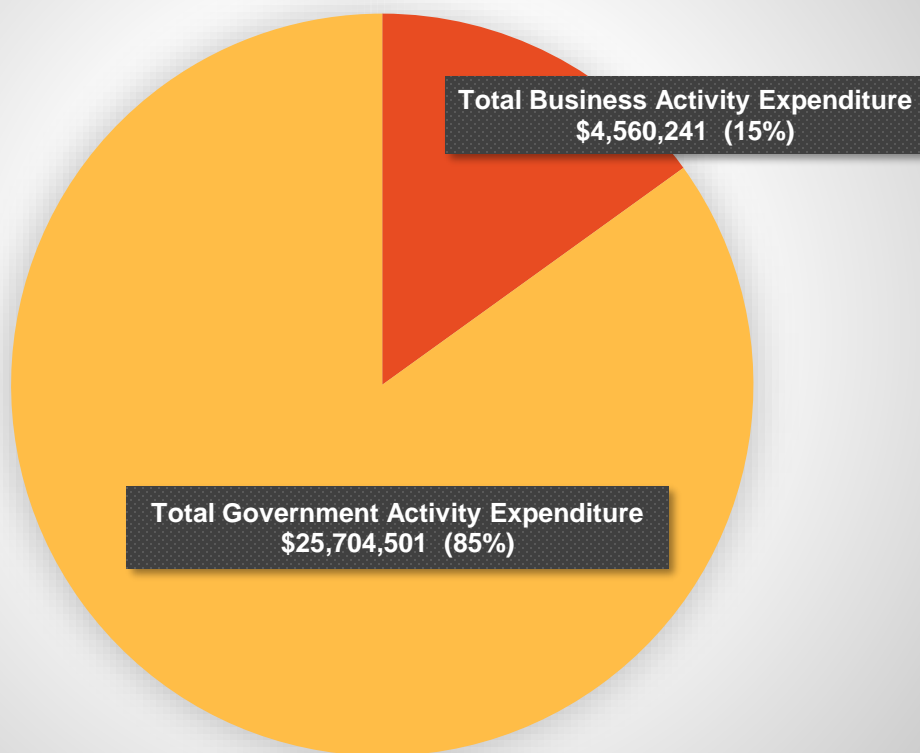


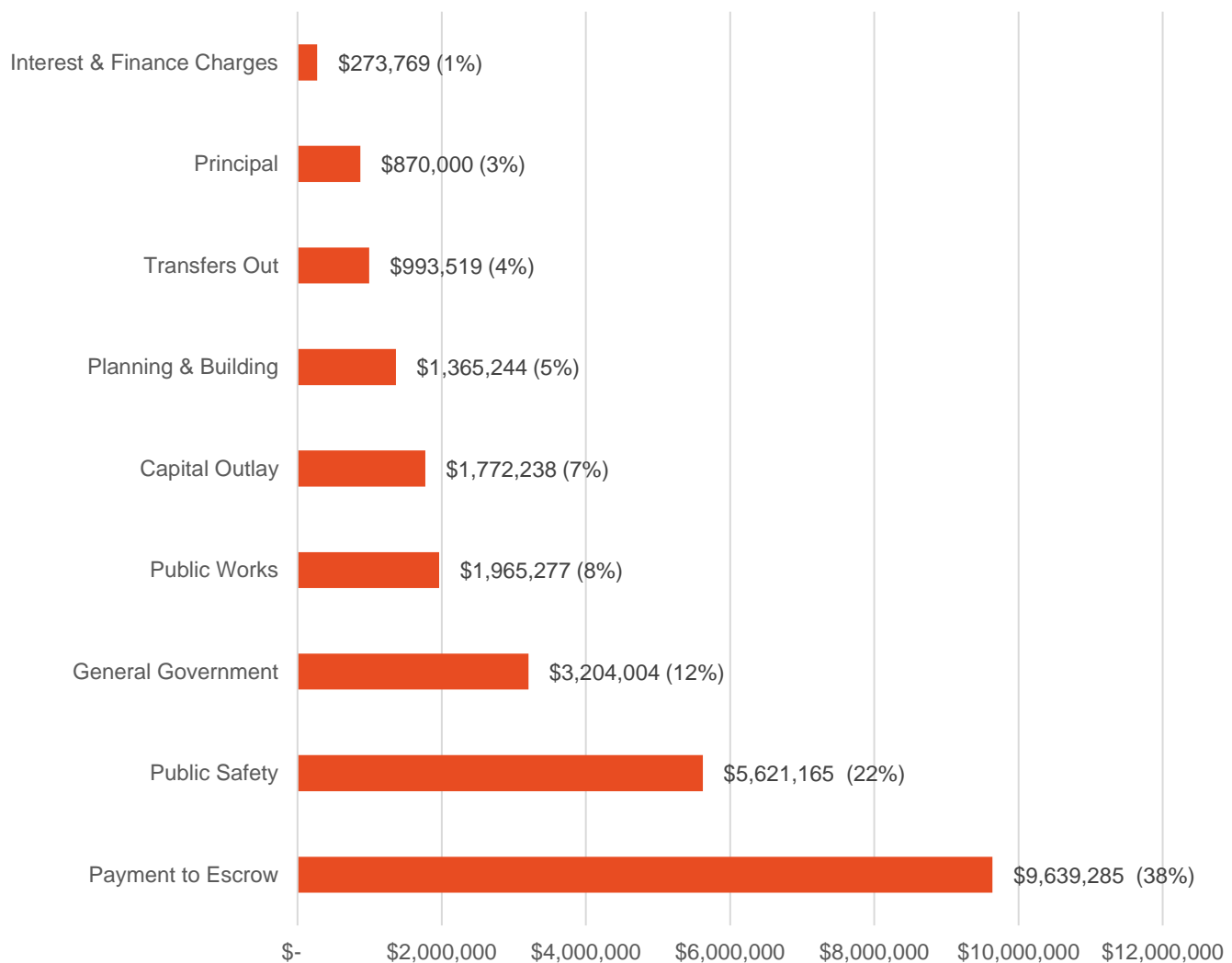
Table 6: Business Activity – Total Expenses

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	Average
Total Expenses	\$4,151,437	\$4,409,872	\$5,762,590	\$6,607,369	\$4,819,518	\$4,560,241	
Difference (\$)		\$258,435	\$1,352,718	\$844,779	\$(1,787,851)	\$(259,277)	\$408,804
Difference (%)		6%	31%	15%	-27%	-5%	4%

Government Activity Expenses

In FY 2019-20, government activity expenses increased by approximately \$11 million from the previous year. These increases were due primarily to pension and Other Post-Employment Benefits (OPEB) costs associated GASB 68 and GASB 75 pension expenses, respectively, as well as staff salary and benefits adjustments. Based on LAFCO staff's analysis, the City's primary government activity expenses are derived from public safety (22%) and escrow payments (38%). **Figure 6** provides a breakdown of all expenses associated with the City's government activity expenses.

**Figure 6: Government Activity - Total Expenditure
(FY 2019-20)**



**Footnote: During FY 2020, the City issued lease revenue financing bonds to refinance debt obligations related to outstanding certificates of participation. The City issued \$9.46 million in new lease revenue financing bonds and liquidated the prior debt through payments totaling \$9.63 million, characterized as payments to escrow in the City's FY 2020 CAFR. These are one-time transactions that allowed the City to capitalize on the low-interest environment and, thus, save the City's General Fund in future interest costs associated with these debt obligations.*

Fund Balance / Net Position

As of June 30, 2020, the total net position balance ended with approximately \$25 million. The following table highlights the net position balance from 2014 to 2020. As shown in **Table 7** and **Figure 7**, the City's fund balance experienced a decrease each year except for FY 2018-19. Based on this historical trend, LAFCO staff believes this decline may continue due to the economic downturn resulting from the ongoing pandemic. This healthy balance of \$25 million in the City's Fund Balance will be critical in the event that Scotts Valley faces further unintended expenses, major capital improvement projects, or emergency repairs.

Table 7: Net Position (2014 to 2021)

	FY 14-15 (Audited)	FY 15-16 (Audited)	FY 16-17 (Audited)	FY 17-18 (Audited)	FY 18-19 (Audited)	FY 19-20 (Audited)
Beginning Balance	\$ 38,175,933	\$ 38,965,565	\$ 36,966,282	\$ 33,210,883	\$ 23,116,856	\$26,698,000
Ending Balance	<u>\$ 38,965,565</u>	<u>\$ 36,966,282</u>	<u>\$ 33,210,883</u>	<u>\$ 23,141,455</u>	<u>\$ 26,205,353</u>	<u>\$24,581,945</u>
Difference (\$)		\$ (1,999,283)	\$ (3,755,399)	\$(10,069,428)	\$ 3,063,898	\$(1,623,408)
Difference (%)		-5%	-10%	-30%	13%	-6%

Figure 7: Net Position from 2014 to 2020 (Ending Balance)

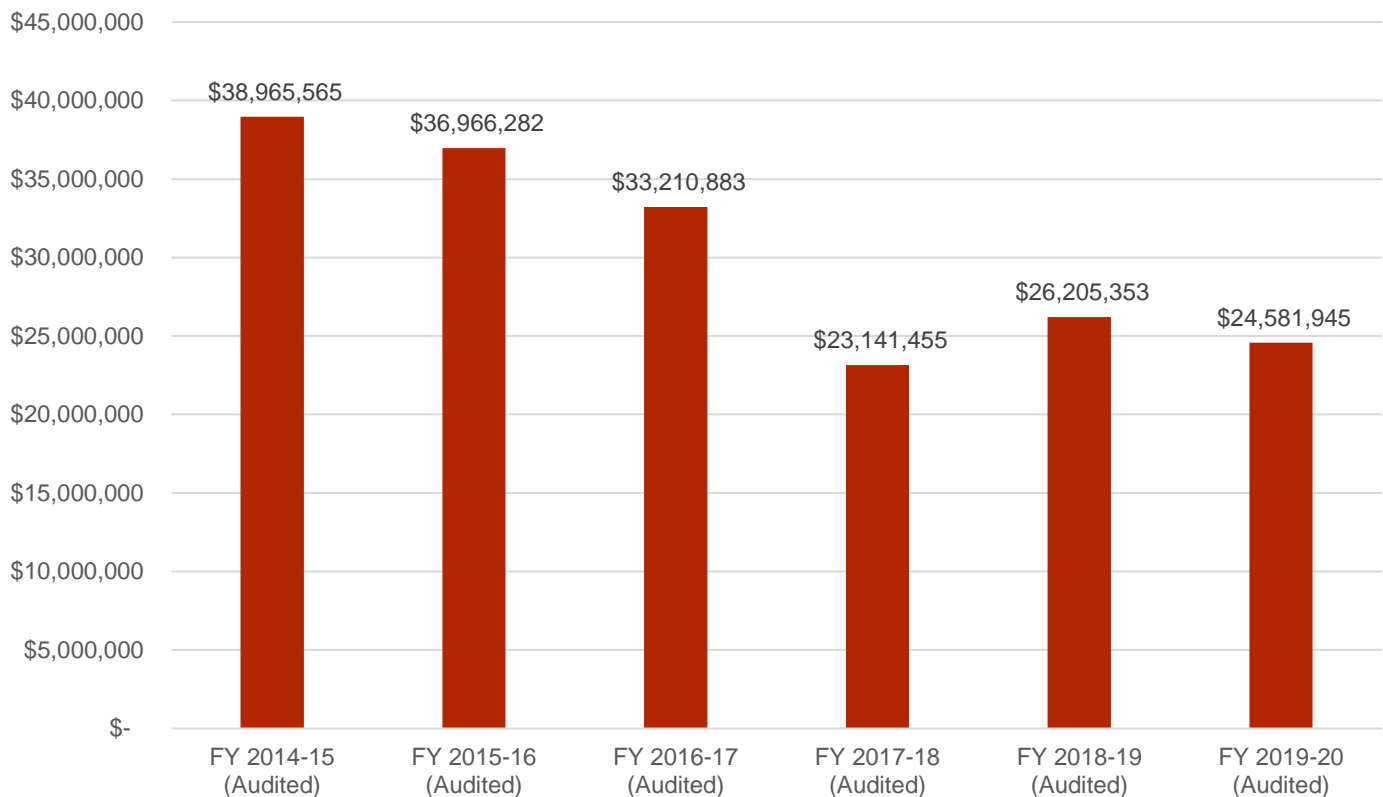


Table 8: Total Revenue & Expenditure (Business & Government Activities)

	FY 2014-15 (Audited)	FY 2015-16 (Audited)	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)
BUSINESS ACTIVITY (RECREATION & WASTEWATER)						
REVENUE						
Fees & Services	\$ 2,831,207	\$ 3,037,054	\$ 2,998,479	\$ 3,443,087	\$ 3,709,621	\$ 3,733,345
Capital Contributions	\$ -	\$ -	\$ 58,280	\$ 318,981	\$ 225,624	\$ 31,204
Transfers In	\$ 438,214	\$ 8,604	\$ 331,634	\$ 221,227	\$ 97,084	\$ 380,535
Connection Fees	\$ 78,371	\$ 28,989	\$ -	\$ -	\$ -	\$ -
Interest Income	\$ 5,842	\$ 8,604	\$ 13,145	\$ 18,117	\$ 36,476	\$ 43,902
Total Revenue	\$ 3,353,634	\$ 3,083,251	\$ 3,401,538	\$ 4,001,412	\$ 4,068,805	\$ 4,188,986
EXPENDITURE						
Salaries	\$ 1,017,465	\$ 1,125,503	\$ 1,165,982	\$ 1,111,908	\$ 1,212,772	\$ 1,031,992
Taxes & Benefits	\$ 502,362	\$ 756,914	\$ 1,978,311	\$ 2,857,405	\$ 959,372	\$ 789,170
Maintenance & Operations	\$ 770,240	\$ 813,452	\$ 883,338	\$ 752,588	\$ 827,977	\$ 1,059,296
Advertising	\$ 8,731	\$ 7,778	\$ 8,838	\$ 8,459	\$ 7,642	\$ 494
Professional & Contractual Services	\$ 221,436	\$ 216,984	\$ 256,746	\$ 208,878	\$ 213,530	\$ 237,602
Utilities & Communications	\$ 375,972	\$ 347,716	\$ 390,761	\$ 420,045	\$ 446,410	\$ 436,004
Insurance & Bonds	\$ 64,467	\$ 66,686	\$ 62,108	\$ 157,181	\$ 205,967	\$ 146,822
Depreciation	\$ 763,486	\$ 777,802	\$ 784,270	\$ 788,390	\$ 795,353	\$ 777,828
Transfers Out	\$ 427,278	\$ 297,037	\$ 232,236	\$ 302,515	\$ 150,495	\$ 81,033
Total Expenditure	\$ 4,151,437	\$ 4,409,872	\$ 5,762,590	\$ 6,607,369	\$ 4,819,518	\$ 4,560,241
Surplus/(Deficit)	\$ (797,803)	\$ (1,326,621)	\$ (2,361,052)	\$ (2,605,957)	\$ (750,713)	\$ (371,255)
GOVERNMENT ACTIVITY						
REVENUE						
Taxes & Assessments	\$ 9,444,126	\$ 9,362,093	\$ 9,675,857	\$ 10,314,528	\$ 12,167,669	\$ 11,117,073
Intergovernmental	\$ 1,062,025	\$ 152,753	\$ 288,725	\$ 803,971	\$ 1,744,402	\$ 1,048,976
Fees & Services	\$ 1,285,952	\$ 1,192,986	\$ 2,344,647	\$ 1,578,574	\$ 2,658,009	\$ 1,360,195
Fines & Forfeitures	\$ 70,470	\$ 35,411	\$ 37,680	\$ 35,013	\$ 44,265	\$ 31,442
Contributions, Non-Government	\$ 19,911	\$ 2,306	\$ 2,865	\$ 167,840	\$ 18,468	\$ 8,505
Facility/Building Rental	\$ 22,500	\$ 44,910	\$ 32,760	\$ 32,760	\$ 288,912	\$ 112,354
Investment Earnings	\$ 92,967	\$ 54,860	\$ 63,020	\$ 93,966	\$ 169,847	\$ 242,988
Miscellaneous	\$ 525,360	\$ 517,064	\$ 1,378,011	\$ 649,132	\$ 336,900	\$ 315,312
Transfers In	\$ 1,228,612	\$ 725,455	\$ 1,616,826	\$ 1,442,138	\$ 1,270,373	\$ 694,017
Issuance of Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,460,000
Premium from Issuance of Debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 356,636
Sale of Real Property	\$ -	\$ -	\$ 746,924	\$ -	\$ -	\$ -
Total Revenue	\$13,751,923	\$12,087,838	\$16,187,315	\$15,117,922	\$18,698,845	\$24,747,498
EXPENDITURE						
Current Liability						
General Government	\$ 1,814,779	\$ 1,942,389	\$ 2,216,039	\$ 2,134,089	\$ 2,434,443	\$ 3,204,004
Public Safety	\$ 4,511,889	\$ 4,927,713	\$ 4,960,402	\$ 5,217,774	\$ 5,238,107	\$ 5,621,165
Planning & Building	\$ 929,264	\$ 1,182,716	\$ 1,336,664	\$ 1,089,776	\$ 1,277,550	\$ 1,365,244
Public Works	\$ 1,753,952	\$ 1,979,404	\$ 1,925,211	\$ 2,307,435	\$ 2,026,962	\$ 1,965,277
Capital Outlay	\$ 1,902,961	\$ 446,373	\$ 1,193,706	\$ 1,757,388	\$ 1,901,832	\$ 1,772,238
Debt Service						
Principal	\$ 445,000	\$ 465,000	\$ 470,000	\$ 600,000	\$ 630,000	\$ 870,000
Interest & Finance Charges	\$ 357,388	\$ 350,058	\$ 342,178	\$ 375,670	\$ 358,110	\$ 273,769
Payment to Escrow	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,639,285
Transfers Out	\$ 1,239,548	\$ 725,510	\$ 1,716,224	\$ 1,360,850	\$ 1,216,962	\$ 993,519
Total Expenditure	\$12,954,781	\$12,019,163	\$14,160,424	\$14,842,982	\$15,083,966	\$25,704,501
Surplus/(Deficit)	\$ 797,142	\$ 68,675	\$ 2,026,891	\$ 274,940	\$ 3,614,879	\$ (957,003)
CITY OF SCOTTS VALLEY - TOTAL REVENUE	\$ 17,105,557	\$ 15,171,089	\$ 19,588,853	\$ 19,119,334	\$ 22,767,650	\$ 28,936,484
CITY OF SCOTTS VALLEY - TOTAL EXPENDITURE	\$ 17,106,218	\$ 16,429,035	\$ 19,923,014	\$ 21,450,351	\$ 19,903,484	\$ 30,264,742
CITY OF SCOTTS VALLEY - SURPLUS/(DEFICIT)	\$ (661)	\$ (1,257,946)	\$ (334,161)	\$ (2,331,017)	\$ 2,864,166	\$ (1,328,258)
NET POSITION						
	FY 2014-15 (Audited)	FY 2015-16 (Audited)	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)
Beginning of Year (as restated)	\$ 38,175,933	\$ 38,965,565	\$ 36,966,282	\$ 33,210,883	\$ 23,116,856	\$ 26,698,000
End of Year	\$38,965,565	\$36,966,282	\$33,210,883	\$23,141,455	\$26,205,353	\$24,581,945

Table 9: Total Assets & Liabilities

	FY 2014-15 (Audited)	FY 2015-16 (Audited)	FY 2016-17 (Audited)	FY 2017-18 (Audited)	FY 2018-19 (Audited)	FY 2019-20 (Audited)
ASSETS						
<u>Current Assets:</u>						
Cash and Cash Equivalents	\$ 9,386,812	\$ 9,315,977	\$ 10,649,653	\$ 11,626,777	\$ 15,541,820	\$ 14,453,832
Receivables	\$ 2,571,376	\$ 1,861,165	\$ 1,651,568	\$ 1,967,127	\$ 1,660,244	\$ 2,636,091
Total Current Assets	\$11,958,188	\$11,177,142	\$12,301,221	\$13,593,904	\$17,202,064	\$17,089,923
<u>Non-current Assets:</u>						
Inventory	\$ 2,688	\$ -	\$ -	\$ -	\$ -	\$ -
Prepaid Expenses	\$ 2,813	\$ -	\$ -	\$ -	\$ -	\$ -
Advances to Redevelopment Successor Agency	\$ 6,697,376	\$ 6,686,056	\$ 6,603,131	\$ 6,641,886	\$ 6,641,886	\$ 6,641,886
Loans Receivable	\$ 2,371,816	\$ 2,921,816	\$ 3,571,816	\$ 3,374,636	\$ 3,294,636	\$ 3,376,109
Restricted Cash with Fiscal Agent	\$ 98,920	\$ 99,003	\$ 99,356	\$ 100,487	\$ 101,461	\$ 3,397
<u>Capital Assets:</u>						
Nondepreciable	\$ 7,448,784	\$ 7,507,213	\$ 7,962,399	\$ 8,068,949	\$ 8,137,171	\$ 9,338,297
Depreciable, Net	\$ 37,839,351	\$ 36,056,956	\$ 34,616,531	\$ 34,528,828	\$ 34,358,227	\$ 32,912,876
Net Capital Assets	\$ 45,288,135	\$ 43,564,169	\$ 42,578,930	\$ 42,597,777	\$ 42,495,398	\$ 42,251,173
Total Noncurrent Assets	\$54,461,748	\$53,271,044	\$52,853,233	\$52,714,786	\$52,533,381	\$52,272,565
Total Assets	\$66,419,936	\$64,448,186	\$65,154,454	\$66,308,690	\$69,735,445	\$69,362,488
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Outflows from Pension	\$ -	\$ 1,619,831	\$ 3,690,903	\$ 4,773,546	\$ 4,033,631	\$ 3,993,748
Deferred Outflows from OPEB	\$ -	\$ -	\$ -	\$ 426,690	\$ 480,332	\$ 1,192,078
Deferred Loss on Refunding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 794,889
Total Deferred Outflows of Resources	\$ -	\$ 1,619,831	\$ 3,690,903	\$ 5,200,236	\$ 4,513,963	\$ 5,980,715
LIABILITIES						
<u>Current Liabilities:</u>						
Accounts Payable	\$ 401,804	\$ 362,999	\$ 457,031	\$ 734,314	\$ 458,929	\$ 896,903
Accrued Liabilities	\$ 159,792	\$ 209,274	\$ 249,424	\$ 249,435	\$ 258,766	\$ 305,336
Deposits Payable	\$ -	\$ -	\$ -	\$ 725,745	\$ 724,674	\$ 716,785
Unearned Revenue	\$ 296,674	\$ 173,537	\$ 131,662	\$ 176,566	\$ 141,736	\$ 37,768
Long-term Debt (Current Portion)	\$ 911,428	\$ 925,980	\$ 959,225	\$ 1,247,290	\$ 1,140,681	\$ 1,363,992
Total Current Liabilities	\$ 1,769,698	\$ 1,671,790	\$ 1,797,342	\$ 3,133,350	\$ 2,724,786	\$ 3,320,784
<u>Non-current Liabilities:</u>						
Accrued Interest	\$ 2,800,950	\$ 2,956,294	\$ 3,111,638	\$ 3,277,394	\$ 3,423,420	\$ 118,594
Long-term Debt (Non-current Portion)	\$ 9,337,561	\$ 23,239,459	\$ 28,845,734	\$ 39,562,189	\$ 7,927,505	\$ 10,735,733
Net Pension Liability	\$ 9,088,772	\$ -	\$ -	\$ -	\$ 17,021,799	\$ 18,424,996
Net OPEB Liability	\$ 2,559,438	\$ -	\$ -	\$ -	\$ 14,102,811	\$ 15,524,839
Total Non-current Liabilities	\$23,786,721	\$26,195,753	\$31,957,372	\$42,839,583	\$42,475,535	\$44,804,162
Total Liabilities	\$25,556,419	\$27,867,543	\$33,754,714	\$45,972,933	\$45,200,321	\$48,124,946
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows from Pension	\$ 2,919,953	\$ 1,234,192	\$ 1,879,760	\$ 1,195,604	\$ 1,169,454	\$ 1,313,124
Deferred Inflows from OPEB	\$ -	\$ -	\$ -	\$ 1,198,936	\$ 1,674,280	\$ 1,323,188
Total Deferred Inflows of Resources	\$ 2,919,953	\$ 1,234,192	\$ 1,879,760	\$ 2,394,540	\$ 2,843,734	\$ 2,636,312
NET POSITION						
Net Investment in Capital Assets	\$ 39,313,692	\$ 43,564,169	\$ 42,578,930	\$ 36,312,189	\$ 34,476,629	\$ 35,261,698
Restricted	\$ 6,862,674	\$ 7,774,737	\$ 8,576,975	\$ 8,758,440	\$ 8,775,618	\$ 9,056,603
Unrestricted	\$ (7,210,801)	\$ (14,372,624)	\$ (17,945,022)	\$ (21,929,174)	\$ (17,046,894)	\$ (19,736,356)
Total Net Position	\$38,965,565	\$36,966,282	\$33,210,883	\$23,141,455	\$26,205,353	\$24,581,945

GOVERNANCE

Legal Authority

The City of Scotts Valley operates under Title 4: Government of Cities (Section 34000 et seq. of the California Government Code) for the purpose of establishing and enforcing local ordinances in the Scotts Valley community. The California Constitution gives cities the power to become charter cities. The distinction between general law and charter cities is that charter cities have superseding authority over certain “municipal affairs.” Examples of municipal affairs include election matters, land use designations, and budgetary practices. Cities that have not adopted a charter are general law cities, such as Scotts Valley. General law cities are bound by the State’s general law, even with respect to municipal affairs. Based on LAFCO staff’s analysis, there are 482 cities in California – 361 or 75% are general law cities and 121 or 25% are charter cities.

Local Accountability & Structure

The City of Scotts Valley is governed by an elected five-member City Council. The Council is responsible for the establishment of policy relative to Scotts Valley’s mission, goals, and operations. The Council has the authority to establish all laws and regulations with respect to municipal affairs, subject to limitations of the City Municipal Code and State legislation. The City Council’s current composition is as follows:

Table 10: Scotts Valley City Council

Board Member	Term of Office
Derek Timm, Mayor	First Elected: 2018 Current Term Ends: 2022
Jim Reed, Vice Mayor	First Elected: 2007 Current Term Ends: 2022
Jack Dilles, Council Member	First Elected: 2016 Current Term Ends: 2024
Randy Johnson, Council Member	First Elected: 1996 Current Term Ends: 2024
Donna Lind, Council Member	First Elected: 2008 Current Term Ends: 2024

The City Council appoints a City Manager to serve as the City’s chief administrative officer. The City Manager administers the day-to-day operations of the City in accordance with policies and procedures established by the City Council. Scotts Valley currently employs a full-time staff of approximately 56 employees, as shown in **Table 11** on page 22. The City Council meets regularly, meetings are publicly noticed, and citizens are encouraged to attend. Council meetings are typically held on the first and third Wednesday of each month at 6:00 p.m. The City’s administrative offices and chambers are located at 1 Civic Center Drive in Scotts Valley. Despite the ongoing pandemic, the City has held virtual public meetings to continue operations and receive Council direction.

Table 11: Full-Time Employees (FY 2014-15 to FY 2018-19)

Department	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19
General Government					
Administrative	1.50	1.50	1.50	1.50	1.50
Legislative	.50	.50	.50	.50	.50
Finance	<u>2.85</u>	<u>2.85</u>	<u>2.85</u>	<u>2.85</u>	<u>2.85</u>
Sub-total	4.85	4.85	4.85	4.85	4.85
Police					
Officers	19.00	19.00	19.00	19.00	19.00
Dispatch & Support	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>	<u>8.00</u>
Sub-total	27.00	27.00	27.00	27.00	27.00
Building & Planning					
Building	1.00	-	-	-	-
Planning	<u>3.50</u>	<u>3.00</u>	<u>3.00</u>	<u>2.00</u>	<u>2.00</u>
Sub-total	4.50	3.00	3.00	2.00	2.00
Public Works					
Engineering	3.30	3.10	4.00	4.00	4.00
Street Maintenance	2.30	2.30	2.30	2.30	2.30
Vehicle Maintenance	1.10	1.10	1.10	1.10	1.10
Park Maintenance	2.30	1.30	1.30	1.30	1.30
Building Maintenance	<u>1.30</u>	<u>1.30</u>	<u>1.30</u>	<u>1.30</u>	<u>1.30</u>
Sub-total	10.30	9.10	10.00	10.00	10.00
Park & Recreation					
Sub-total	5.00	5.00	5.70	5.70	5.70
Wastewater					
Sub-total	7.05	7.05	6.15	6.15	6.15
Total	58.70	56.00	56.70	55.70	55.70

Capital Improvement Plan

The City prepares a five-year capital improvement project (CIP) and capital outlay plan as part of its annual budget. The development of the CIP program is more complex than planning to purchase a piece of equipment that would be the subject of a capital outlay expenditure. This document provides background information on the process to develop a budget within the CIP portion of the five-year plan.

Funding Source

Once costs have been identified and projected, a financial analysis is prepared to determine whether the projects can be funded. Consideration is given to a variety of sources of funds, including grant funds, revenues dedicated for such purposes (ex. gas tax or Measure D funds), development impact fees, wastewater revenue rate projections, interest earnings, and existing undesignated funds. Funding sources are then compared to project cost estimates to develop the Five-Year CIP Plan. The timing of these projects is taken into consideration given the status of existing infrastructure, risk management considerations, Council Policy initiatives, bidding environment, and available funding. The funding analysis will identify projects based on its priority level and it will determine the extent to which funding is available.

Priority Level

Throughout the fiscal year, City staff members continually monitor the functional status and performance of the City's physical plant. Maintenance activities supporting City infrastructure are documented and analyzed to determine if rehabilitation or replacement is necessary. In addition, throughout the year, policy direction from the City Council may be received to construct, enhance or rehabilitate City facilities. Staff makes note of these projects and begins to define the scope, nature and extent of these projects as required. Each project is assigned a priority category based on staff's professional judgment using the factors and priority levels identified below:

- Priority A – project is essential/critical to health and safety or legal/regulatory requirements;
- Priority B – project is important to maintaining health and safety or maintaining quality of life, but not critical; and
- Priority C – project is deferrable and would only be implemented to the extent that higher priority projects are first funded.

Current Status

The Five-Year CIP Plan consists of projects that maintain and enhance the City's infrastructure such as its roads, parks, facilities and wastewater treatment plant for the benefit of the community. It also includes the capital outlay associated with equipment, vehicles and information technology both hardware and software that support the City's operations. At present, the City has 7 ongoing projects, as shown in the table on page 24.

Table 12: CIP Projects (By Priority)

Project	Estimated Cost	Description
Priority A		
1) Public Works Department Facility	Not Available	Potentially expand the existing wastewater operations building and reconfigure the vehicle maintenance facilities
Priority B		
2) Sidewalk Master Plan Projects	Appx. \$2.5 Million	13 sidewalk projects ranging in value
3) Storm Drain Master Plan Projects	Appx. \$184,000	Update original master plan and complete 9 remaining projects
4) Play Structure Equipment at Skypark	Appx. \$980,000	Play structure at Skypark needs to be replaced within 5 years.
Priority C		
5) Stormwater LID	Appx. \$230,000	Replace 2,000 square feet of existing impervious area of sidewalk and roadway in order to construct new bioretention facilities
6) Bicycle Transportation Plan Projects	Appx. \$2.9 Million	6 remaining projects which encourage bicycle usage as alternatives to vehicles and reduction in traffic
7) Al Shugart Park Phase 3 & 4 Construction	Appx. \$2.5 Million	These two phases include the construction of a dog park, restrooms, parking lots, a bridge, turf, and picnic areas

Opportunities and Challenges

Scotts Valley has been a City for 55 years and it has endured significant events such as economic recessions and natural disasters. The City is still experiencing another round of economic downturn and natural disasters in the form of a COVID pandemic and the CZU Lightning Complex Wildfire which occurred in August 2020. Such unanticipated events place a pressure test on local agencies, including cities. While cities struggle to maintain the same level of service to its residents, there are also opportunities during these challenging times. The following sections explore opportunities that Scotts Valley can collaborate with neighboring municipalities to maximize resources, increase strategic partnerships, and identify possible cost-savings for the City's residents.

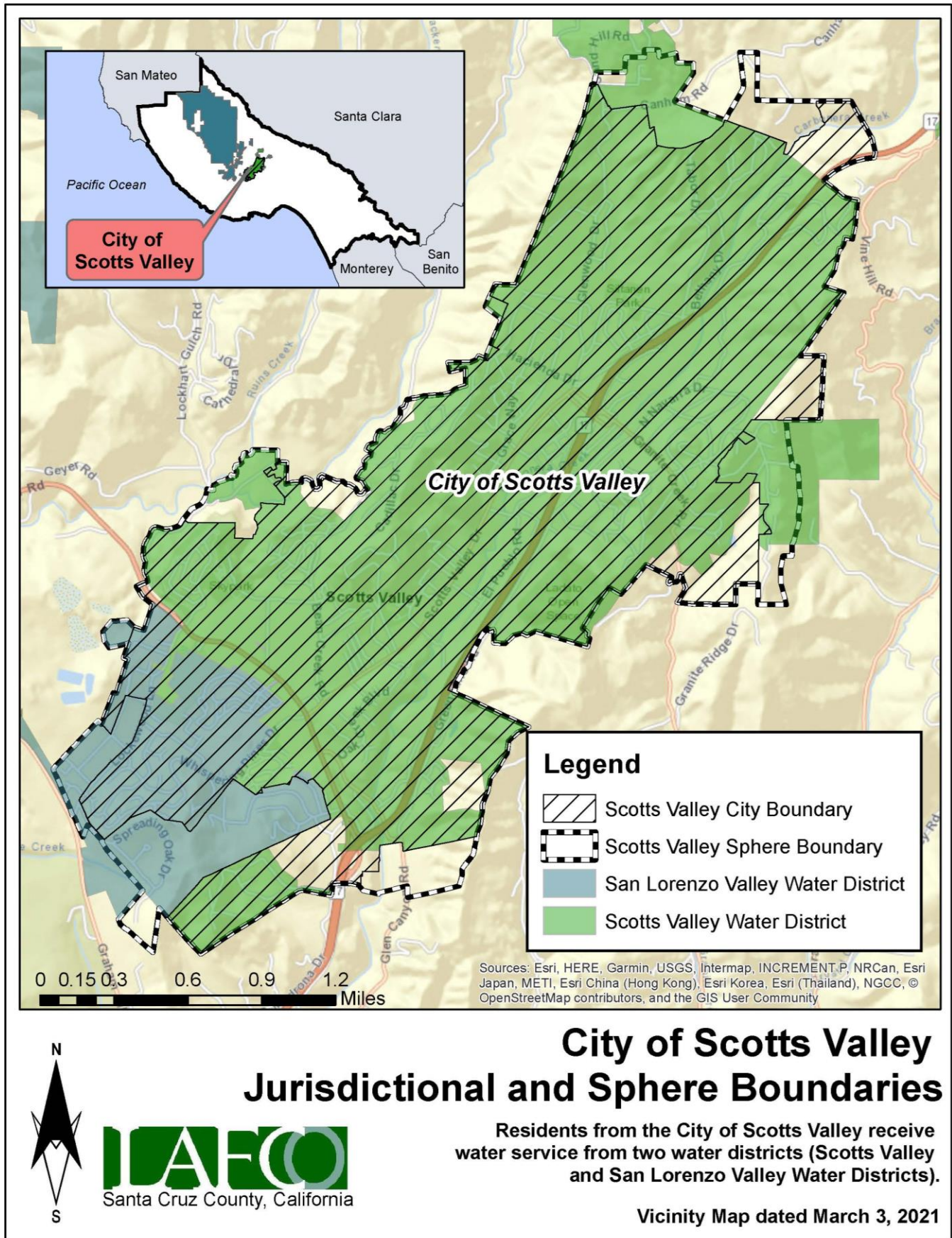
Water Service Providers

The Scotts Valley community currently receives water service from either the Scotts Valley Water District (SVWD) or the San Lorenzo Valley Water District (SLVWD). **Figure 8** on page 26 shows that the majority of Scotts Valley residents receives water from SVWD. Only a portion of the City gets water from SLVWD. By having two water providers, the residents of Scotts Valley are subject to two different board members, policies, and water rates. It may be beneficial if the City, the two water districts, and LAFCO collaborate to determine the most efficient method to provide water service to the entire Scotts Valley community. This joint effort may lead to potential boundary changes, an improvement in water distribution, or a consistent water rate for constituents within the entire city.

LAFCO Staff Recommendation: *Coordination between the City of Scotts Valley, San Lorenzo Valley Water District, Scotts Valley Water District and LAFCO to determine whether there is a more efficient way to provide water service to the Scotts Valley community beyond the status quo.*



Figure 8: Water Districts



County Supervisorial Boundaries

There are fundamental distinctions between a county and a city and certain situations where counties and cities provide similar municipal services. There are several benefits from residing in a city, including but not limited to the ability to run for or vote for a 5-member council, receive municipal services from one entity, and have adequate streetlighting and sidewalks, existing local ordinances, and city staff dedicated to the community for planning, building, and other public relations. On the other hand, individuals who live outside a city and live in unincorporated county land are represented by a single board of supervisors rather than a 5-member council and are subject to multiple providers of municipal services such as planning, road maintenance, and wastewater.

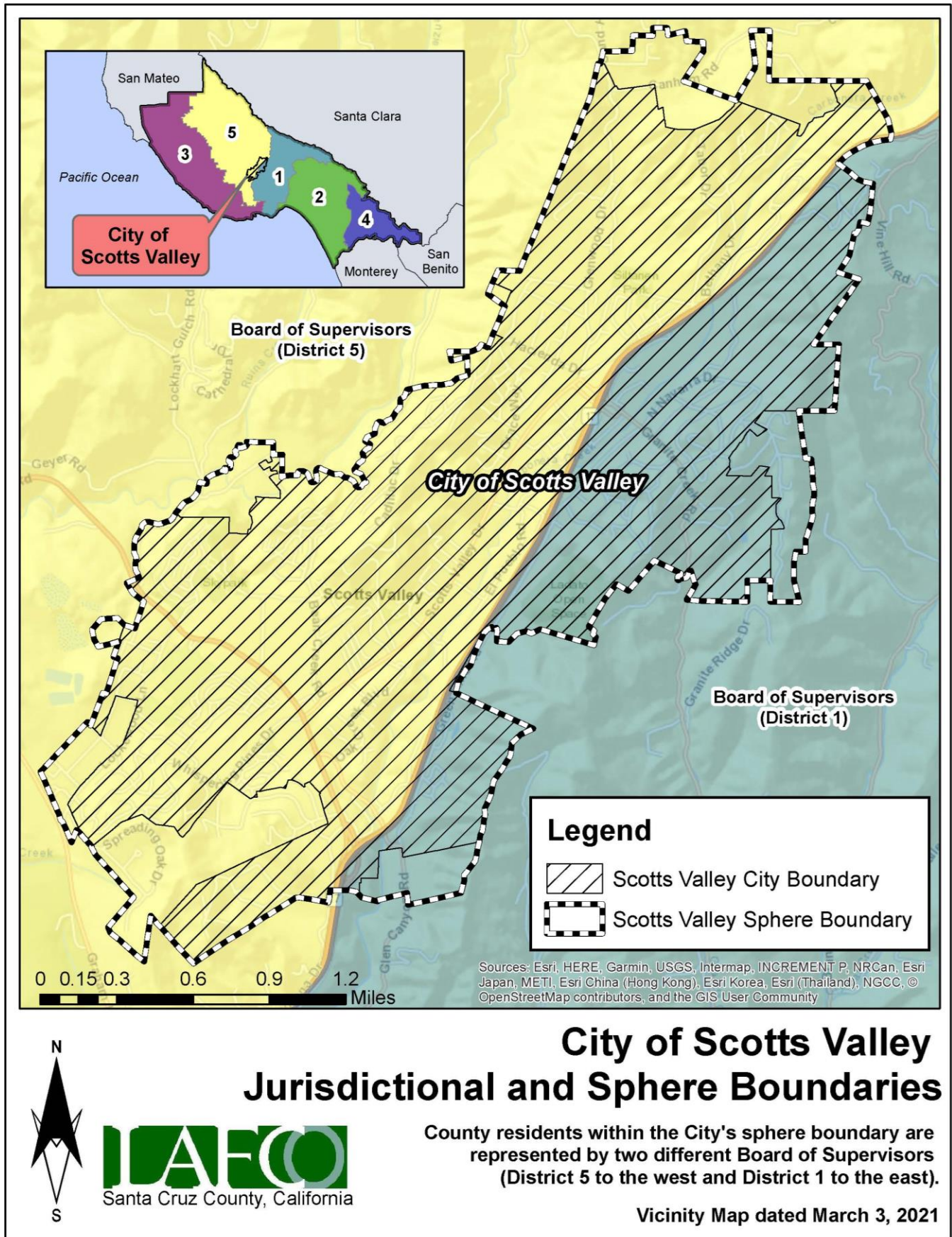
Supervisorial Districts

The Santa Cruz County Board of Supervisors consists of five Supervisors who are elected for one of the five districts in Santa Cruz County. Federal and State law requires the Board of Supervisors to adjust the boundaries of the five supervisorial districts every ten years to ensure that representation is equal among the districts. The last redistricting occurred in September 2011. At present, Supervisorial Districts No. 1 and No. 5 encompass the City of Scotts Valley. Current supervisorial district boundaries run along Highway 17 but the City has been split as a result. It may be beneficial for the City to coordinate with the County to see whether there are any benefits in redistricting the current boundaries to encompass the entire City in either District No. 1 or No. 5.

LAFCO Staff Recommendation: *To coordinate between the City of Scotts Valley, the County, and LAFCO to determine whether unincorporated Scotts Valley communities should be located in only one supervisorial district instead of two.*



Figure 9: County Supervisorial Districts



SPHERE OF INFLUENCE

Cortese-Knox-Hertzberg Act

City and special district spheres of influence define the probable physical boundaries and service area of a local agency, as determined by the Commission (Government Code Section 56076). The law requires that spheres be updated at least once every five years either concurrently or subsequent to the preparation of Municipal Service Reviews. Spheres are determined and amended solely at the discretion of the Commission. In determining the sphere of influence for each local agency, the Commission is required by Government Code Section 56425(e) to consider certain factors, including:

- The present and planned uses in the area, including agricultural and open-space lands;
- The present and probable need for public facilities and services in the area;
- The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide;
- The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency; and
- For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere.

Current & Proposed Sphere Boundary

Santa Cruz LAFCO adopted the City's first sphere of influence on October 16, 1985. The current sphere excludes areas outside the City's jurisdictional boundary. The last sphere update occurred in November 2016 as part of a previous service and sphere review cycle. **Figure 10** on page 30 shows the 11 areas (totaling 547 acres) within the City's sphere. **Table 12** identifies the land use designations for these areas based on the County's General Plan. The City should consider zoning these areas. In the interim, LAFCO staff is recommending that the sphere boundary be reaffirmed, as shown in **Figure 11**.

Table 12: County Land Use Designations

Areas	Acres	Land Use Designation
A	1	Mountain Residential (R-M)
B	3	Mountain Residential (R-M)
C	67	Mountain Residential (R-M)
D	41	Mountain Residential (R-M)
E	78	Mountain Residential (R-M), Rural Residential (R-R), and Urban Very Low Residential (R-UVL)
F	3	Mountain Residential (R-M)
G	47	Mountain Residential (R-M), and Rural Residential (R-R)
H	209	Existing Parks & Rec (O-R), Rural Residential (R-R), Urban Very Low Residential (R-UVL), and Urban Open Space
I	45	Urban Low Residential (R-UL), and Urban Very Low Residential (R-UVL)
J	7	No Designation
K	46	Mountain Residential (R-M), and Rural Residential (R-R)

Figure 10: Areas Outside City Limits (within Sphere of Influence)

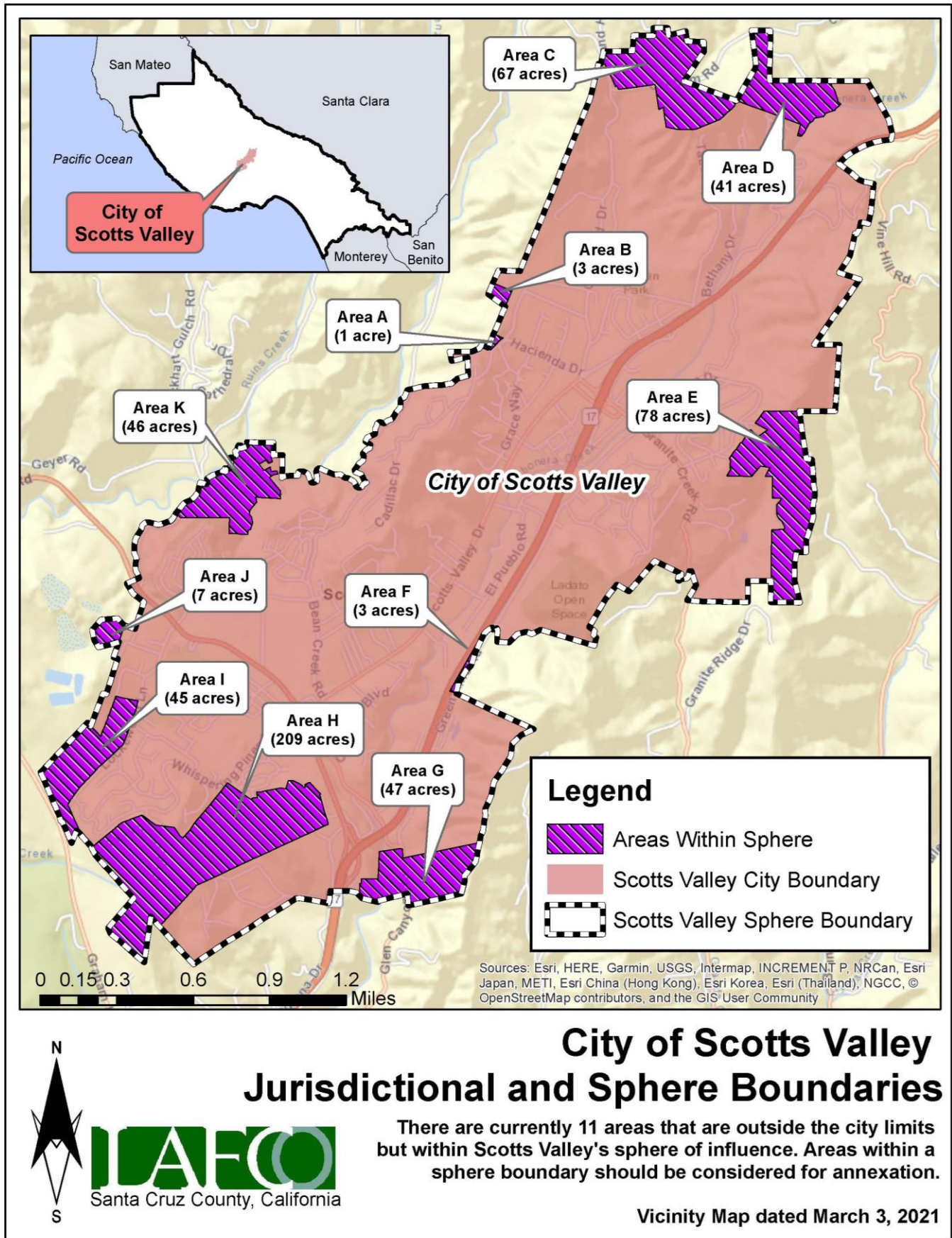
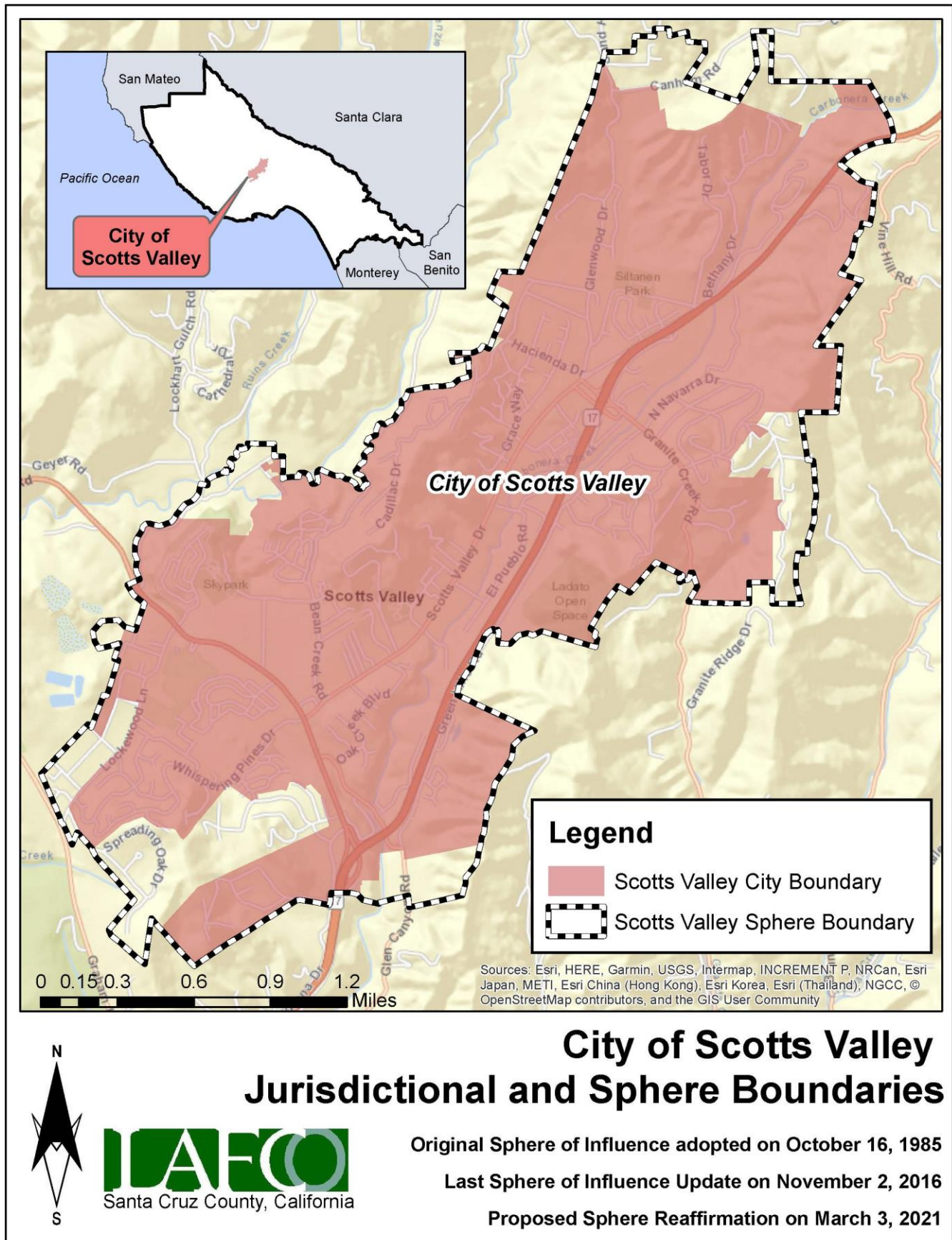


Figure 11: Proposed City Sphere Reaffirmation



CITY SUMMARY

City of Scotts Valley	
Formation	California Government Code, section 34000 et seq.
Board of Directors	Five members, elected at-large to four-year terms
Contact Person	Tina Friend, City Manager
Employees	Approximately 56 Full-Time Employees
City Area	5 square miles
Sphere of Influence	Larger than the City (i.e., sphere boundary goes beyond existing City limits)
FY 2020-21 Budget	<p>Total Revenue = \$19,657,738</p> <p>Total Expenditure = \$22,353,557</p> <p>Projected Net Position (Beginning Balance) = \$26,205,353</p>
Contact Information	<p>Mailing Address: 1 Civic Center Drive, Scotts Valley, CA 95066</p> <p>Phone Number: (831) 440-5600</p> <p>Email Address: tfriend@scottsvalley.org</p> <p>Website: https://www.scottsvalley.org/</p>
Public Meetings	Meetings are typically held on the first and third Wednesday of each month at 6:00 p.m.
City Overview	As Scotts Valley is a General Law City, its Council must act within the framework of limitations and procedures established by State Law. Local laws are established by ordinance and are compiled in a book called the Municipal Code. These laws are enforceable by the City, and violations thereof constitute an infraction. Other directives and policies of the City Council are recorded in Council resolutions and Council minutes.

SERVICE AND SPHERE REVIEW DETERMINATIONS

The following service and sphere review determinations fulfill the requirements outlined in the Cortese-Knox-Hertzberg Act.

Service Provision Determinations

Government Code Section 56430 requires LAFCO to conduct a municipal service review before, or in conjunction with, an action to establish or update a sphere boundary. Written statements of determination must be prepared with respect to each of the following:

1. Growth and population projections for the affected area.

The City currently provides various municipal services to a population of 12,145. A slow growth is projected to occur for the next twenty years. LAFCO staff estimates that the entire population of Scotts Valley will reach 12,418 by 2040.

2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.

LAFCO did not identify any DUCs within or contiguous to the City's sphere boundary. That said, Scotts Valley has adopted strategic plans and capital improvement plans to ensure the adequate delivery of municipal services to its constituents.

3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.

The City General Plan within its jurisdictional limits designates areas for residential, commercial, and other city-related zoning. The County General Plan designates the unincorporated Scotts Valley community principally for mountain residential, rural residential, and parks and recreational uses.

4. Financial ability of agencies to provide services.

Scotts Valley has experienced some financial hardship. Audited financial statements from Fiscal Years 2014 to 2019 indicate that the balance has declined from \$39 million to \$26 million. As of June 30, 2020, the City is operating with a net position of approximately \$25 million.

5. Status of, and opportunities for, shared facilities.

Scotts Valley continues to explore for collaborative efforts to improve efficiencies. The City is currently a member in various joint powers agreements with local agencies and the County for services such as animal control, library, and criminal justice.

6. Accountability for community service needs, including governmental structure and operational efficiencies.

Scotts Valley is currently within two supervisorial districts (BOS District No. 1 and 5) and two water districts (Scotts Valley and San Lorenzo Valley Water Districts). It may be beneficial to analyze whether these boundaries should be reorganized.

7. Any other matter related to effective or efficient service delivery, as required by commission policy.

No additional local LAFCO policies are specifically relevant to this service review.

Sphere of Influence Determinations

Government Code Section 56425 requires LAFCO to periodically review and update spheres of influence in concert with conducting municipal service reviews. Spheres are used as regional planning tools to discourage urban sprawl and encourage orderly growth. Written statements of determination must be prepared with respect to each of the following:

1. The present and planned land uses in the area, including agricultural and open-space lands.

The present and planned land uses are based on general plans from the City and the County which range from urban to rural uses. General plans anticipate growth centered on existing urban areas and the maintenance of agricultural production, rural residential uses, and environmental protection in rural areas. Planned land uses within the five applicable general plans are a mix of urban, rural and mountain residential, agricultural, timber, public recreation, and open-space lands.

2. The present and probable need for public facilities and services in the area.

Scotts Valley has identified and prioritized its infrastructure needs in the Five-Year CIP Plan. The CIP is evaluated each year as part of their annual budget's adoption. The principal needs are categorized by priority.

3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.

Scotts Valley provides various types of municipal services, which can be categorized in two activities (Government and Business). Government activities include animal control, public safety, and public works. Business activities include recreation and wastewater services. In 2020, the City's population was estimated to be 12,145. LAFCO staff projects that the City's population will reach 12,418 by 2040.

4. The existence of any social or economic communities of interest in the area if the commission determines that they are relevant to the agency.

Scotts Valley is currently within two supervisorial districts (BOS District No. 1 and 5) and two water districts (Scotts Valley and San Lorenzo Valley Water Districts). It may be beneficial to analyze whether these boundaries should be reorganized.

5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

LAFCO did not identify any DUCs within the City's sphere boundary. That said, Scotts Valley has adopted strategic plans and capital improvement plans to ensure the adequate delivery of water service to its constituents.

APPENDICES

Appendix A: Past Boundary Changes (1966 to 2007)

Appendix B: Status of Projects (as of January 22, 2021)

Appendix C: Wastewater Annual Report (2019)

Appendix D: Wastewater Rate Study (2017 to 2020)

Appendix E: Financial Source (CAFR - 2015 to 2020)



APPENDIX A:

City of Scotts Valley Past Boundary Changes (1996 to 2007)

City's Past Boundary Changes

Project Number	Proposal Title	Action Date
N/A	City Incorporation	8/2/1966
98	RC Johnson / Glenwood Dr. Annexation	12/19/1966
105	Bustichi / Bean Creek Rd. Annexation	4/19/1967
118	Seapy / El Rancho Annexation	11/15/1967
121	Hick / Bean Creek Rd. Annexation	1/17/1968
127	Cadillac Dr. Annexation	4/17/1968
135	Miller / Glen Canyon Annexation	10/16/1968
161	Santa's Village Annexation	4/16/1969
162	College of Personology / Highway 17 Billboard Annexation	5/21/1969
171	Bean Creek Annexation	6/18/1969
172	Santos / Glenwood Dr. Annexation	6/18/1969
183	Casa Way / Hacienda Dr. Annexation	10/15/1969
186	Granite Creek Annexation	11/19/1969
204	Hacienda Annexation	3/18/1970
206	Lockewood Lane Annexation	5/20/1970
211	Manzanita Knolls Annexation	10/21/1970
322	Hanser / Rother Annexation	5/17/1972
318	Wallace Annexation	5/17/1972
371	Kaiser Annexation	1/9/1974

Project Number	Proposal Title	Action Date
410	Park Land Annexation	3/5/1975
461	Doughty Annexation	6/2/1976
462	Twin Pines Annexation	12/1/1976
573	Crescent Court (B) Reorganization	7/2/1980
599	Sequoia / Green Hills Rd. Reorganization	4/1/1981
664	Scotts Valley Annexation to CSA # 9 & Zone C	11/2/1983
652	Hacienda Dr. / Mills No. 652 Reorganization	12/19/1983
647-C	City of Scotts Valley's Original Sphere Designation	10/16/1985
718	Lockwood / Boyd Reorganization	4/2/1986
706	Crescent Court Reorganization	12/2/1987
737	Southwood / Niland Reorganization	12/7/1988
744	Casa Way Reorganization	4/5/1989
791	Skypark Reorganization	3/10/1994
829	Kaiser Reorganization (Detachment)	8/7/1996
831	Latos / La Cuesta Reorganization	12/4/1996
831-A	Latos / La Cuesta Amendment to SVWD SOI	12/4/1996
897	Cities Annexation to CSA # 53 Mosquito Abatement	5/4/2005
902	La Cuesta Extraterritorial Sewer Agreement	8/3/2005
916	3128 Glen Canyon Road Extraterritorial Sewer Agreement	3/7/2007
920	Old Coach Road Extraterritorial Sewer Agreement	5/2/2007

APPENDIX B:

City of Scotts Valley Status of Projects (as of January 22, 2021)

CITY OF SCOTTS VALLEY
Status of Projects - January 22, 2021

NAME/ADDRESS		DESCRIPTION	STATUS
° Projects Under Construction			
	Scotts Valley Drive	19-Townhomes / The Terrace	Under Construction
	Dunslee Way	25-Townhomes / 5000 SF Commerical (The Cove)	Under Construction
	400 Polo Ranch Road	40-Homes / Polo Ranch	Under Construction
	4303 Scotts Valley Drive	6-Condominums (Polo Ranch Affordables)	Under Construction
	Nashua Drive	3-Lots / Bergman	Under Construction
	12 Blake Lane	3-Townhomes	Under Construction
	260 Mount Hermon Road	15,000 Commercial / The Hangar	Under Construction

° Projects Approved			
	4803 Scotts Valley Drive	6-Apartments & 4500 SF Commercial / Bay Mountain	Approved
	200 Polo Ranch Road	120 Rooms / Marriott Residences Inn	Approved
	Town Center (EIR Only)	250 Units / 300,000 SF Commercial	Approved (EIR Only)

° Projects Under Review			
	Kings Village Rd - Aviza	16-Condominiums / Apple Homes	Under Review
	Scotts Valley Drive	19-Apartments / Bay Photo	Under Review
	Mt. Hermon - Valley Gardens	190 Units & 5000 SF Commercial	Under Review
	La Madrona - Gateway South	180 Room Hotel, 3,500 SF Commercial & 182 Units	Under Review
	3640 Glen Canyon	52 Apts & 25,000 SF Commercial / Oak Creek Park	Under Review
	Erba Lane	13-Units SFD/Duets	Under Review
	125 Bethany Drive	67,450 SF Storage Building w/offices	Under Review

APPENDIX C:

City of Scotts Valley Wastewater Annual Report (2019)

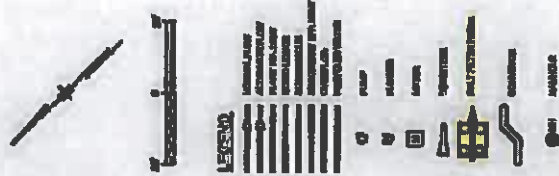


City of Scotts Valley



Wastewater Reclamation Facility Annual Report 2019

2002



CITY OF SCOTTS VALLEY

WASTEWATER DIVISION STAFF – 2018

Scott Hamby Acting Wastewater Division Mgr. Grade IV # 6692



Art Soto Senior Wastewater Plant Operator Grade II # 10607



Dustin Birt Wastewater Operator Grade II # 44502



Justin Granados Wastewater Operator OIT-I



Kevin Avalos Wastewater Operator OIT-I



Kathleen(Kati) King Chemist

Grade IV # 1305214090

Wastewater Operator OIT-I



CITY OF SCOTTS VALLEY WASTEWATER TREATMENT FACILITY ANNUAL REPORT 2019

Plant Summary and Compliance

The plant had no violations in 2019.

A total 64.0 million gallons of recycled water was used in 2019.

Secondary Effluent suspended solids averaged 14.0 mg/L (a 95.3% removal rate), effluent cBOD's averaged 9 mg/L (a 97% removal rate), and effluent BOD's averaged 7 mg/L (a 96.7% removal rate). With new discharges coming in from new business's and manufacturing companies it take a seasoned staff and attentive analyst to maintain the high quality discharge that the plant is known for.

Laboratory

The City of Scotts Valley Wastewater Reclamation Facility is classified as a discharger into the Monterey Bay, thus NPDES permit is very stringent compared to Facilities that do not discharge into the Bay. The lab is kept very busy to satisfy required analyses to satisfy NPDES permit. Every effort to try and cut costs without sacrificing quality are constantly being assessed along with increasing production and time saving techniques are always on the forefront in the lab. The lab maintains it Accredited Fields of Testing as a California State Certified Lab. New changes with the adoption of TNI standards are taking place within the lab to comply with future TNI laboratory standards.

Laboratories used during 2019 were:

Bioassay Testing:

Inorganic Chemistry and Microbiology:

Aquatic Bioassay & Consulting Labs

City of Scotts Valley WWTP

29 N. Olive Street

700 Lundy Lane

Ventura, CA 93001

Scotts Valley, CA 95066

ELAP Certificate No. 1907

ELAP Certificate No. CA 1062

HVWS, TCDD/Furans :
Chemistry

Metals/Inorganic and Organic

Frontier Analytical Laboratory
Analytical Lab

BC Laboratories, Inc. Monterey Bay

5172 Hillsdale Circle
Ste. D

4100 Atlas Court

4 Justin Ct.

El Dorado Hills, CA 95762
CA 93940

Bakersfield, CA 93308

Monterey,

ELAP Certificate No. CA 02113
No.2385

ELAP Cert. No. 1186

ELAP Cert.

California Department of Fish and Game

Oil and Grease

2005 Nimbus Road

City of Santa Cruz Wastewater Lab

Rancho Cordova, CA 95670

110 California St.

ELAP Certification No. CA 1622

Santa Cruz, CA 95060

ELAP Certification No. 1176

Monterey Bay Analytical Lab

4 Justin Crt., Monterey, CA

ELAP Cert. 2385 Organic/Inorganic

Lift Stations

The City of Scotts Valley owns and operates seven lift stations at various locations throughout the City. All stations are inspected three times each week. During these routine inspections, hour readings are taken to verify normal running times and flow throughput. Each pump is individually started and stopped to ensure proper operation, and wet-wells are visually inspected to confirm water levels with digital level reading on automatic pump controllers. Once each week, stations equipped with permanent emergency generators are tested on emergency power to ensure proper operation. Five stations are equipped with permanent emergency stand-by power. At this time, no other stations require permanent on-site emergency power, as limited flows allow ample

time for City staff to respond to alarm conditions and provide portable generator power prior to overflows occurring.

All of the City's seven stations have back-up pumps, redundant controls, and alarm SCADA systems that automatically call 24-hour emergency personnel in case of a power outage or high-level conditions. It also provides a baseline for history of pump operations, level and event history.

Collection System

Following is a summary of the three collection system overflows reported by the City in 2019:

- January 7 – 501 Sims Rd. 2000 gallons treated secondary effluent overflowed from Pasatiempo Golf Course Tertiary wet well onto the grass. SSO Event ID 855126
- September 10 – 405 Lockwood Lane. <5 gallons of wastewater overflowed into storm drain from Fats Oil and Grease build up. SSO Event ID 3SS010331
- December 1 – 700 Lundy Ln. 2200 gallons of secondary treated wastewater spilled from effluent chlorine contact tank into storm drain. Uninterrupted Power Supply (UPS) failed during heavy rain event causing loss of power to plant effluent pumps causing chlorine contact tank to overflow. SSO Event 863236
- December 23- 385 Bethany Dr. 50 gallons of wastewater overflowed from manhole onto ground. Caused by Grease and rag build up. SSO Event 863731

The City's sanitary sewer collection system is made up of approximately 40 miles of pipeline. City crews spend as much time as is available each week performing preventative maintenance using a combination vacuum/hydro-jet truck to clean the lines.

Annual Report 2019

Source Control Program

Industrial and Municipal

The industrial permit for Steel Bonnet Brewery was reissued in 2019. While the discharges from the brewery do not qualify for regulation under any Federal categorical pretreatment standard, the brewery is permitted as a non-categorical significant industrial user, because the high-biological oxygen demand (BOD) discharge pollutant loadings are potentially great enough to pose a risk of adversely impacting the sewage collection system. The 2019 permit stipulates that high-BOD wastewater must be hauled off-site rather than discharged to the sanitary sewer. The latest version of the permit also requires that a composite sampling port be installed and annual monitoring for BOD, TSS, and pH be performed.

A permit was reissued to the San Lorenzo Valley Water District in June 2017 outlining discharge requirements for backwash water from the Mañana Woods groundwater well. The backwash water must be treated, as necessary, to remove pollutants to concentrations below the City of Scotts Valley Sanitary Sewer discharge limits. There was no activity at Mañana Woods in 2019 and there are no plans to use the well in the future.

Backwash from the Scotts Valley Water District wells is sampled annually in December and self-reported. Results for TSS, manganese, and arsenic were ND or well under regulatory limits for samples collected at the El Pueblo and Orchard Run. Well 10 was sampled in November and levels for arsenic, iron and manganese were found to exceed regulatory limits. Backwash from Well 10 sampling is directed to the sanitary sewer so a settling tank is slated for construction in the first half of 2020.

The one remaining, significant industrial user (SIU) in the City of Scotts Valley is ThermoFisher, a categorical metal finishing industry (40 CFR 433.15). ThermoFisher self-reports on a biannual basis in January and June. All analyte levels were below regulatory limits.

Grease Trap Installation and Maintenance

Several years of thorough and consistent annual inspections of local food service facilities have proven to be highly effective, as most facilities are operating in compliance with the local fats, oils, and greases (FOG) program and with local ordinances. The exception at this point is that a few of the coffee shops still do not have grease traps. In the past, it was thought that the amount of fat discharged from a coffee shop was negligible, but that has proven to not be the case. In addition, some of the coffee shops also prepare food. Consequently, the remaining coffee shops without grease traps have been alerted that they will be required to install a grease trap within one year from the date of written notification.

Additionally, we inspected the installation of grease interceptors at two, new developments: Four Points Sheraton Hotel and the Hangar at Sky Park. Both developments were initially resistant to installing a grease interceptor.

Environmental Compliance

During FY 2018-2019, approximately 108 businesses in Scotts Valley were inspected for wastewater and storm water compliance, with few significant issues. Forty percent of the inspected businesses were restaurants, and almost all are now well trained and following best management practices. Other businesses sectors that were inspected include vehicle service, manufacturers, gas stations, machine shops, landscapers, contractors, dentists, and dry cleaners. Coffeeshops in Scotts Valley are now required to have a grease interceptor.

All other business types were in compliance with respect to illicit discharge to the sanitary sewer.

Public Education and Outreach

Snapshot Day Water Quality Monitoring

Snapshot Day is the oldest and largest single-day annual water quality monitoring event in California. On the first Saturday in May each year hundreds of volunteers join the Coastal Watershed Council and Monterey Bay National Marine Sanctuary staff to take a “snapshot” of the health of rivers and streams flowing into the Sanctuary.

This favorite event draws people of all ages from all over California’s Central Coast to collect scientifically valid water quality data and to learn more about their local watersheds. Data from field measurements and lab analysis are collected and analyzed to determine the biggest threats to water quality and best management practices to address them. In 2016, the City of Scotts Valley participated in Snapshot Day for the first time and has continued that support each subsequent year by contributing funds to help organizers, providing expertise to help determine which sites within city limits should be sampled and providing staff trained in water quality sampling methods to act as team leader on Snapshot Day. Scotts Valley residents carried out the sampling under the supervision of the team leader. Their efforts and the results may be found in this report:

https://coastal-watershed.org/wp-content/uploads/2019/08/2019-Snapshot-Day-Report-Draft_final.pdf

Scotts Valley High School Students form Green Teams

Three classes of biology students asked for projects that could be carried out by a Green Team. These projects promote practices that schools can adopt to reduce litter and diver solid waste that might find its way into the sewer or natural water bodies.

- Use the Litterati app to produce maps that show litter 'hot spots' and then use that data to make changes like adding more trash and recycling bins to an area, adding anti-litter signage to an area, etc.
- Students could do a waste audit to determine what lunch items are being thrown out and use the data to start a composting program and/or change how items packaged.
- Students could lead something we call the recycling game, where players have to choose into which bin to place an item (trash, recycling, reuse) to educate about proper recycling. Results could be recorded to inform outreach decisions. Little prizes could be offered to entice students to play.

Green Business

Scotts Valley continues to support the Monterey Bay Area Green Business Program. Goals of the Green Business Program include promoting pollution prevention, waste minimization, and implementing best management practices that go above and beyond the regulatory standards. Since its launch in July 2004, the program has developed nineteen different business certification sectors, including: restaurants, plumbers, office/retail facilities, hotels/hospitality services, custodial companies, beauty salons, laundromats, wineries, painters, and landscapers, property management/multi-family dwellings, schools, medical facilities, garment cleaners, vehicle service facilities, auto body shops, printers, contractors/remodelers, and pharmacies. A significant portion of the program for restaurants, hotels, and plumbers is dedicated to minimizing discharges of fats, oils, and greases (FOG) into the sanitary sewer. The program is supported by a database launched in 2010, which allows it to collect metrics on water and energy savings, and pollution and waste reduction, and so assess the program's impacts.

Eleven businesses are presently certified through the Green Business Program in Scotts Valley with six more undergoing the process of certification.

Sharp Solutions for Home Medicines

The City of Scotts Valley staff members, in collaboration with the County of Santa Cruz and other city agencies, were successful in obtaining a grant in 2008 from the California Integrated Waste Management Board (CIWMB) to implement a pharmaceutical and sharps disposal program. Since that time, the Sharp Solutions for Home Medicines Program has provided a convenient and permanent system to dispose of home-generated used sharps and unwanted pharmaceuticals in the County of Santa Cruz. The County established 43 convenient and well-publicized drop-off locations, primarily at pharmacies, throughout the region. Since that program was founded, nearly all the sites have been privatized and are funded and maintained by the pharmacy or healthcare provider hosting the collection bins.



CALIFORNIA STATE
ENVIRONMENTAL LABORATORY ACCREDITATION PROGRAM
Accredited Fields of Testing



Scotts Valley - City Wastewater Reclamation Facility Lab

700 Lundy Lane
Scotts Valley, CA 95066
Phone: 8314380739

Certificate No. 1062
Expiration Date 12/31/2021

Field of Testing: 101 - Microbiology of Drinking Water

101.050 001	Total Coliform P/A	SM 9223 B Colilert
101.050 002	E. coli P/A	SM 9223 B Colilert
101.050 003	Total Coliform (Enumeration)	SM 9223 B Colilert
101.050 005	Total Coliform P/A	SM 9223 B Colilert 18
101.050 006	E. coli P/A	SM 9223 B Colilert 18
101.050 007	Total Coliform (Enumeration)	SM 9223 B Colilert 18
101.050 008	E. coli (Enumeration)	SM 9223 B Colilert 18

Field of Testing: 107 - Microbiological Methods for Non-Potable Water and Sewage Sludge

107.001 001	Total Coliform (Enumeration)	SM 9221 B,C-2006
107.001 002	Fecal Coliform (Enumeration)	SM 9221 C,E-2006
107.017 001	Enterococci	Enterolert

Field of Testing: 108 - Inorganic Constituents in Non-Potable Water

108.059 001	Turbidity	SM 2130 B-2011
108.075 001	Residue, Non-filterable TSS	SM 2540 D-2011
108.079 001	Residue, Settleable	SM 2540 F-2011
108.105 001	Chlorine, Total Residual	SM 4500-Cl C-2011
108.137 001	Hydrogen Ion (pH)	SM 4500-H+ B-2011
108.155 001	Nitrate (as N)	SM 4500-NO3 D-2011
108.207 001	Biochemical Oxygen Demand	SM 5210 B-2011
108.207 002	Carbonaceous BOD	SM 5210 B-2011
108.327 001	Nitrite (as N)	Hach 8507



STATE WATER RESOURCES CONTROL BOARD
REGIONAL WATER QUALITY CONTROL BOARDS

CALIFORNIA STATE



ENVIRONMENTAL LABORATORY ACCREDITATION PROGRAM

CERTIFICATE OF ENVIRONMENTAL ACCREDITATION

Is hereby granted to

Scotts Valley - City Wastewater Reclamation Facility Lab

700 Lundy Lane
Scotts Valley, CA 95066

Scope of the certificate is limited to the
"Fields of Testing"
which accompany this Certificate.

Continued accredited status depends on successful completion of on-site inspection,
proficiency testing studies, and payment of applicable fees.

This Certificate is granted in accordance with provisions of
Section 100825, et seq. of the Health and Safety Code.

Certificate No.: **1062**

Expiration Date: **12/31/2021**

Effective Date: **1/1/2020**

Sacramento, California
subject to forfeiture or revocation

Christine Sotelo, Chief
Environmental Laboratory Accreditation Program

TABLE 1**2019 PLANT FLOW AND
RAINFALL**

	Total Plant Flow Eff.+Rec.MGD Mo. Total	Effluent Daily Flow MGD Mo. Total	Effluent Inst. Max. MGD (peak)	Recycled Total Flow Million Gallons Mo. Total	Rainfall Inches (Total)
January	29.166	28.680	2.87	0.486	17.64
February	30.621	30.240	2.62	0.381	16.96
March	29.356	29.044	2.70	0.312	8.43
April	23.810	18.826	2.77	4.984	0.93
May	22.640	17.825	3.28	4.815	3.56
June	20.909	13.787	2.37	7.122	0.07
July	21.704	11.769	2.58	9.935	0.01
August	22.065	11.731	1.68	10.334	0.00
September	20.351	11.788	2.32	8.563	0.00
October	22.162	15.468	3.92	6.694	0.03
November	21.114	17.227	2.20	3.887	7.57
December	36.112	29.618	3.66	6.494	16.62
Total	300.01	236.00		64.01	71.82
Average	25.00	19.67	2.75	5.33	5.99
Maximum	36.11	30.24	3.92	10.33	17.64
Minimum	20.35	11.73	1.68	0.31	0.00

ADDWF, MGD	0.704
Eff + Recycle	

TABLE 2**2019 Influent & Effluent Suspended Solids**

	Influent mg/L	Effluent mg/L	Effluent lb/day	Percent Removal
January	245	11	80	95.6%
February	242	13	131	94.6%
March	244	11	92	95.3%
April	277	9	51	96.6%
May	334	18	94	94.4%
June	289	16	68	94.4%
July	297	7	22	97.6%
August	310	7	19	97.7%
September	371	15	55	96.3%
October	307	17	66	94.6%
November	386	28	114	90.3%
December	286	11	92	95.9%
Average	299	14	74	95.3%
Maximum	386	28	131	97.7%
Minimum	242	7	19	90.3%

TABLE 3**2019 Influent & Effluent BOD & cBOD**

	Influent BOD mg/L	Effluent BOD mg/L	Effluent BOD lb/day	BOD Percent Removal	Influent cBOD mg/L	Effluent cBOD mg/L	Effluent cBOD lb/day	cBOD Percent Removal
January	328	8	46	97.6%	209	7	40	96.8%
February	248	7	39	97.0%	188	5	29	97.4%
March	273	9	56	96.5%	231	7	41	97.0%
April	291	6	36	97.9%	272	4	23	98.6%
May	349	7	43	97.9%	289	7	41	97.6%
June	330	7	45	97.7%	269	5	31	98.0%
July	316	4	27	98.6%	279	4	22	98.7%
August	324	5	27	98.6%	286	4	26	98.5%
September	367	6	37	98.4%	337	5	30	98.6%
October	351	7	44	97.9%	309	6	39	97.9%
November	332	11	67	96.7%	260	7	45	97.1%
December	303	30	179	87.5%	215	26	159	86.3%
Average	318	9	54	96.9%	262	7	44	96.9%
Maximum	367	30	179	98.6%	337	26	159	98.7%
Minimum	248	4	27	87.5%	188	4	22	86.3%

TABLE 4**2019 Tertiary Effluent Nitrogen**

	Tertiary Ammonia mg/L as N	Tertiary Organic N mg/L as N	Tertiary Nitrate mg/L as N	Tertiary Nitrite mg/L as N	Influent Total N mg/L as N	Tertiary Nitrogen Removal Percent
January	0.08	1.1	1.6	< 0.10	6.68	58
February	1.60	0.8	2.4	< 0.10	13.90	76
March	ND	1.5	1.7	< 0.10	9.54	66
April	1.30	1.2	1.4	< 0.10	11.32	76
May	0.09	1.4	1.8	< 0.10	12.88	74
June	0.09	2.4	1.4	< 0.10	15.06	74
July	0.10	1.2	1.9	< 0.10	11.68	73
August	0.08	1.4	2.0	< 0.10	10.86	68
September	ND	1.0	2.5	< 0.10	9.09	61
October	0.08	1.7	2.8	< 0.10	13.62	66
November	0.40	1.2	1.5	< 0.10	8.07	66
December	0.07	0.0	1.1	< 0.10	3.73	67
Average	0.39	1.2	1.8	< 0.10	10.5	69
Maximum	1.60	2.4	2.8	0.27	15.1	76
Minimum	0.07	0.0	1.1	< 0.01	3.7	58

TABLE 5**2019 Influent & Effluent pH and
Effluent Turbidity, Settleable Solids, and Oil & Grease**

	Influent pH Std Units	Effluent pH Std Units	Effluent Turbidity NTU	Effluent Settleable Solids ml/L	Effluent Oil & Grease mg/L	Effluent Oil & Grease lb/day
January	8.2	7.3	11.7	< 0.1	< 5	< 30
February	8.1	7.3	6.0	< 0.1	< 5	< 30
March	8.1	7.3	6.1	< 0.1	< 5	< 30
April	8.2	7.3	6.6	< 0.1	< 5	< 30
May	8.2	7.3	10.7	< 0.1	< 5	< 30
June	8.1	7.3	6.8	< 0.1	< 5	< 30
July	8.0	7.1	5.4	< 0.1	< 5	< 30
August	8.1	7.2	6.0	< 0.1	< 5	< 30
September	8.2	7.2	5.5	< 0.1	< 5	< 30
October	8.2	7.2	6.0	< 0.1	< 5	< 30
November	8.3	7.2	2.5	< 0.1	< 5	< 30
December	8.1	7.2	8.6	< 0.1	< 5	< 30
Average	8.2	7.2	6.8	< 0.1	< 5.0	< 30
Maximum	8.3	7.3	11.7	< 0.1	< 5.0	< 30
Minimum	8.0	7.1	2.5	< 0.1	< 5.0	< 30

TABLE 6**2019 Effluent Chlorine Residual and Bacteriological Quality**

	Chlorine Residual mg/L @Santa Cruz	Total Coliform MPN/100mL	Fecal Coliform MPN/100mL	Enterococcus MPN/100mL
January	< 0.01	5630	810	141
February	< 0.01	3620	400	87
March	< 0.01	1990	< 240	35
April	0.04	2400	320	23
May	< 0.02	4560	220	86
June	< 0.02	7410	< 220	128
July	0.05	4210	340	88
August	< 0.03	5750	810	70
September	< 0.04	4290	770	153
October	< 0.01	8560	1110	144
November	< 0.01	2760	420	149
December	< 0.01	1650	260	113
Geometric	0.02	3,924	421	89
Maximum	0.05	8,560	1,160	153
Minimum	0.01	1,650	< 220	23

TABLE 7**2019 Sludge
Wasting**

	WAS Flow MGD	WAS Percent Solids	Sludge Hauled Tons/mnth (dry wt)	Hours Press or Aeromod per/mnth	Sludge % Solids	
January	0.7499	1.01	25.4	162.3	10.9	
February	0.6420	1.11	22.9	132.0	11.5	
March	0.6283	1.08	24.2	145.8	8.9	
April	0.6491	1.03	24.4	144.6	8.8	
May	0.6635	1.04	21.2	136.8	8.6	
June	0.6541	1.22	13.8	131.5	13.6	
July	0.8555	1.13	22.5	161.8	14.7	
August	0.8023	1.02	22.1	153.5	14.4	
September	0.6635	1.01	19.8	136.5	11.3	
October	0.7696	1.06	15.9	166.0	13.7	
November	0.7000	1.37	17.2	158.5	14.4	
December	0.5638	0.87	18.7	144.8	9.1	
Total	8.342		248.2	1,774		
Average	0.695	1.08	20.7	148	11.7	
Maximum	0.856	1.37	25.4	166	14.7	
Minimum	0.564	0.87	13.8	132	8.6	

TABLE 8**2019 Plant Operating Parameters**

	Aerator lbs	Clarifier lbs	Total lbs	RAS mg/L	MLSS mg/L	Clar. SS mg/L	MCRT 7-day	F/M 7-day	SVI Ratio
January	14878	9229	24,107	10169	5915	2181	9.67	0.21	156
February	15235	12777	28,012	11392	6057	3019	10.79	0.21	155
March	15820	11812	27,632	11421	6289	2791	11.17	0.19	148
April	15933	7219	23,153	10358	6335	1706	9.18	0.16	142
May	15269	7237	22,506	9522	6070	1710	9.10	0.16	144
June	16865	6831	23,696	9985	6705	1614	9.04	0.16	132
July	18687	12393	31,080	10931	7429	2929	8.28	0.13	129
August	17634	11113	28,747	10324	7010	2626	8.50	0.14	138
September	14928	8690	23,618	9074	5935	2054	8.61	0.17	161
October	16239	8775	25,014	9529	6456	2074	8.78	0.15	144
November	17044	14038	31,082	10189	6776	3317	13.23	0.17	143
December	16767	16610	33,377	10881	6666	3925	18.93	0.20	148
Average	16,275	10,560	26,835	10,314	6,470	2,496	10.4	0.17	145
Maximum	18,687	16,610	33,377	11,421	7,429	3,925	18.9	0.21	161
Minimum	14,878	6,831	22,506	9,074	5,915	1,614	8.3	0.13	129

FIGURE 1

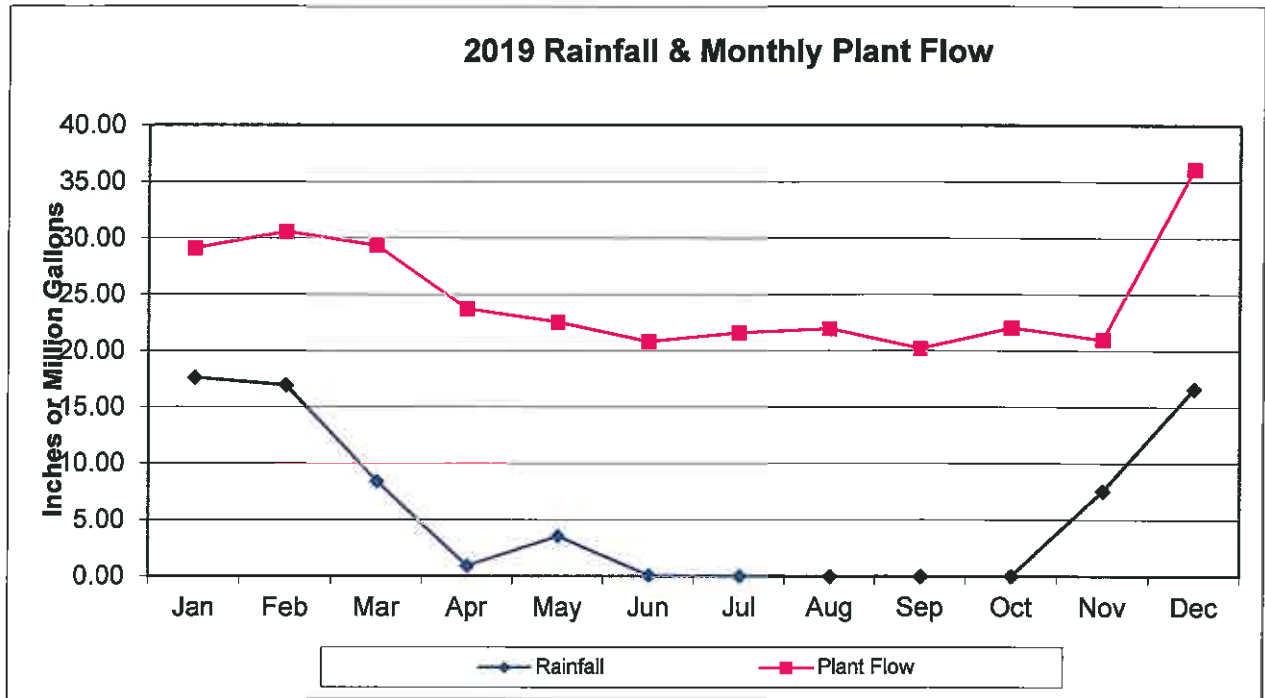


FIGURE 2

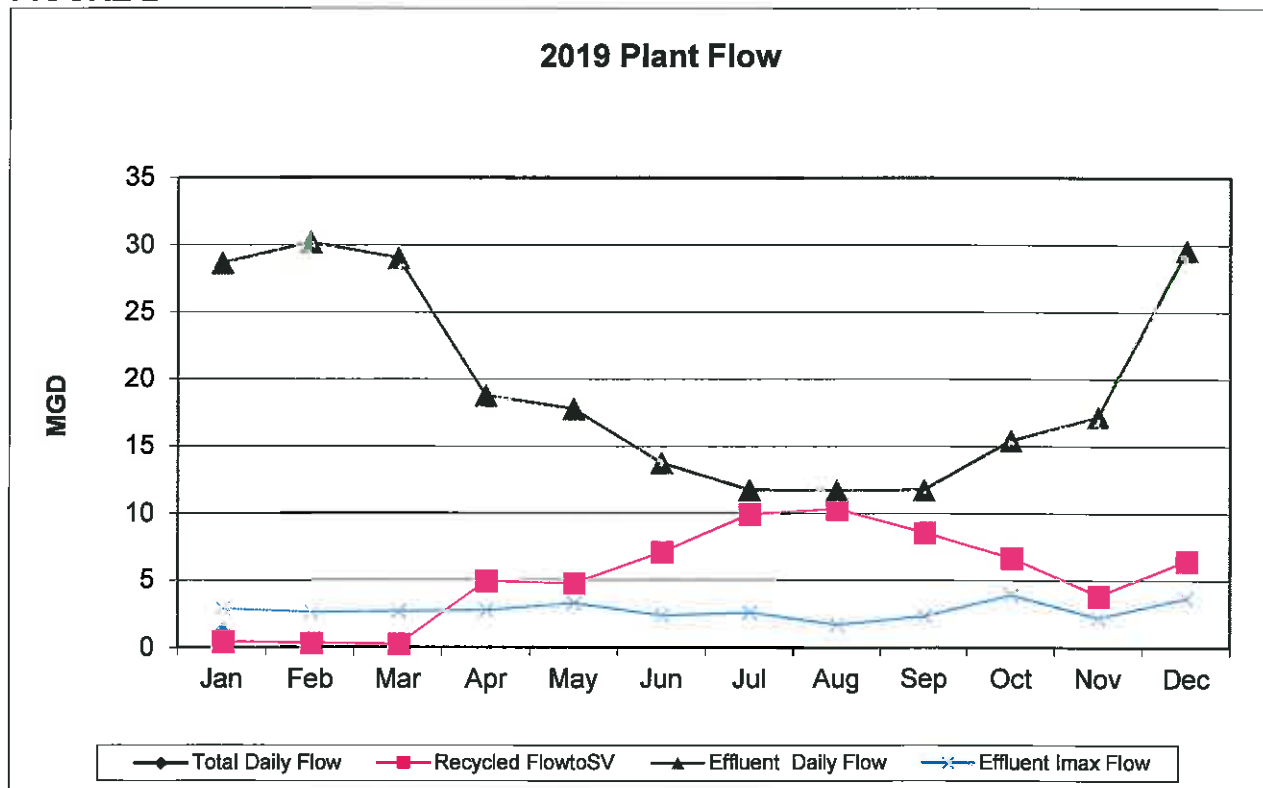


FIGURE 3

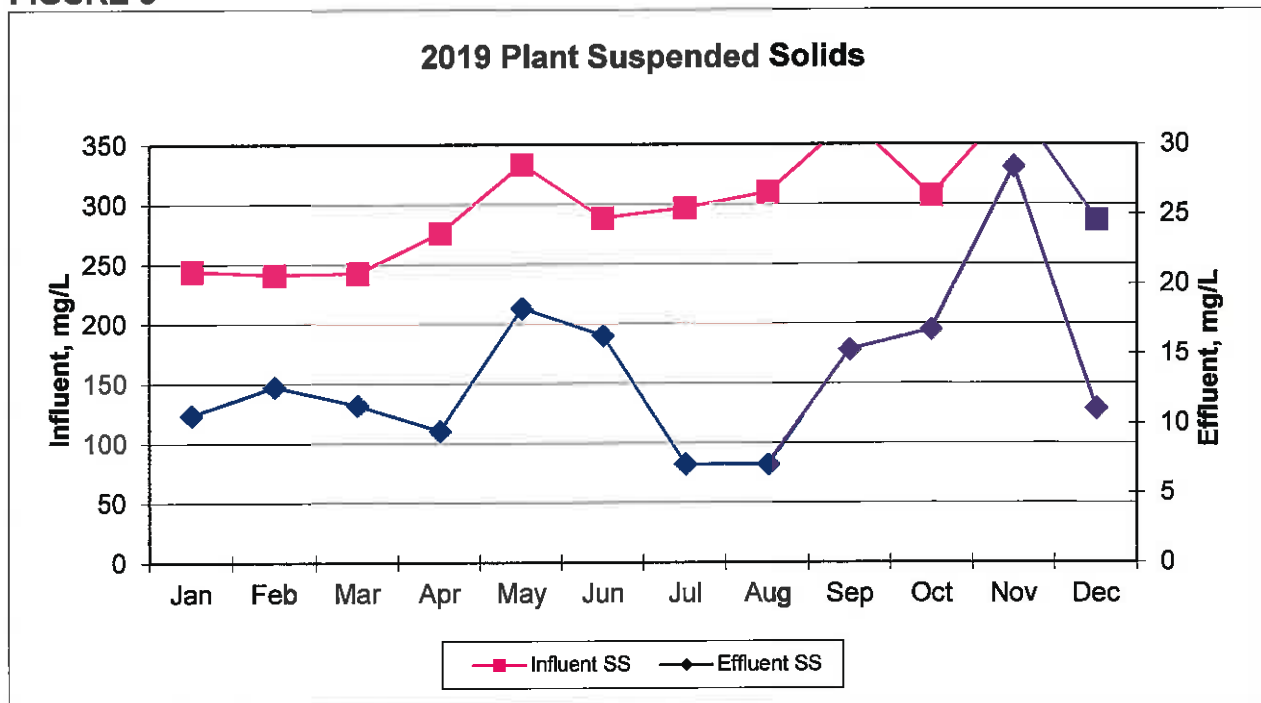


FIGURE 4

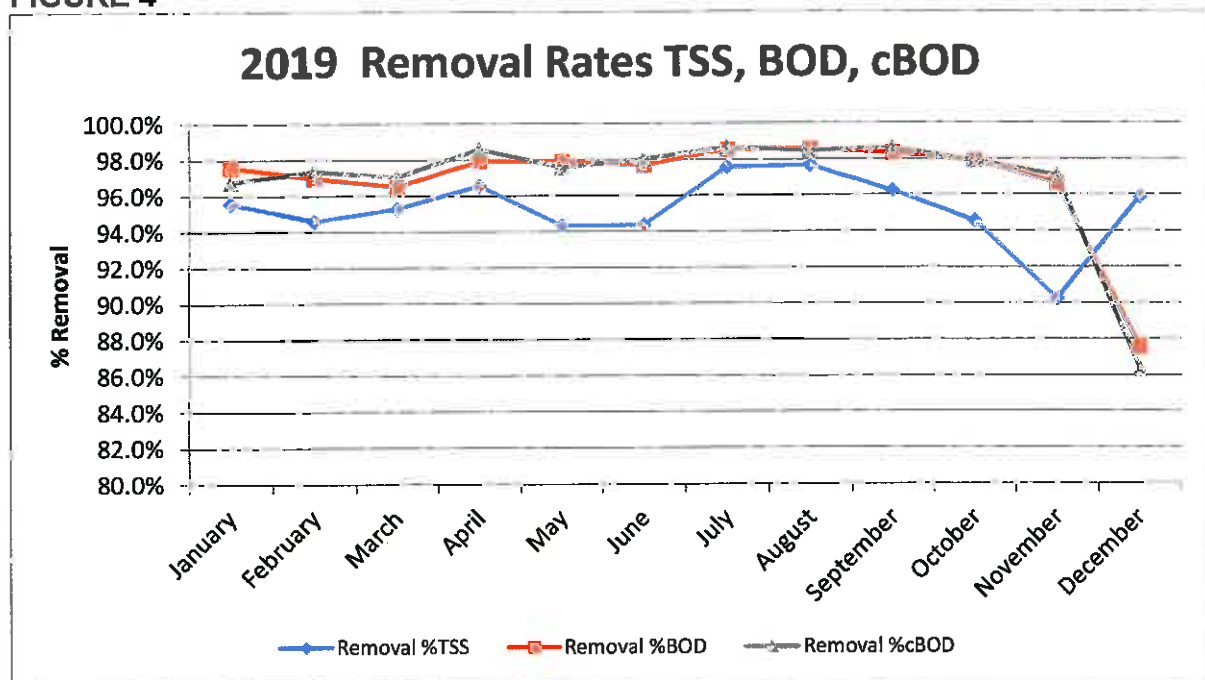


FIGURE 5

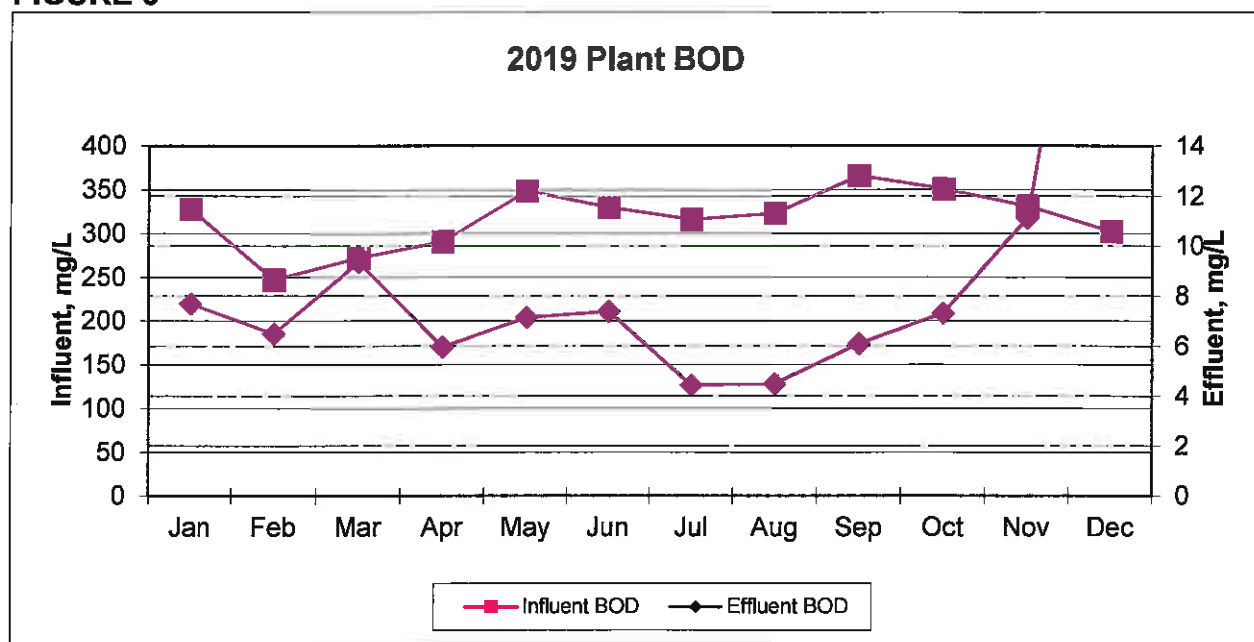


FIGURE 6

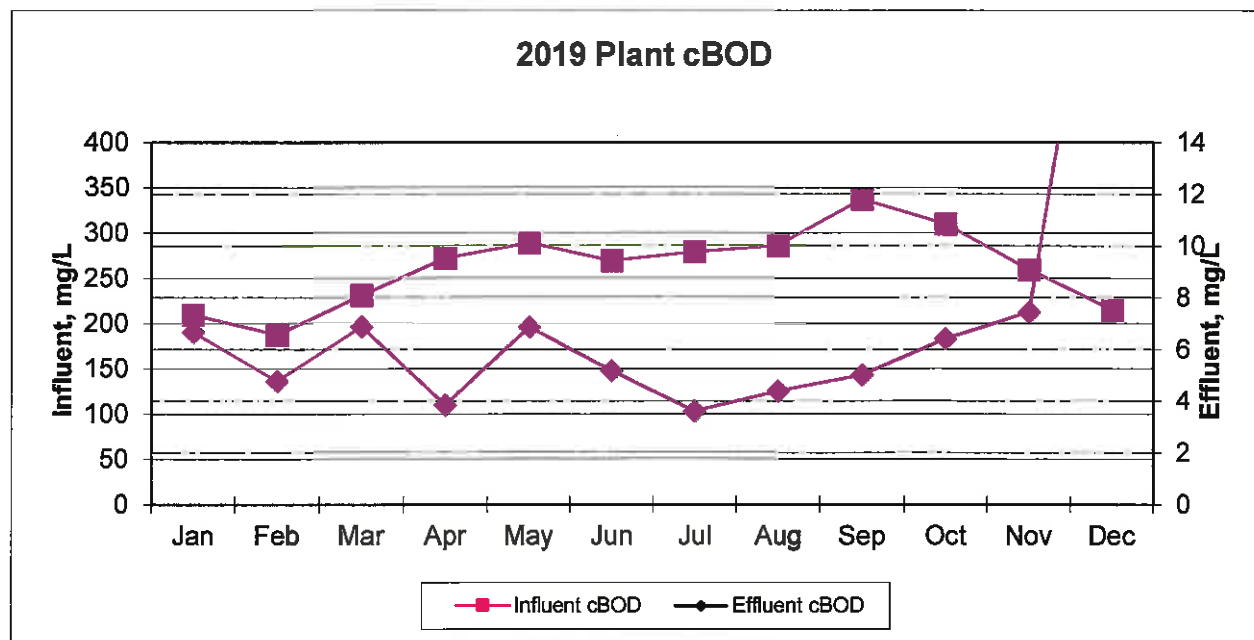


FIGURE 7

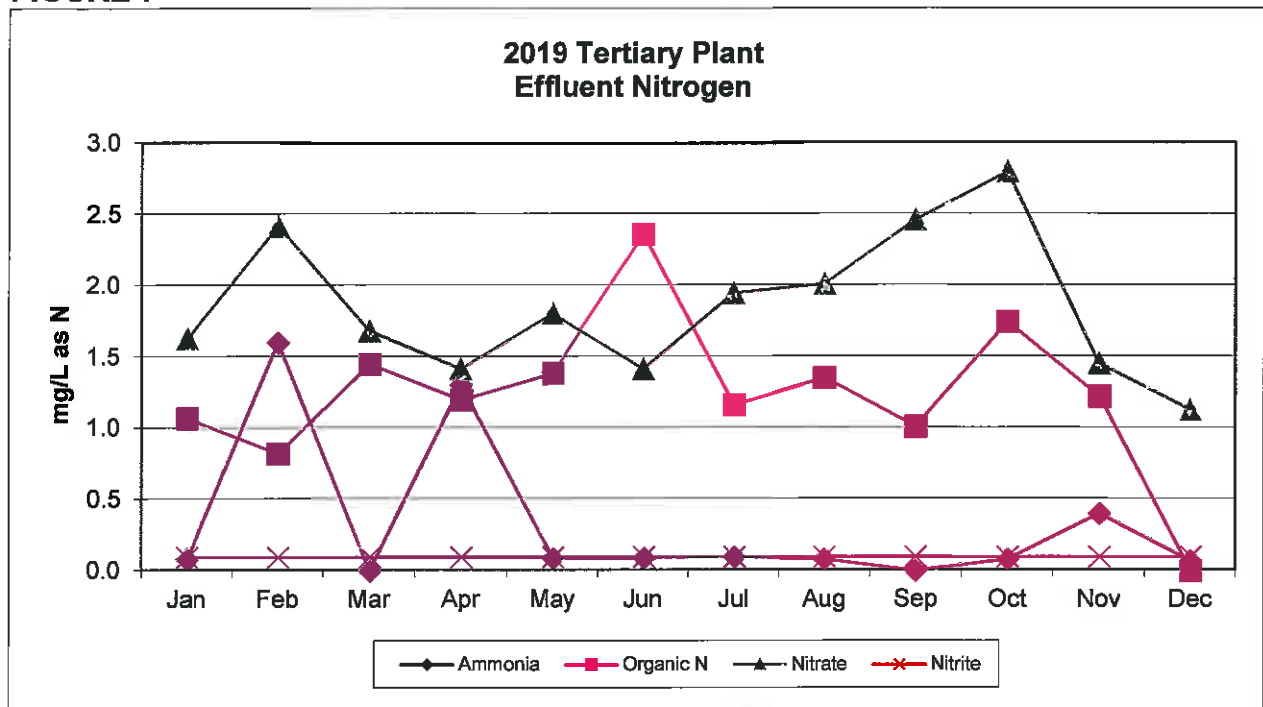


FIGURE 8

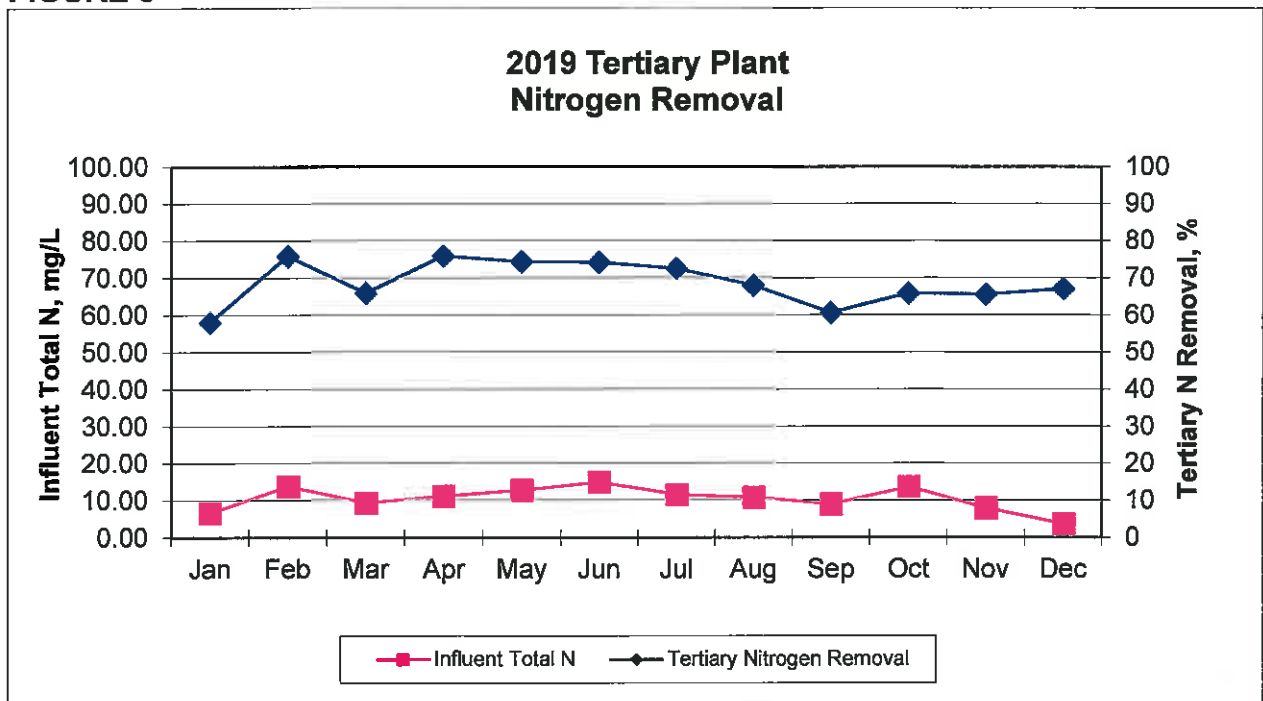


FIGURE 9

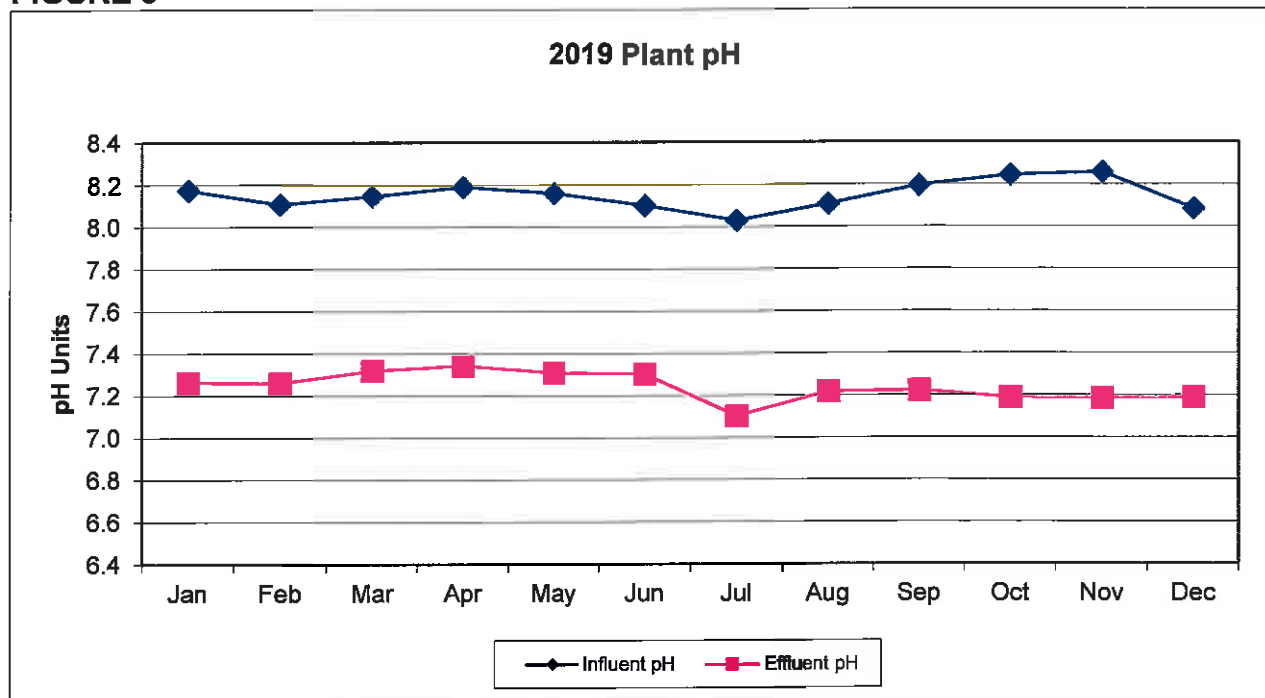


FIGURE 10

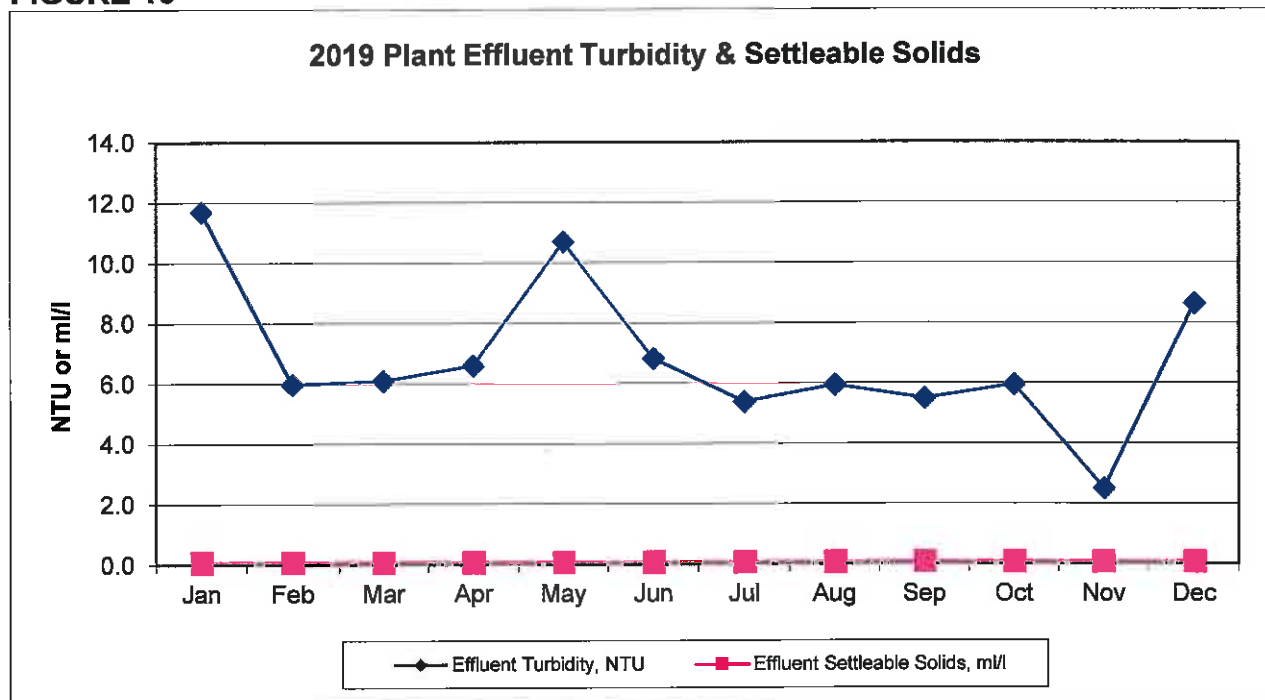


FIGURE 11

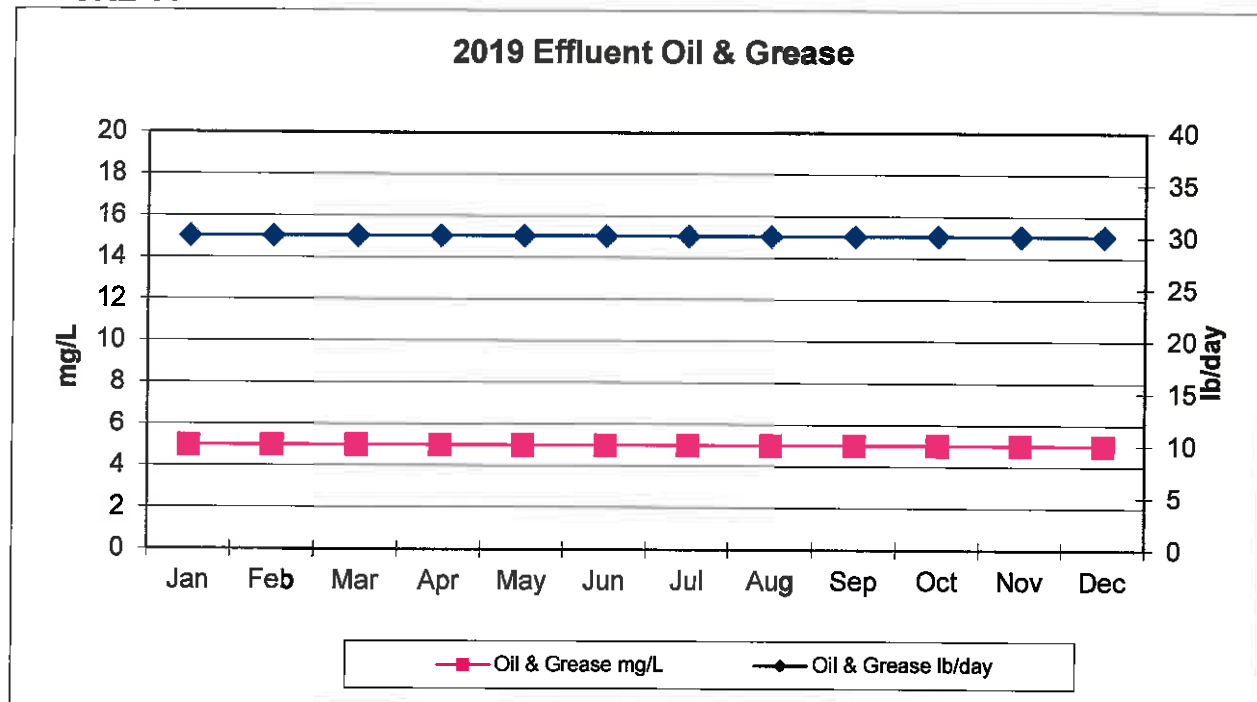


FIGURE 12

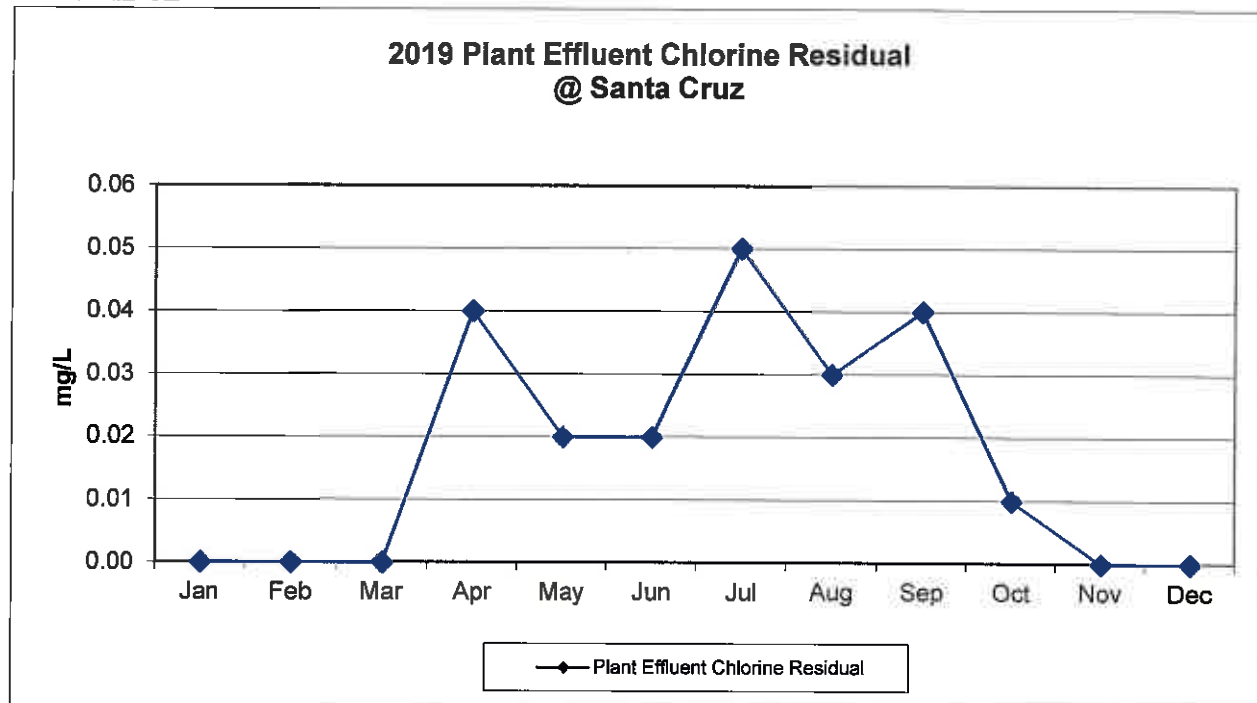


FIGURE 13

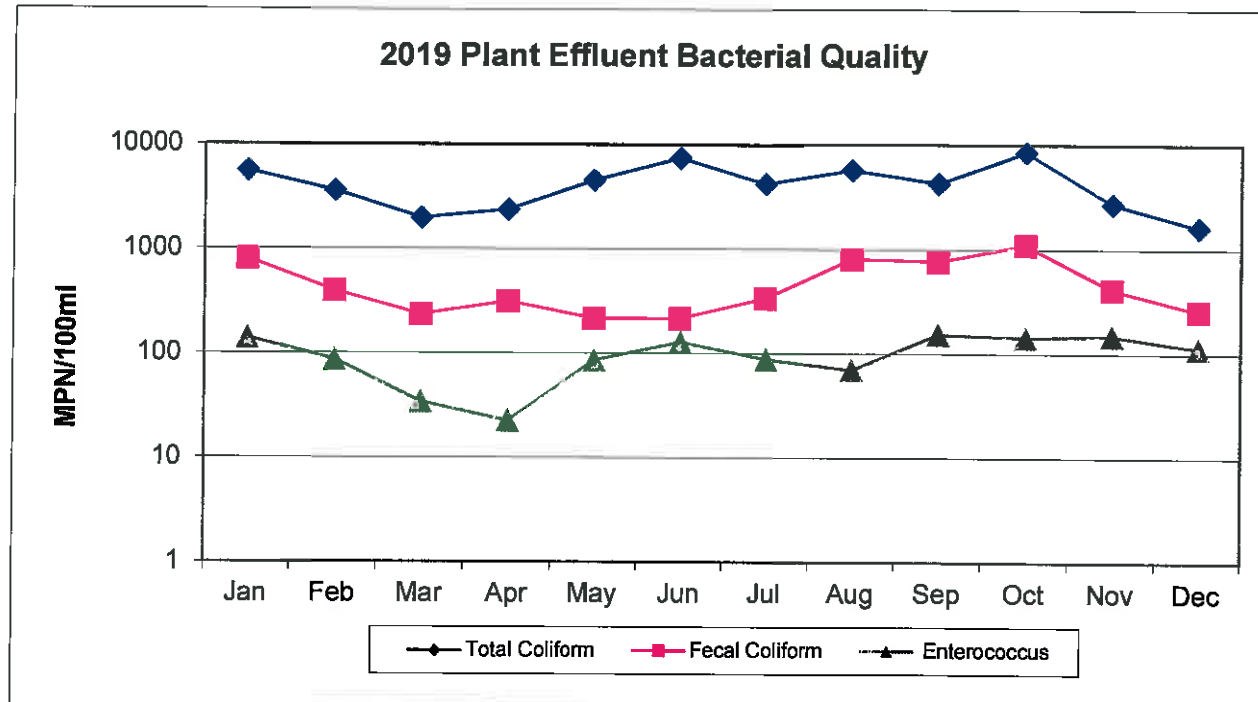


FIGURE 14

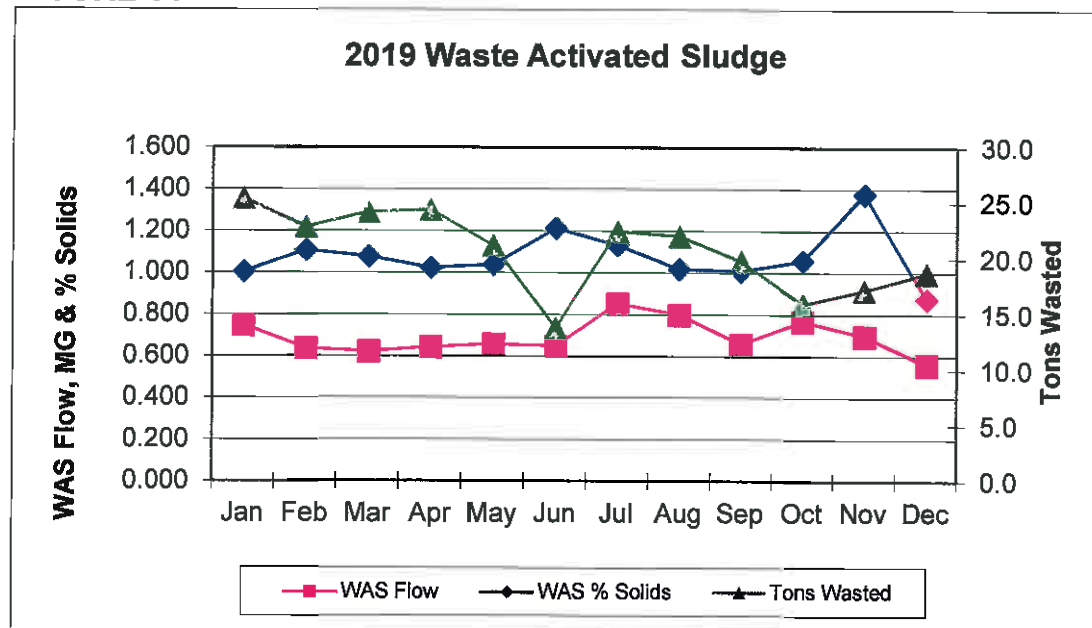


FIGURE 15

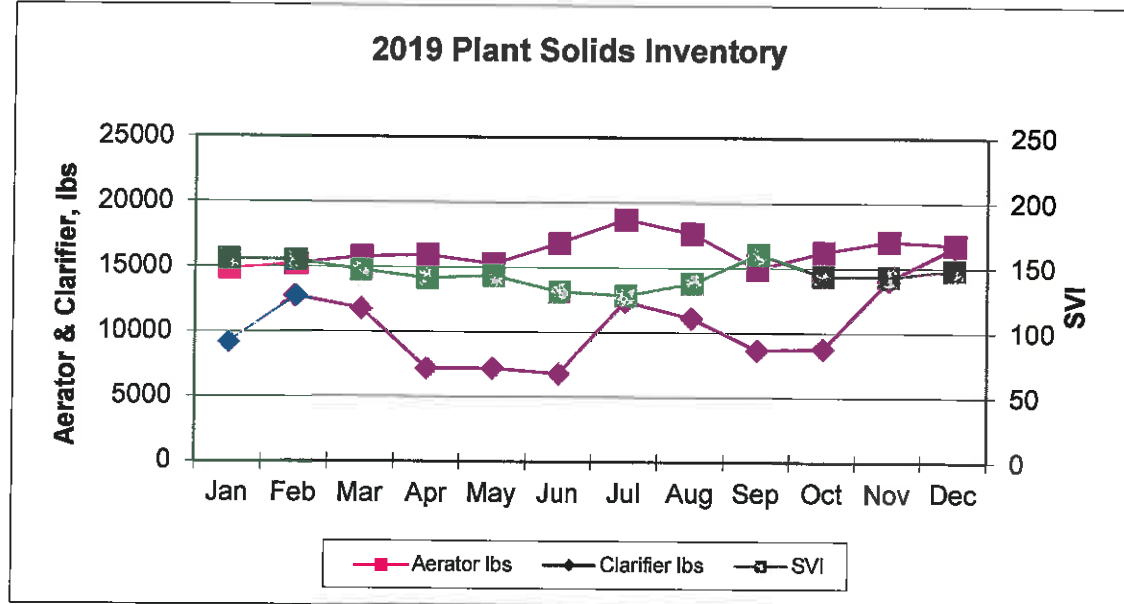


FIGURE 16

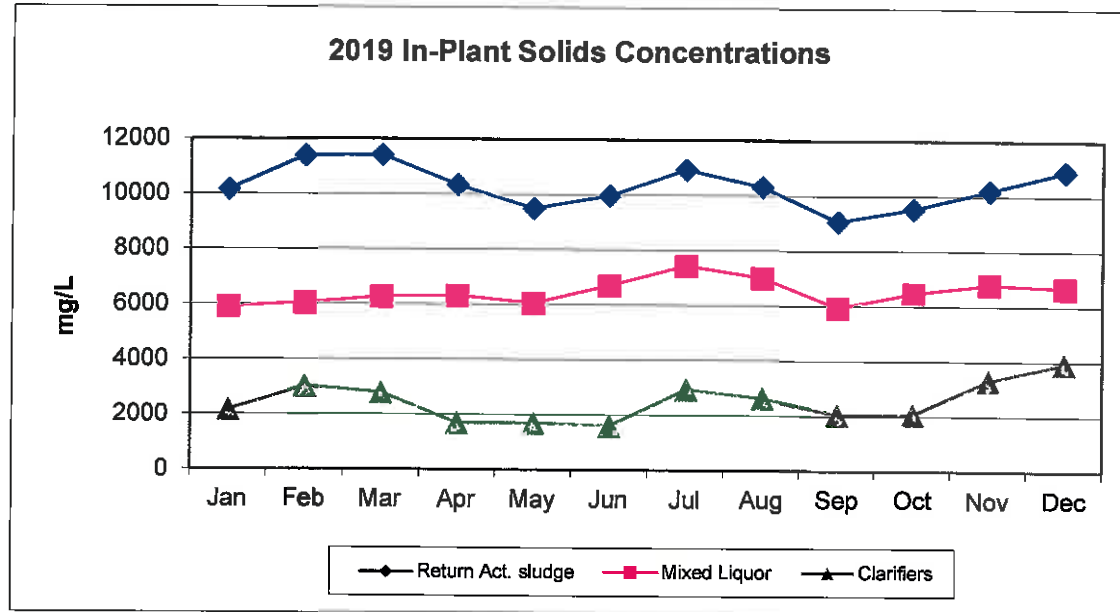


FIGURE 17

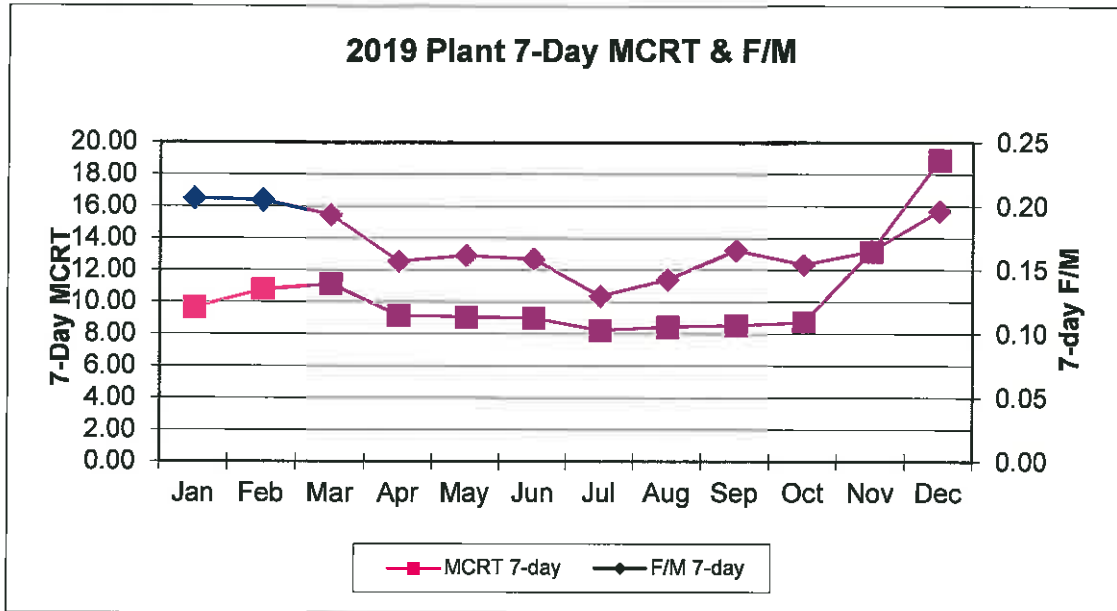


FIGURE 18

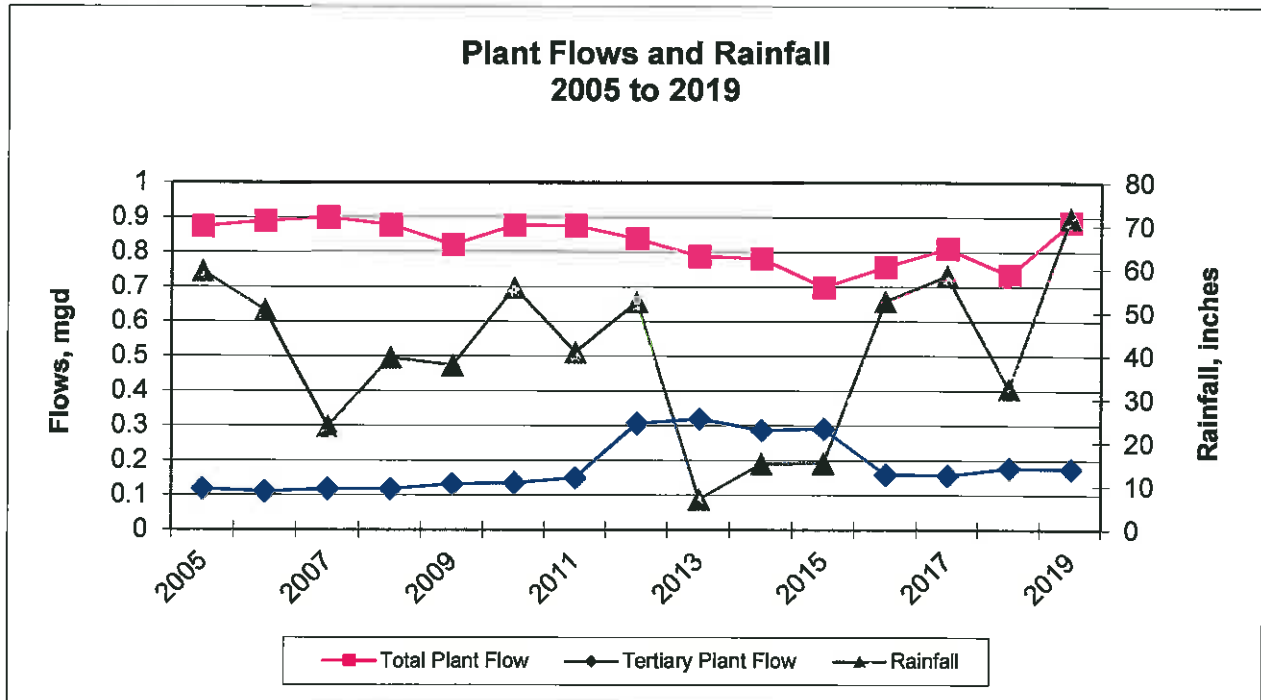
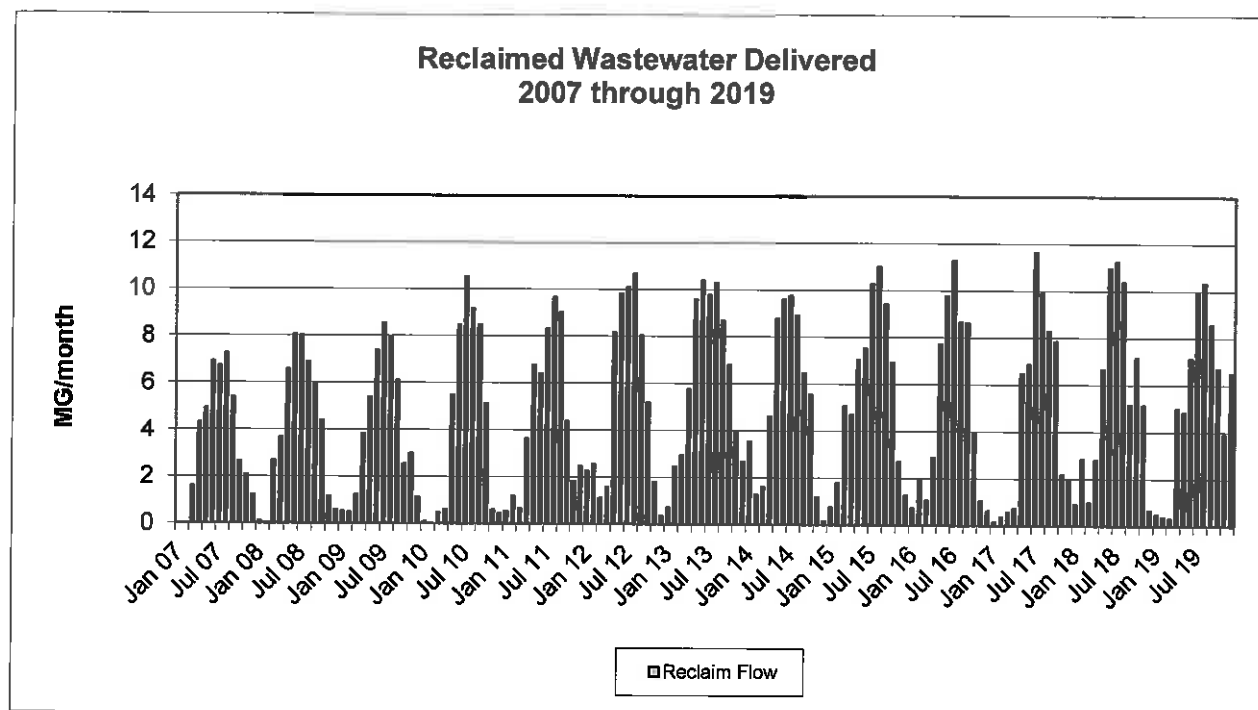


FIGURE 19



NPDES PERMIT EFFLUENT VIOLATIONS 2010-2019

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
January	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	1	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0
May	0	0	0	1	0	0	0	0	0	0
June	0	0	0	0	0	0	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0
October	0	0	0	0	0	0	0	2	0	0
November	0	0	0	0	0	0	0	0	0	0
December	0	0	4	0	0	0	0	0	0	0
Total	0	0	4	1	0	1	0	2	0	0

Eff. Weekly
Avg.BOD
CBOD,TSS
sett.solid

Cl2

Eff. Weekly
TSS Avg.

Eff. Weekly
& Monthly
TSS Avg.

City of Scotts Valley Discharger Self Monitoring Report

2019 Annual Ocean Plan Table 1 Monitoring 700 Lundy Lane

NPDES#: 0048828 FAC ID: 3440103 (Scotts Valley, CA 95066)

2019	TABLE 1 - PROTECTION OF HUMAN HEALTH -- CARCINOGENS						
2019 Annual Effluent Remarks:	CONSTITUENT (HV = High Volume water sample)	Detection Limit & Units	Result	Sample Date	30-day Average Limit ug/L		Times Limit Exceeded
	Acrylonitrile	1.2 ug/L	ND	2/26-27/2019	1.E+01		0
	Aldrin	0.0013 ug/L	ND	2/26-27/2019	0.E+00		0
	Benzene	0.083 ug/L	ND	2/26-27/2019	8.E+02		0
	Benzzidine	7.1 ug/L	ND	2/26-27/2019	1.E-02		0
	Beryllium	0.23 ug/L	ND	2/26-27/2019	5.E+00		0
	Bis(2-Chloroethyl)ether	0.68 ug/L	ND	2/26-27/2019	6.E+00		0
	Bis(2-ethylhexyl)phthalate	4.0 ug/L	0.55	2/26-27/2019	5.E+02		0
	Carbon tetrachloride	0.18 ug/L	ND	2/26-27/2019	1.E+02		0
	HV Chlordane	ug/L	<0.00034	2/19-3/21/19	0.E+00		0
	Chloroform	0.5 ug/L	39	2/26-27/2019	1.E+03		0
	HV DDT	ug/L	<0.000072	2/19-3/21/19	2.E-02		0
	1,4-Dichlorobenzene	0.06 ug/L	ND	2/26-27/2019	3.E+03		0
	3,3-Dichlorobenzidine	8.2 ug/L	ND	2/26-27/2019	1.E+00		0
	1,2-Dichloroethane	0.17 ug/L	ND	2/26-27/2019	4.E+03		0
	1,1,-Dichloroethylene	0.17 ug/L	ND	2/26-27/2019	1.E+02		0
	Dichlorobromomethane	ug/L	2.1	2/26-27/2019	9.E+02		0
	Methylene chloride	0.48 ug/L	ND	2/26-27/2019	6.E+04		0
	1,3-Dichloropropene	0.21 ug/L	ND	2/26-27/2019	1.E+03		0
	HV Dieldrin	ug/L	<0.000016	2/19-3/21/19	1.E-02		0
	2,4-Dinitrotoluene	0.26 ug/L	ND	2/26-27/2019	4.E+02		0
	1,2-Diphenylhydrazine	0.34 ug/L	ND	2/26-27/2019	2.E+01		0
	Halomethanes	2 ug/L	2.1	2/26-27/2019	2.E+04		0
	HV Heptachlor	ug/L	<0.000011	2/19-3/21/19	1.E-02		0
	HV Heptachlor Epoxide	ug/L	<0.000018	2/19-3/21/19	0.E+00		0
	HV Hexachlorobenzene	ug/L	<0.00006	2/19-3/21/19	3.E-02		0
	Hexachlorobutadiene	0.24 ug/L	ND	2/26-27/2019	2.E+03		0
	Hexachloroethane	0.32 ug/L	ND	2/26-27/2019	3.E+02		0
	Isophorone	0.31 ug/L	ND	2/26-27/2019	1.E+05		0
	N-Nitrosodimethylamine	0.61 ug/L	ND	2/26-27/2019	1.E+03		0
	N-Nitrosodi-N-Propylamine	1.3 ug/L	ND	2/26-27/2019	5.E+01		0
	N-Nitrosodiphenylamine	0.44 ug/L	ND	2/26-27/2019	3.E+02		0
	HV PAH	ug/L	0.0033	2/19-3/21/19	1.E+00		0
	HV PCBs(total)	ug/L	0.0008	2/19-3/21/19	0.E+00		0
	HV TCDD Equivalents	ug/L	7.0000	2/19-3/21/19	5.E-07		0
	1,1,2,2,-Tetrachloroethane	0.17 ug/L	ND	2/26-27/2019	3.E+02		0
	Tetrachloroethylene	0.13 ug/L	ND	2/26-27/2019	3.E+02		0
	Toxaphene	0.42 ug/L	ND	2/26-27/2019	3.E-02		0
	Trichloroethylene	0.085 ug/L	ND	2/26-27/2019	4.E+03		0
	1,1,2-Trichloroethane	0.16 ug/L	ND	2/26-27/2019	1.E+03		0
	2,4,6-Trichlorophenol	0.6 ug/L	ND	2/26-27/2019	4.E+01		0
	Vinyl chloride	0.12 ug/L	ND	2/26-27/2019	5,004		0

City of Scotts Valley Discharger Self Monitoring Report

2019 Ocean Plan Table 1 Monitoring

700 Lundy Lane

NPDES#: 0048828 FAC ID: 34401030

Scotts Valley, CA 95066

2019	TABLE 1 – PROTECTION OF MARINE AQUATIC LIFE								
2019 Annual Effluent Remarks:	CONSTITUENT (HV = High Volume water sample)	Detection Limit & Units		Result	Sample Date	Discharge Limits			Times Limit Exceeded
						6-Month Median ug/L	Daily Max. ug/L	Instant. Max. ug/L	
	Arsenic	2	ug/L	ND	2/26-27/2019	1,112	4,448	11,120	0
	Cadmium	1	ug/L	ND	2/26-27/2019	139	556	1,390	0
	Chromium (hexavalent)	0.2	ug/L	ND	2/26-27/2019	278	1,112	2,780	0
	Copper	2.0	ug/L	6.60	2/26-27/2019	417	1,668	4,170	0
	Lead	1.0	ug/L	ND	2/26-27/2019	278	1,112	2,780	0
	Mercury	0.20	ug/L	ND	2/26-27/2019	5.56	22	55.6	0
	Nickel	2.0	ug/L	3.6	2/26-27/2019	695	2,780	6,950	0
	Selenium	2.0	ug/L	0.9	2/26-27/2019	2,085	8,340	20,850	0
	Silver	1.0	ug/L	ND	2/26-27/2019	97.30	389.2	973	0
	Zinc	5.0	ug/L	61.0	2/26-27/2019	2,780	11,120	27,800	0
	Cyanide	5.0	ug/L	12.0	2/26-27/2019	139	556	1,390	0
	Phenolic Compounds	1.0	ug/L	ND	2/26-27/2019	4,170	16,680	41,700	0
	(non-chlorinated)								
	Chlorinated Phenolics	0.4	ug/L	ND	2/26-27/2019	139	556	1,390	0
	HV Endosulfans		ug/L	<0.000462	2/19-3/21/19	1.25	2.5	3.8	0
	HV Endrin		ug/L	<0.000016	2/28-4/2/14	0.28	0.56	0.83	0
	Lindane	0.005	ug/L	ND	2/26-27/2019	0.56	1.11	1.67	0
	Radioactivity	Beta	pCi/L	24.0	2/26-27/2019	Section 30253 CCR			0
		Alpha	pCi/L	0.105	2/26-27/2019				0
	TABLE 1 - PROTECTION OF HUMAN HEALTH – NONCARCINOGENS								
	CONSTITUENT (HV = High Volume water sample)	Detection Limit & Units		Result	Sample Date	30-day Average Limit ug/L			Times Limit Exceeded
	Acrolein	7.9	ug/L	ND	2/26-27/2019	3.E+04			0
	Antimony	0.1	ug/L	0.21	2/26-27/2019	2.E+05			0
	Bis (2-chloroethoxy) meth	0.27	ug/L	ND	2/26-27/2019	6.E+02			0
	Bis (2-chloroisopropyl) et	0.30	ug/L	ND	2/26-27/2019	2.E+04			0
	Chlorobenzene	0.093	ug/L	ND	2/26-27/2019	8.E+04			0
	Chromium III	5.00	ug/L	1.20	2/26-27/2019	3.E+07			0
	Di-n-butyl phthalate	0.39	ug/L	ND	2/26-27/2019	5.E+05			0
	Dichlorobenzenes	0.31	ug/L	ND	2/26-27/2019	7.E+05			0
	Diethyl phthalate	0.33	ug/L	ND	2/26-27/2019	5.E+06			0
	Dimethyl phthalate	0.39	ug/L	ND	2/26-27/2019	1.E+08			0
	4,6-Dinitro-2-methyl ph	0.34	ug/L	ND	2/26-27/2019	3.E+04			0
	2,4-Dinitrophenol	0.20	ug/L	ND	2/26-27/2019	6.E+02			0
	Ethylbenzene	0.098	ug/L	ND	2/26-27/2019	6.E+05			0
	HV Fluoranthene		ug/L	0.0002	2/19-3/21/19	2.E+03			0
	Hexachlorocyclopentadien	0.0500	ug/L	ND	2/26-27/2019	8.E+03			0
	Nitrobenzene	0.26	ug/L	ND	2/26-27/2019	7.E+02			0
	Thallium	0.10	ug/L	ND	2/26-27/2019	3.E+02			0
	Toluene	0.093	ug/L	0.32	2/26-27/2019	1.E+07			0
	Tributyltin	0.005	ug/L	ND	2/26-27/2019	2.E-01			0
	1,1,1-Trichloroethane	0.11	ug/L	ND	2/26-27/2019	8.E+07			0

City of Scotts Valley Discharger Self Monitoring Report

Annual Biosolids Hazardous Waste Determination
NPDES#: 0048828 FAC ID: 3440103001

700 Lundy Lane
Scotts Valley, CA 95066

Date of Report:	SLUDGE CAKE Annual hazardous waste determination Wet weight reporting in mg/kg				
2019 Annual and 1st Qrt.	CONSTITUENT	Detection Limit (ML) & Units mg/kg	Result mg/L	Regulatory Level mg/L	Regulatory Level Times Exceeded
Remarks:	Arsenic/ Arsenic Compounds	1.00	1.30	5.0	0
	Barium	0.50	14.00	100.0	0
	Benzene	0.00	ND	0.5	0
	Cadmium	0.50	0.12	1.0	0
	Carbon tetrachloride	0.00	ND	0.5	0
	Chlordane	0.01	ND	0.03	0
	Chlorobenzene	0.00	ND	100.0	0
	Chloroform	0.00	ND	5.0	0
Conclusion:	Chromium	0.50	1.30	5.0	0
Not	o-Cresol	0.00	ND	200.0	0
Hazardous	m-Cresol	0.16	ND	200.0	0
Material	p-Cresol	0.16	ND	200.0	0
	2,4-D	0.01	ND	10	0
	1,4-Dichlorobenzene	0.00	ND	7.5	0
	1,2-Dichloroethane	0.00	ND	0.5	0
	1,1-Dichloroethylene	0.00	ND	0.7	0
	2,4-Dinitrotoluene	0.30	ND	0.13	0
	Endrin	0.00	ND	0.02	0
	Heptachlor (and its epoxide)	0.00	ND	0.008	0
	Hexachlorobenzene	0.00	ND	0.13	0
	Hexachlorobutadiene	0.00	ND	0.5	0
	Hexachloroethane	0.32	ND	3.0	0
	Lead	2.50	0.91	5.0	0
	Lindane	0.00	ND	0.4	0
	Mercury	0.16	0.14	0.2	0
	Methoxychlor	0.00	ND	10.0	0
	Methyl ethyl ketone	0.02	0.13	200.0	0
	Nitrobenzene	0.10	ND	2.0	0
	Pentachlorophenol	0.00	ND	100.0	0
	Pyridine	0.36	ND	5.0	0
	Selenium	1.00	ND	1.0	0
	Silver	0.50	1.20	5.0	0
	Tetrachloroethylene	0.00	ND	0.5	0
	Toxaphene	0.03	ND	0.5	0
	Trichloroethylene	0.00	ND	0.5	0
	2,4,5-Trichlorophenol	0.17	ND	400.0	0
	2,4,6-Trichlorophenol	0.25	ND	2.0	0
	2,4,6-TP (Silvex)	0.00	ND	1.0	0
	Vinyl Chloride	0.00	ND	0.2	0
Conclusion: Not Hazardous Material					
Data submitted as required by monitoring report program 40 CFR 261 Subpart C 261.24					
Hazardous Waste Determination of Sludge					

Scotts Valley, CA 95066

SLUDGE/SLURRY, TABLE 6 --Annual and First Quarter Biosolids Monitoring
1/8/2019

[illegible]

700 Lundy Lane

Annual Biosolids Monitoring
NPDES#: 0048828 FAC ID: 3440103001

Scotts Valley, CA 95066

[illegible]

700 Lundy Lane

Scotts Valley, CA 95066

[illegible]

City of Scotts Valley Discharger Self Monitoring Report

Annual Biosolids Monitoring

700 Lundy Lane

NPDES#: 0048828 FAC ID: 3440103001

Scotts Valley, CA 95066

2019	SLUDGE/SLURRY, TABLE 6 - 4th Quarter Biosolids Monitoring				
	Sampling Date: 10/16/2018				
2019 4th Quarter	CONSTITUENT	Detection Limit (ML) & Units	Result dry weight mg/kg	Table 3 Limit mg/kg	Times Exceeded
Remarks:					
	Moisture	0.05 %	88.0		0
	Arsenic	0.4 mg/kg	2.8	41	0
	Cadmium	0.50 mg/kg	ND	39	0
	Chromium	0.50 mg/kg	11		0
	Copper	1 mg/kg	240	1500	0
	Lead	2.5 mg/kg	6.90	300	0
	Mercury	0.15 mg/kg	0.48	17	0
	Molybdenum	2.5 mg/kg	2.80	75	0
	Nickel	0.5 mg/kg	12.0	420	0
	Selenium	1.0 mg/kg	ND	100	0
	Zinc	2.5 mg/kg	580	2800	0
	Press Paint Filter Test	pass/fail	pass		0
	pH	std. units	6.80		0
TOTAL ANNUAL DRY TONS HAULED FOR 2019 = 248.2 Dry Tons					
Disposal Location		Monterey Peninsula Landfill and Recycling Facility 14201 Del Monte Boulevard Marina, CA 93933-1670		2019	
Slurry Hauled and Sold to Santa Cruz Wastewater Facility 116 California St. Santa Cruz, CA 95060					

APPENDIX D:

City of Scotts Valley Wastewater Rate Study (2017 to 2020)



**DRAFT Wastewater Service Charge Tables
City of Scotts Valley**

8/9/2017



Bartle Wells Associates
1889 Alcatraz Avenue
Berkeley, CA 94703

Table 1

City of Scotts Valley - Wastewater Rate Study

	Current	2017-18	2018-19	2019-20
Residential Rates				
<u>Single-family Residential</u>				
Flat Monthly Fee	\$ 30.57	35.16	40.43	46.49
(Low- Income)	\$ 26.90	30.94	35.58	40.91
<u>Multi-family Residential</u>				
Flat Monthly Fee	\$ 21.41	24.62	28.31	32.56
(Low-Income)	\$ 18.84	21.67	24.92	28.65
<u>Mobile Home</u>				
Flat Monthly Fee	\$ 20.40	23.46	26.98	31.03
(Low-Income)	\$ 17.95	20.64	23.74	27.30
Commercial & Industrial Rates				
<u>Commercial and Industrial</u>				
Monthly Minimum Fee	\$ 30.57	35.16	40.43	46.49
<u>Charge per 100gal - Uniform Rate</u>	\$ 0.79			
<u>Charge per 100gal - With Strength Factor</u>				
-Low Strength	\$ 0.55	\$ 0.63	\$ 0.73	\$ 0.84
-Medium Strength	\$ 0.73	\$ 0.84	\$ 0.97	\$ 1.11
-High Strength	\$ 0.94	\$ 1.08	\$ 1.24	\$ 1.43

April readings for Tax-Roll customers and mid December to mid February for Direct Billing customers

Table 2

City of Scotts Valley - Wastewater Rate Study

Current Fund Balances

	<u>6/30/2016</u>
Wastewater Operations	(211,900)
Tertiary Operating	(121,100)
Wastewater Capital Reserve	2,066,800
Wastewater Equipment Replacement	734,800
TTP District Reserve	6,100
Beginning Wastewater Reserve Fund 6/30/16*	2,474,700

Assumes all prior projects completed

*From Summary of Financial Resources and Requirements

Table 3

City of Scotts Valley - Wastewater Rate Study

Estimated Annual Wastewater Revenues- From Current Service Charges

	Current Accounts	Dwelling Units**	100 Gal units	Revenue Current Rate	Fixed	Volumetric	Low-Income Discount
Single-family Residential:							
Flat Monthly Fee	2,184	2,226		\$30.57	\$816,586		
			2,311				
(Low- Income)	85	85		\$26.90	\$27,438		\$3,743.40
Multi-family Residential:							
Flat Monthly Fee	620	1269		\$21.41	\$326,031		
			1,308				
(Low-Income)	38	39		\$18.84	\$8,817		\$1,202.76
Mobile Home:							
Flat Monthly Fee	170	719		\$20.40	\$176,011		
			768				
(Low-Income)	48	49		\$17.95	\$10,555		\$1,440.60
Total Residential	3,145	4,387			\$1,365,438		\$6,386.76
	Current						
Commercial and Industrial:							
Monthly Minimum Fee Users	268			\$30.57	\$98,313		
Charge users*	160		521,312	\$0.79		\$411,836	
Total Commercial	268					\$510,149	
	3,413						
Total Wastewater Charges						\$1,875,588	

**Rate based on two months data collection from Mid December to Mid February

*Contain directly billed accounts to Finance Department

Consumption based on Commercial Accounts SVWD 2016

Table 4

City of Scotts Valley - Wastewater Rate Study

2016/17 Operating Revenue Fund 10

	2014/15 Actual	2015/2016 Actual	2016/17 Budget	2016/17 Estimated*
Revenue				
Sewer Service Fees	\$1,754,458	\$1,852,411	\$1,990,000	\$1,867,133
Penalties for Delinquencies	<u>\$5,555</u>	<u>\$5,649</u>	<u>\$7,000</u>	<u>\$6,618</u>
Total	\$1,760,013	\$1,858,060	\$1,997,000	\$1,873,751
Other Revenue	\$514	\$2,660	\$3,600	\$19,495
State Grants	<u>\$12,500</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total - Fund 10	\$1,773,028	\$1,860,720	\$2,000,600	\$1,893,246

*As of Feb 2017

Table 5

City of Scotts Valley - Wastewater Rate Study

Other Revenues

Total Other Revenues	2014/15 Actual	2015/2016 Actual	2016/17 Budget	2016/17 YTD	2016/17 Proposed	2017/18 Projected
Fund 12: Capital Reserve						
Investment Earnings	\$3,750	5,584	\$4,500	\$3,642	\$5,642	\$5,600
Sewer Service Fee	-	-	120,000	-	-	-
Impact Fee - Recurring		16,715			61,126	50,000
Impact Fee - Significant*	78,371	12,274	50,000	63,346	48,800	412,000
Other Revenue	-	86,720	-	-	-	-
Total	\$82,121	\$121,293	\$174,500	\$66,988	\$115,568	\$467,600
Fund 14: Wastewater Equipment Replacement						
Investment Earnings	2,093	3,017	2,600	2,078	3,700	3,000
Fund 11: Tertiary Treatment Plant						
SV Water Department Reimbursements	95,360	102,084	108,150	93,885	119,266	120,000
Fund 15- TTP -District Reserve Fund						
Investment Earnings	-	2	-	23	43	50
Other Revenue	-	6,096	-	7,137	10,337	11,000
Total		6,098	-	7,161	10,380	11,050
Total Other Revenue	\$179,573	\$232,493	\$285,250	\$170,111	\$248,914	\$601,650

*Assumes Marriott Residence Inn and residential projects (Lundy Lane, 4303-b SVD, 4803 SVD, Terrace and Dunslee). Res projects based on City Ventures project of 50 units permit values

Table 6
City of Scotts Valley - Wastewater Rate Study
2016/17 Operating Expenses Fund 10

	2015/2016 Actual	2016/17 Budget	2016/17 Actual YTD	2016/17 Projected	2017/18 Budget
Salaries & Benefits					
101 Regular Wages	\$381,207	\$460,977	\$247,635	\$471,105	\$481,112
109 Overtime Wages	31,152	25,000	24,152	\$36,590	25,000
203 FICA	38,447	37,177	23,764	\$38,485	38,038
204 Retirement	179,545	138,181	77,314	\$130,930	147,776
205 Group Insurance	221,369	181,136	137,646	\$182,480	228,925
206 Workers Compensation	<u>40,824</u>	<u>57,979</u>	<u>73,615</u>	<u>\$73,615</u>	<u>54,171</u>
Total	982,971	900,450	628,446	933,205	975,022
Services & Supplies					
208 Uniform Expense	6,827	7,000	3,267	5,270	6,800
301 Office Expense	3,668	2,000	1,045	2,000	2,000
302 Special Department Expense	116,222	115,000	107,045	142,800	120,000
303 Small Tools & Supplies	15,162	12,000	11,054	15,000	12,000
306 Communications	6,931	6,000	3,978	8,000	8,000
307 Utilities	474,659	265,000	196,542	262,060	265,000
308 Rents & Leases	-	7,000	-	6,000	6,000
312 Professional/Specialized services	45	-	7,105	7,200	-
313 Other contractual Services	74,674	85,000	77,004	111,780	87,000
314 Insurance Surety Bonds	48,588	59,575	45,028	45,028	42,000
315 Memberships & Dues	2,178	1,600	1,631	7,000	2,000
316 Travel	917	2,000	1,345	2,000	2,000
320 Laboratory	37,493	28,000	25,469	33,960	34,000
322 Training & Education	5,149	3,000	2,260	3,000	3,000
349 Miscellaneous	3,485	6,000	12,278	12,280	-
401 Maint of Buildings	6,341	6,000	9,281	11,000	6,500
402 Maint & Operations of Equipment	130,870	76,000	74,262	110,000	90,000
403 Maint & Operations of Vehicles	<u>30,205</u>	<u>20,000</u>	<u>22,050</u>	<u>27,000</u>	<u>25,000</u>
Total	963,416	701,175	600,642	811,378	711,300
Fixed Assets					
904 Improvements-Other	11,000	20,000	-	20,000	20,000
915 Other Equipment	<u>5,283</u>	<u>22,500</u>	<u>7,854</u>	<u>22,500</u>	<u>7,500</u>
Total	16,283	42,500	7,854	42,500	27,500
Other					
708 Cost Allocation	\$243,125	\$230,000	\$131,675	\$215,400	\$256,200
Totals	\$2,205,795	\$1,874,125	\$1,368,617	\$2,002,483	\$1,970,022

Per Steve Toler Salary Projection
Prelim Budget 16-17
Per Steve Toler Cost Allocation and Tentative Budget 2017-18

Table 7
City of Scotts Valley - Wastewater Rate Study
Other Expenses

Total Other Expenses	2014/15 Actual	2015/2016 Actual	2016/17 Budget	2016/17 YTD	2016/17 Proposed	2017/18
Fund 12: Capital Reserve						
Group Insurance	-	-	-	186	248	-
Office Expense	1,974	2,029	1,100	971	1,500	1,500
Improvement Buildings	47,377	-	207,000	-	207,000	150,000
Machinery and Equipment	205,730	73,196	50,000	38,755	47,500	61,167
Total	\$255,082	\$75,225	\$258,100	\$39,913	\$256,248	\$212,667
Fund 14: Wastewater Equipment Replacement						
Office Expense	1,109	1,115	550	557	1,000	1,000
Improvement Buildings	3,070	17,500	-	38,747	-	-
Machinery and Equipment	25,913	11,234	-	1,694	18,010	-
Office Equipment & Furniture	-	-	-	-	-	6,000
Equipment	-	38,246	-	418	557	100,000
Total	30,092	68,094	550	41,416	19,567	107,000
Fund 11: Tertiary Treatment Plant						
Regular Wages	26,528	25,645	28,000	11,951	19,720	28,000
Temporary Wages	2,041	230	-	-	-	-
Overtime Wages	3,013	1,313	-	407	410	-
FICA	2,326	2,071	2,142	941	1,490	2,142
Retirement	6,322	6,627	8,599	3,351	5,290	8,817
Group Insurance	-	-	11,562	-	-	11,759
Special Department Expense	40,312	33,422	35,000	30,404	35,000	35,000
Small Tools Supplies	5	199	1,000	144	500	750
Utilities	52,435	53,173	50,000	29,563	50,000	50,000
Insurance & Surety Bonds	5,215	5,187	6,847	5,388	-	6,900
Laboratory	10,107	5,648	8,000	3,643	6,500	8,000
Maint & Operations of Equipment	21,633	53,173	30,000	26,365	-	40,000
Machinery & Equipment	-	161	15,000	5,757	7,500	12,000
Total	169,938	186,848	196,150	117,915	126,410	203,368
Fund 15- TTP -District Reserve fund						
Office Expense	-	1	-	6	8	12
Grand total of Other Expenses	\$455,111	\$330,169	\$454,800	\$199,251	\$402,233	\$523,047

Revenue projections based on 2017-2018 Steve Toler Financial Summaries
Tentative budgets for 10,11,12,14,15 per past and current data

Table 8
City of Scotts Valley - Wastewater Rate Study
Capital Improvement Projects

		FY 2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
Priority A Projects													
Screenings Washer and Compactor	WWTP		100,000										100,000
PLC Upgrade	WWTP		50,000	51,500	53,000								154,500
Tanker Truck	WWTP			82,400									82,400
Mission Communications for Lift Stations	WWTP			41,300									41,300
Esclated average								500,000	500,000	500,000	500,000	500,000	2,500,000
Priority B Projects													
Clarifier Walkways	WWTP				100,800								100,800
Water Pump System Upgrade	WWTP				31,800								31,800
Electric Security Gate	WWTP				21,300								21,300
Rebuild Aqua Guards	WWTP					545,000							545,000
Stormwater LID	WWTP					225,600 *							225,600
Belt Press Rehabilitation	WWTP					54,500							54,500
Mechanical Seals for Recycled Water Pumps	WWTP					13,100							13,100
Effluent Pump	WWTP						280,000						280,000
Aeration Basin System Upgrade	WWTP						134,400						134,400
Priority C Projects													
Glen Canyon Lift Station Generator	WWTP					87,300							87,300
Clarifier Superstructure	WWTP						196,000						196,000
Heavy Equipment Roof Structure	WWTP						168,000						168,000
Total		-	150,000	175,200	206,900	925,500	778,400	500,000	500,000	500,000	500,000	500,000	4,736,000

Funding Sources	FY 2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	Total
Pay go Funded	\$0	\$150,000	\$175,200	\$206,900	\$805,500	\$778,400	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$2,116,000
Grant Funding	\$0	\$0	\$0	\$0	\$120,000	\$0	\$0	\$0	\$0	\$0	\$0	\$120,000
Debt Funded	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$0	\$150,000	\$175,200	\$206,900	\$925,500	\$778,400						\$2,236,000

Priority descriptions:

- Priority A – project is essential/critical to health and safety or legal/regulatory requirements
- Priority B – project is important to maintaining health and safety or maintaining quality of life, but not critical.
- Priority C – project is deferrable and would only be implemented to the extent that higher priority projects are first funded.

*Grant funded of \$120,000

Table 9
City of Scotts Valley - Wastewater Rate Study
Wastewater Cashflow - Projection

	Projected 16/17	2017/18	2018/19	2019/20
Opening Balance	\$ 2,651,438	\$2,388,881.56	\$2,382,398.53	\$2,112,478.66
Rate increase		15%	15%	15%
Growth rate		0%	0%	0%
Residential Revenues	1,365,438	1,570,254	1,805,792	2,076,661
Commercial Revenues	98,313	113,060	130,019	149,522
Volumetric Revenues [1]	411,836	473,612	544,653	626,351
Sewer Fees	1,867,133	2,147,203	2,469,283	2,839,676
Delinquencies	6,618	7,000	7,100	7,200
Other Revenue	19,495	2,000	2,000	2,000
Grant Funding		(46,678)	-	-
Other Revenues				
Fund 11	119,266	120,000	121,200	122,400
Fund 12	115,568	467,600	51,500	53,045
Fund 14	3,700	3,000	3,000	2,400
Fund 15	10,380	11,000	11,000	11,000
Total Revenues	2,142,160	2,711,125	2,665,083	3,037,721
Bank Loan Proceeds				
Total Revenues	2,142,160	2,711,125	2,665,083	3,037,721
Fund 10- Operating Fund	2,002,483	2,044,561	2,224,065	2,309,928
Fund 11- Tertiary Treatment Plant	126,410	203,368	209,469	215,753
Fund 12- Capital Fund	256,248	212,667	219,047	225,618
Fund 14- Wastewater Equipment Fund	19,567	107,000	107,210	107,426
Fund 15-District Reserve Fund	<u>8</u>	<u>12</u>	<u>12</u>	<u>13</u>
Total Expenses	2,404,716	2,567,608	2,759,803	2,858,738
Net Operating Revenues	(262,556)	143,517	(94,720)	178,983
Debt Service				
CIP Pay-go		150,000	175,200	206,900
CIP Debt Finance				
Total	2,404,716	2,717,608	2,935,003	3,065,638
Net Annual Revenues	(262,556)	(6,483)	(269,920)	(27,917)
Fund 10 & 11 Reserve 6 months O&M	1,064,451	1,123,970	1,216,773	1,262,847
Emergency Reserve Fund		<u>1,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Total Reserve Target		2,123,970	2,216,773	2,262,847
Closing Balance	2,388,882	2,382,399	2,112,479	2,084,562
Ratio to Reserve Target		1.12	0.95	0.92

Table 10

City of Scotts Valley - Wastewater Rate Study

Proposed User Classifications into Low, Medium/Domestic, and High Strength Dischargers

Low Strength	Banks & Financial Institutions Barber Shops/Hair Salons (hair cutting only) Post Offices/Government Retail Stores Libraries Schools Churches, Halls & Lodges
Medium/Commercial/ Domestic Strength	Residential - All Appliance Repair Beauty Shops (hair cutting w/additional treatments) Dry Cleaners Nail Salons Pet Groomers Commercial Laundromats Bars & Taverns Tasting Rooms Breweries (with Pretreatment) Hospitals - General, Convalescent & Veterinarian Hotels, Motels, B&Bs, and Vacation Rentals Offices - Business and Professional Offices - Medical/Dental Pools with Restrooms (Clubhouse) Theaters Warehouses Car Washes High Tech Medical Manufacturing Light Manufacturing/Industrial Gym or Health Club Machine Shops Service Stations, Garages, Auto Repair Shops Mini Marts - W/O Dish Washer or Garbage Disposal Mini Mart with Gas Pumps - W/O Dish Washer or Garbage Disposal Spa with Various Beauty Treatments Parking Garages
High Strength	Restaurants Coffee Shops Ice Cream Parlors Catering Eatery Bakeries Butcher Shops Fish Market/Shop Markets - with Dish Washer or Garbage Disposal Markets - with Bakeries or Butcher Shops Mini Marts - with Dish Washer or Garbage Disposal Breweries (without Pretreatment) Wineries Market Dairies (milk producers, yogurt, ice cream maker) Specialty Foods Manufacturing (e.g., cheese or olive oil maker)

Source: Based on State Water Resources Control Board's Revenue Program Guidelines for Wastewater Agencies

Table 11

City of Scotts Valley - Wastewater Rate Study
Wastewater Characteristics and Strength Factors

Strength Class	LOW	MEDIUM	HIGH
Examples:	Banks Libraries	Residential Offices	Restaurants Bakeries
Flow (gpd)	150	150	150
BOD ¹ (mg/l)	130	300	550
TSS ² (mg/l)	100	280	450
Strength Factor	0.76	1.00	1.29
System Cost Allocation			
-Treatment	60%		
-Collection/Disposal	40%		

Strength Factor Formula $SF = (Flow(gpd)/150) * (0.5 + (0.25 * BOD(mg/l)/300) + (0.25 * TSS(mg/l)/280))$

WW flows and strengths based on State Water Resources Control Board's Revenue Program Guidelines

1 "BOD" stands for Biochemical Oxygen Demand

2 "TSS" stands for Total Suspended Solids

Table 12

City of Scotts Valley - Wastewater Rate Study
Summary of Sewer Users by Customer Class

Customer Class	EDUs ¹	Annual Measured ADWF ² (gal/day)	ADWF Flow (gal/day)	FY 2016 Estimate EDU x Flow ADWF Flow (gal/day)	BOD ³ (mg/l)	TSS ⁴ (mg/l)	FY 2017 Calculated Current Rate
Residential							
Single Family Residential	2,311		150	346,650	300	280	30.57
Multi-Family	1,308		105	137,438	300	280	21.41
Mobile Homes	768		100	76,861	300	280	20.40
				560,950			
Commercial							
			Flow Factor				
Low Strength	60	37,000	50%	18,500	130	100	0.55
Medium/Domestic Strength	142	200,000	50%	100,000	300	280	0.73
High Strength	47	<u>37,000</u>	50%	18,500	550	450	0.94
		274,000		137,000			
Totals				697,950			
Annual Revenue Requirement				\$1,867,133			

1 "EDU" stands for Equivalent Dwelling Unit

2 "ADWF" stands for Average Dry Weather Flow

3 "BOD" stands for Biochemical Oxygen Demand

4 "TSS" stands for Total Suspended Solids

Table 13

Scotts Valley - Wastewater Rate Study

Proposed Wastewater Rates- Pay-As-You-Go

	Current	2017/18	2018/19	2019/20
Increase %		15%	15%	15%
<u>Commercial and Industrial</u>				
Monthly Minimum Fee	\$ 30.57	\$35.16	\$40.43	\$46.49
Increase (\$)		\$4.59	\$5.27	\$6.06
<u>Charge per 100gal - Uniform Rate</u>	\$ 0.79			
<u>Charge per 100gal - With Strength Factor</u>				
Low: Retail/Libraries		\$ 0.63	\$ 0.73	\$ 0.84
Medium: Offices/Medical Clinics		\$ 0.84	\$ 0.97	\$ 1.11
High: Restaurant/Bakeries		\$ 1.08	\$ 1.24	\$ 1.43

Figure 1: Regional Wastewater Rate Study with Breakdown

Scotts Valley - Wastewater Rate Study

Residential Wastewater Rate Survey

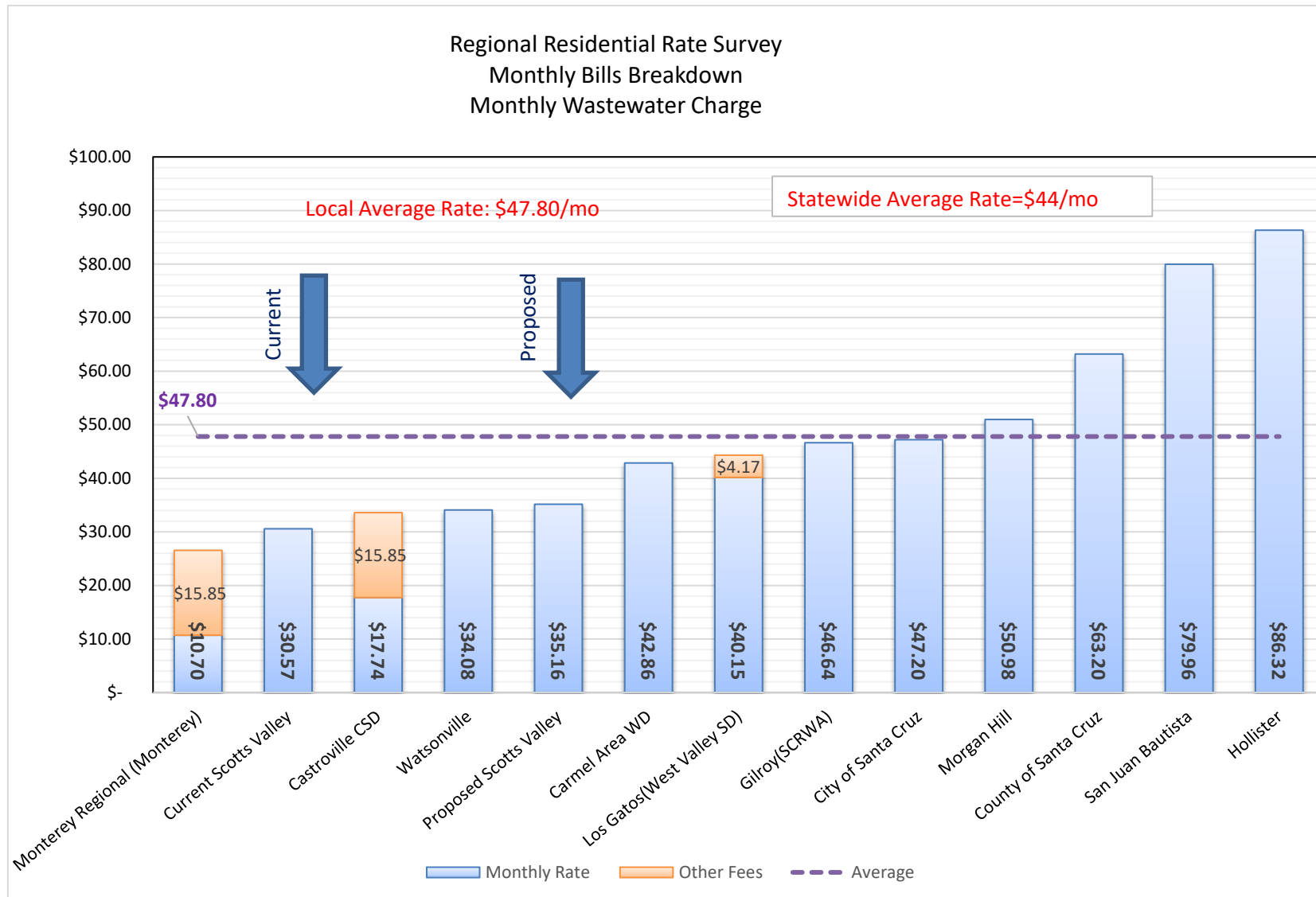
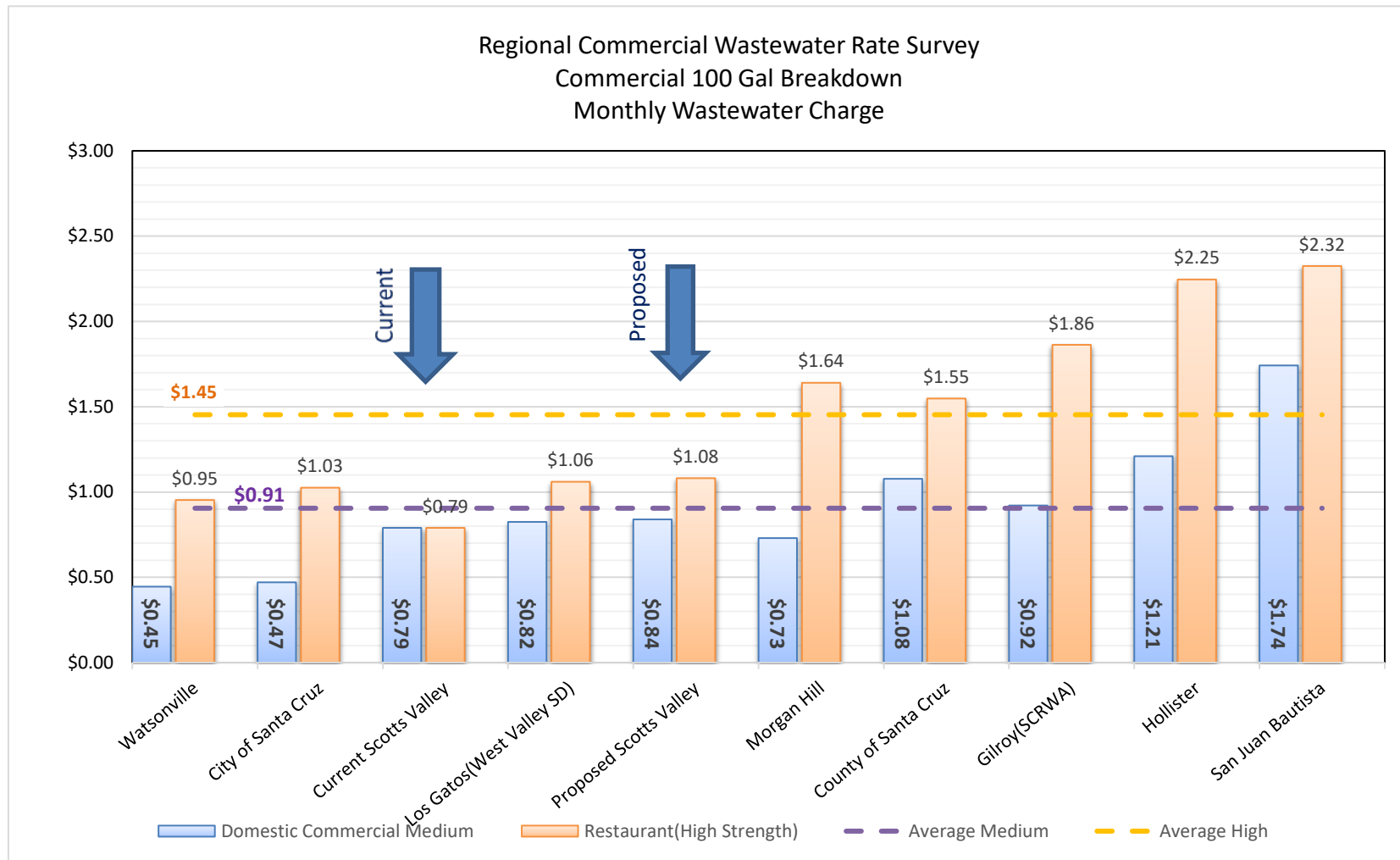


Figure 2: Regional Wastewater Rate Study with Breakdown

Scotts Valley - Wastewater Rate Study

Commercial Wastewater Rate Survey



Appendix

Appendix A
City of Scotts Valley - Wastewater Rate Study
Wastewater Cash Flow Projection- FUND 10

	Est. Act 2015/16	Budget 2016/17	Projected		
			2017/18	2018/19	2019/20
Wastewater Utility Operating (Fund 10)	\$242,413	(102,663)	(211,900)	(347,461)	(643,426)
Rate Adjustment	0%	0%	0%	0%	0%
Growth	0%	0%	0%	0%	0%
Operating Revenues (Fund 10)					
Sewer Service Fees	1,852,411	1,867,133	1,900,000	1,919,000	1,938,200
Wastewater Discharge Permits	-				
Penalties for Delinquences	5,649	6,618	7,000	7,100	7,200
Other Revenue	2,660	19,495	2,000	2,000	2,000
Investment Earnings					
Transfer					
Subtotal Operating Revenues	1,860,720	1,893,246	1,909,000	1,928,100	1,947,400
Operating Expenses (Fund 10)					
Salaries & Benefits	982,971	933,205	975,022	1,004,273	1,034,401
Pers Discount Rate Impact				34,584	58,729
Electro Pipeline Scan				85,000	85,000
Services & Supplies	963,416	811,378	711,300	732,639	754,618
Fixed Assets	16,283	42,500	27,500	28,325	29,175
Other	243,125	215,400	256,200	263,886	271,803
Directly-assigned assets			19,146	19,721	20,312
Allocation from IT Centralized Assets			8,167	8,412	8,664
OFEB Funding			47,226	47,226	47,226
Subtotal Operating Expenses	2,205,795	2,002,483	2,044,561	2,224,065	2,309,928
Net Balance	(345,076)	(109,237)	(135,561)	(295,965)	(362,528)
Closing Fund Balance Fund 10	(102,663)	(211,900)	(347,461)	(643,426)	(1,005,954)

Appendix B
City of Scotts Valley - Wastewater Rate Study
Wastewater Cash Flow Projection-FUND 12

	Est. Act 2015/16	Budget 2016/17	Projected		
			2017/18	2018/19	2019/20
Wastewater Collection Capital (Fund 12)	\$2,161,412	\$2,207,479	2,066,799	2,321,732	2,258,686
Rate Adjustment	0%	0%	0%	0%	0%
Growth	0%	0%	0%	0%	0%
Capital Fund Revenues (Fund 12)					
Investment Earnings	5,584	5,642	5,600	4,500	3,600
Impact Fee - Recurring	16,715	61,126	50,000	51,500	53,045
Impact Fee - Significant	12,274	48,800	412,000	100,000	103,000
Other Revenue	86,720				
Allocated Impact Fees					
Debt/Bond Proceeds					
Subtotal Capital Revenues	121,293	115,568	467,600	156,000	159,645
Capital Fund Expenses (Fund 12)					
Group Insurance	-	248	-	-	-
Office Expense	2,029	1,500	1,500	1,545	1,591
Improvement Buildings	-	207,000	150,000	154,500	159,135
Machinery and Equipment	73,196	47,500	61,167	63,002	64,892
Transfer to Joint Treatment Capital Recovery Fund 63					
Subtotal Capital Expenses	75,225	256,248	212,667	219,047	225,618
Net Balance	46,068	(140,680)	254,933	(63,047)	(65,973)
Closing Fund Balance Fund 12	\$2,207,479	\$2,066,799	2,321,732	2,258,686	\$2,192,713

Appendix C

City of Scotts Valley - Wastewater Rate Study

Wastewater Cash Flow Projection-Fund 14

	Est. Act 2015/16	Budget 2016/17	Projected		
			2017/18	2018/19	2019/20
Wastewater Equipment Replacement (Fund 14)	815,744	750,667	734,800	630,800	526,590
Rate Adjustment	0%	0%	0%	0%	0%
Growth	0%	0%	0%	0%	0%
Fund Revenues (Fund 14)					
Investment Earnings	3,017	3,700	3,000	3,000	2,400
Subtotal Joint Treatment Capital Recovery Revenues	3,017	3,700	3,000	3,000	2,400
Joint Treatment Capital Recovery Fund Expenses (Fund 14)					
Office Expense	1,115	1,000	1,000	1,030	1,061
Improvement Buildings	17,500	0	0	0	0
Machinery and Equipment	11,234	18,010	0	0	0
OfficeEQMT & Furniture	0	0	6,000	6,180	6,365
Vehicles	38,246	557	100,000	100,000	100,000
Subtotal Joint Treatment Capital Recovery Expenses	68,094	19,567	107,000	107,210	107,426
Net Balance	(65,077)	(15,867)	(104,000)	(104,210)	(105,026)
Closing Fund Balance Fund 14	750,667	734,800	630,800	526,590	421,564

Appendix E
City of Scotts Valley - Wastewater Rate Study
Wastewater Cash Flow Projection-FUND 11

	Est. Act 2015/16	Budget 2016/17	Projected		
			2017/18	2018/19	2019/20
Tertiary Treatment Plant (Fund 11)	(45,661)	(130,425)	(137,569)	(220,937)	(309,206)
Rate Adjustment	0%	0%	0%	0%	0%
Growth	0%	0%	0%	0%	0%
Operating Revenue (Fund 11)					
SV Water Department Reimbursements	102,084	119,266	120,000	121,200	122,400
Subtotal Joint Treatment Capital Recovery Revenues	102,084	119,266	120,000	121,200	122,400
Expenses (Fund 11)					
Regular Wages	25,645	19,720	28,000	28,840	29,705
Temporary Wages	230	0	0	0	0
Overtime Wages	1,313	410	0	0	0
FICA	2,071	1,490	2,142	2,206	2,272
Retirement	6,627	5,290	8,817	9,082	9,354
Group Insurance	0	0	11,759	12,112	12,475
Special Department Expense	33,422	35,000	35,000	36,050	37,132
Small Tools Supplies	199	500	750	773	796
Utilities	53,173	50,000	50,000	51,500	53,045
Insurance & Surety Bonds	5,187	0	6,900	7,107	7,320
Laboratory	5,648	6,500	8,000	8,240	8,487
Maint & Operations of Equipment	53,173	0	40,000	41,200	42,436
Machinery & Equipment	161	7,500	12,000	12,360	12,731
	0	0	0	0	0
Subtotal Joint Treatment Capital Recovery Expenses	186,848	126,410	203,368	209,469	215,753
Net Balance	(84,764)	(7,144)	(83,368)	(88,269)	(93,353)
Closing Fund Balance Fund 11	(130,425)	(137,569)	(220,937)	(309,206)	(402,559)

Appendix E
City of Scotts Valley - Wastewater Rate Study
Wastewater Cash Flow Projection-FUND 11

	Est. Act 2015/16	Budget 2016/17	Projected		
			2017/18	2018/19	2019/20
District Reserve fund (Fund 15)	(10,324)	(4,229)	6,143	17,181	28,169
Rate Adjustment	0%	0%	0%	0%	0%
Growth	0%	0%	0%	0%	0%
Operating Revenue (Fund 15)					
Investment Earnings	2	43	50	0	0
Other Revenue	6,096	10,337	11,000	11,000	11,000
Subtotal Joint Treatment Capital Recovery Revenues	6,096	10,380	11,050	11,000	11,000
Expenses (Fund 15)					
Office Expense	1	8	12	12	13
	0	0	0	0	0
Subtotal Joint Treatment Capital Recovery Expenses	1	8	12	12	13
Net Balance	6,095	10,372	11,038	10,988	10,987
Closing Fund Balance Fund 15	(4,229)	6,143	17,181	28,169	39,156

APPENDIX E:

City of Scotts Valley Financial Source (CAFR: 2015 to 2020)

CITY OF SCOTTS VALLEY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
LAST TEN FISCAL YEARS

	Fiscal Year			
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues:				
Taxes and Assessments	\$ 11,117,073	\$ 12,167,669	\$ 10,314,528	\$ 9,675,857
Intergovernmental Revenues	1,048,976	1,744,402	803,971	288,725
Fees and Services	1,376,874	2,658,009	1,578,574	2,344,647
Fines and Forfeitures	31,442	44,265	35,013	37,680
Contributions, Non-Gov't	8,505	18,468	167,840	2,865
Facility/Building Rental	112,354	288,912	32,760	32,760
Investment Earnings	226,309	169,847	93,966	63,020
Miscellaneous Revenues	315,312	336,900	649,132	1,378,011
Total Revenues	<u>14,236,845</u>	<u>17,428,472</u>	<u>13,675,784</u>	<u>13,823,565</u>
Expenditures:				
Current:				
General Government	3,204,004	2,434,443	2,134,089	2,216,039
Public Safety	5,621,165	5,238,107	5,217,774	4,960,402
Planning and Building	1,365,244	1,277,550	1,089,776	1,336,664
Public Works	1,965,277	2,026,962	2,307,435	1,925,211
Capital Outlay	1,772,238	1,901,832	1,757,388	1,193,706
Tax Increment Pass-Through	-	-	-	-
Debt Service				
Principal	870,000	630,000	600,000	470,000
Interest/Finance Charges	273,769	358,110	375,670	342,178
Bond Issuance Costs	-	-	-	-
Total Expenditures	<u>15,071,697</u>	<u>13,867,004</u>	<u>13,482,132</u>	<u>12,444,200</u>
Excess(Deficit) of Revenues over (under) Expenditures	<u>(834,852)</u>	<u>3,561,468</u>	<u>193,652</u>	<u>1,379,365</u>
Other Financing Sources (Uses):				
Transfers In	694,017	1,270,373	1,442,138	1,616,826
Transfers Out	(993,519)	(1,216,962)	(1,360,850)	(1,716,224)
Proceeds from Debt	9,460,000	-	-	-
Premium on Debt Issued	356,636	-	-	-
Payment to Escrow	(9,639,285)	-	-	-
Sale of Real Property	-	-	-	746,924
Net Other Sources (Uses)	<u>(122,151)</u>	<u>53,411</u>	<u>81,288</u>	<u>647,526</u>
Extraordinary Gain	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Fund Balances	<u>\$ (957,003)</u>	<u>\$ 3,614,879</u>	<u>\$ 274,940</u>	<u>\$ 2,026,891</u>
Debt Services as a Percentage of Noncapital Expenditures	<u>9%</u>	<u>8%</u>	<u>8%</u>	<u>7%</u>

Table 4

<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 9,362,093	\$ 9,444,126	\$ 8,052,339	\$ 7,598,884	\$ 7,748,024	\$ 11,447,535
152,753	1,062,025	352,004	110,828	217,028	228,618
1,192,986	1,285,952	1,183,852	1,187,315	1,018,433	621,447
35,411	70,470	41,731	54,438	57,815	51,001
2,306	19,911	2,167	46,003	14,340	18,902
44,910	22,500	30,000	32,400	32,100	30,000
54,860	92,967	24,865	68,205	97,544	71,123
517,064	525,360	473,808	613,979	542,296	3,534,381
<u>11,362,383</u>	<u>12,523,311</u>	<u>10,160,766</u>	<u>9,712,052</u>	<u>9,727,580</u>	<u>16,003,007</u>
1,942,389	1,814,779	1,850,794	1,763,970	5,407,571	1,475,238
4,927,713	4,511,889	4,223,936	4,297,153	4,495,974	4,193,222
1,182,716	929,264	756,737	4,214,913	1,133,940	1,438,042
1,979,404	1,753,952	1,753,449	1,696,000	1,668,457	1,705,250
446,373	1,902,961	764,110	524,019	687,698	6,819,604
-	-	-	-	-	3,036,003
465,000	445,000	4,995,000	290,353	262,871	405,568
350,058	357,388	354,808	586,970	745,957	1,202,960
-	-	304,891	-	158,332	-
<u>11,293,653</u>	<u>11,715,233</u>	<u>15,003,725</u>	<u>13,373,378</u>	<u>14,560,800</u>	<u>20,275,887</u>
<u>68,730</u>	<u>808,078</u>	<u>(4,842,959)</u>	<u>(3,661,326)</u>	<u>(4,833,220)</u>	<u>(4,272,880)</u>
725,455	1,228,612	1,316,588	900,381	4,965,711	3,405,217
(725,510)	(1,239,548)	(1,347,381)	(1,035,310)	(6,077,005)	(3,612,602)
-	-	4,605,000	-	4,460,000	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(55)</u>	<u>(10,936)</u>	<u>4,574,207</u>	<u>(134,929)</u>	<u>3,348,706</u>	<u>(207,385)</u>
-	-	-	-	326,046	-
<u>\$ 68,675</u>	<u>\$ 797,142</u>	<u>\$ (268,752)</u>	<u>\$ (3,796,255)</u>	<u>\$ (1,158,468)</u>	<u>\$ (4,480,265)</u>
<u>8%</u>	<u>8%</u>	<u>38%</u>	<u>7%</u>	<u>7%</u>	<u>12%</u>

CITY OF SCOTTS VALLEY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Fund
	Recreation Fund	Wastewater Fund	Total	
Operating Revenues:				
Fees and Services	\$ 962,819	\$ 1,868,388	\$ 2,831,207	\$ 65,724
Total Operating Revenues	<u>962,819</u>	<u>1,868,388</u>	<u>2,831,207</u>	<u>65,724</u>
Operating Expenses:				
Salaries	541,159	476,306	1,017,465	-
Taxes and Benefits	189,405	312,957	502,362	-
Maintenance and Operations	120,625	649,615	770,240	66
Advertising	8,731	-	8,731	-
Professional and Contractual Services	119,060	102,376	221,436	-
Utilities and Communications	10,823	365,149	375,972	-
Insurance and Bonds	12,598	51,869	64,467	69,540
Depreciation	500	762,986	763,486	-
Total Operating Expenses	<u>1,002,901</u>	<u>2,721,258</u>	<u>3,724,159</u>	<u>69,606</u>
Income (Loss) from Operations	<u>(40,082)</u>	<u>(852,870)</u>	<u>(892,952)</u>	<u>(3,882)</u>
Nonoperating Revenues (Expenses):				
Interest Income	-	5,842	5,842	125
Connection Fees	-	78,371	78,371	-
Total Nonoperating Revenues	<u>-</u>	<u>84,213</u>	<u>84,213</u>	<u>125</u>
Net Income (Loss) before Transfers	<u>(40,082)</u>	<u>(768,657)</u>	<u>(808,739)</u>	<u>(3,757)</u>
Transfers In	91,761	346,453	438,214	-
Transfers (Out)	(30,181)	(397,097)	(427,278)	-
Change in Net Position	<u>21,498</u>	<u>(819,301)</u>	<u>(797,803)</u>	<u>(3,757)</u>
Net Position - Beginning	(377,838)	18,533,627	18,155,789	44,332
Prior Period Adjustment (Note 14)	(647,621)	(1,288,364)	(1,935,985)	-
Net Position - Beginning, as restated	<u>(1,025,459)</u>	<u>17,245,263</u>	<u>16,219,804</u>	<u>44,332</u>
Net Position - End of Year	<u>\$ (1,003,961)</u>	<u>\$ 16,425,962</u>	<u>\$ 15,422,001</u>	<u>\$ 40,575</u>

The accompanying notes to the financial statements are an integral part of this financial statement.

CITY OF SCOTTS VALLEY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2016

	Business-Type Activities Enterprise Funds			Governmental Activities - Internal Fund
	Recreation Fund	Wastewater Fund	Total	
Operating Revenues:				
Fees and Services	\$ 981,434	\$ 2,055,620	\$ 3,037,054	\$ 64,280
Total Operating Revenues	981,434	2,055,620	3,037,054	64,280
Operating Expenses:				
Salaries	595,529	529,974	1,125,503	-
Taxes and Benefits	261,204	495,710	756,914	-
Maintenance and Operations	91,387	722,065	813,452	63
Advertising	7,778	-	7,778	-
Professional and Contractual Services	142,355	74,629	216,984	-
Utilities and Communications	12,878	334,838	347,716	-
Insurance and Bonds	12,910	53,776	66,686	67,154
Depreciation	1,000	776,802	777,802	-
Total Operating Expenses	1,125,041	2,987,794	4,112,835	67,217
Income (Loss) from Operations	(143,607)	(932,174)	(1,075,781)	(2,937)
Nonoperating Revenues (Expenses):				
Interest Income	-	8,604	8,604	169
Connection Fees	-	28,989	28,989	-
Total Nonoperating Revenues	-	37,593	37,593	169
Net Income (Loss) before Transfers	(143,607)	(894,581)	(1,038,188)	(2,768)
Transfers In	93,492	203,600	297,092	-
Transfers (Out)	(30,223)	(266,814)	(297,037)	-
Change in Net Position	(80,338)	(957,795)	(1,038,133)	(2,768)
Net Position - Beginning	(1,003,961)	16,425,962	15,422,001	40,575
Net Position - End of Year	\$ (1,084,299)	\$ 15,468,167	\$ 14,383,868	\$ 37,807

The accompanying notes to the financial statements are an integral part of this financial statement.

CITY OF SCOTTS VALLEY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2017

	Business-type Activities Enterprise Funds			Governmental Activities -
	Recreation Fund	Wastewater Fund	Total	Internal Fund
Operating Revenues:				
Fees and Services	\$ 1,010,276	\$ 1,988,203	\$ 2,998,479	\$ 63,294
Total Operating Revenues	1,010,276	1,988,203	2,998,479	63,294
Operating Expenses:				
Salaries	618,394	547,588	1,165,982	-
Taxes and Benefits	474,329	1,503,982	1,978,311	-
Maintenance and Operations	85,114	798,224	883,338	51
Advertising	8,838	-	8,838	-
Professional and Contractual Services	108,900	147,846	256,746	-
Utilities and Communications	13,067	377,694	390,761	-
Insurance and Bonds	11,430	50,678	62,108	71,498
Depreciation	1,000	783,270	784,270	-
Total Operating Expenses	1,321,072	4,209,282	5,530,354	71,549
Income (Loss) from Operations	(310,796)	(2,221,079)	(2,531,875)	(8,255)
Nonoperating Revenues (Expenses):				
Interest Income	-	13,145	13,145	233
Total Nonoperating Revenues	-	13,145	13,145	233
Net Income (Loss) before Contributions and Transfers	(310,796)	(2,207,934)	(2,518,730)	(8,022)
Capital Contributions	-	58,280	58,280	-
Interfund Transfers In	180,367	151,267	331,634	-
Interfund Transfers (Out)	(30,235)	(202,001)	(232,236)	-
Change in Net Position	(160,664)	(2,200,388)	(2,361,052)	(8,022)
Net Position - Beginning	(1,084,299)	15,468,167	14,383,868	37,807
Net Position - End of Year	<u>\$ (1,244,963)</u>	<u>\$ 13,267,779</u>	<u>\$ 12,022,816</u>	<u>\$ 29,785</u>

The accompanying notes to the financial statements are an integral part of this financial statement.

CITY OF SCOTTS VALLEY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2018

	Business-type Activities Enterprise Funds			Governmental Activities - Internal Services Fund
	Recreation Fund	Wastewater Fund	Total	
OPERATING REVENUES:				
Fees and services	\$ 1,179,882	\$ 2,263,205	\$ 3,443,087	\$ 64,748
Total operating revenues	<u>1,179,882</u>	<u>2,263,205</u>	<u>3,443,087</u>	<u>64,748</u>
OPERATING EXPENSES:				
Salaries	615,299	496,609	1,111,908	-
Taxes and benefits	805,439	2,051,966	2,857,405	-
Maintenance and operations	98,304	654,284	752,588	61
Advertising	8,459	-	8,459	-
Professional and contractual services	130,771	78,107	208,878	-
Utilities and communications	13,994	406,051	420,045	-
Insurance and bonds	5,619	151,562	157,181	63,112
Depreciation	1,000	787,390	788,390	-
Total operating expenses	<u>1,678,885</u>	<u>4,625,969</u>	<u>6,304,854</u>	<u>63,173</u>
OPERATING INCOME (LOSS)	<u>(499,003)</u>	<u>(2,362,764)</u>	<u>(2,861,767)</u>	<u>1,575</u>
NONOPERATING REVENUES (EXPENSES):				
Interest income	129	17,988	18,117	427
Total nonoperating revenues (expenses)	<u>129</u>	<u>17,988</u>	<u>18,117</u>	<u>427</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(498,874)</u>	<u>(2,344,776)</u>	<u>(2,843,650)</u>	<u>2,002</u>
CONTRIBUTIONS AND TRANSFERS:				
Capital contributions	-	318,981	318,981	-
Transfers In	-	221,227	221,227	-
Transfers out	(30,354)	(272,161)	(302,515)	-
Total contributions and transfers	<u>(30,354)</u>	<u>268,047</u>	<u>237,693</u>	<u>-</u>
CHANGES IN NET POSITIONS	<u>(529,228)</u>	<u>(2,076,729)</u>	<u>(2,605,957)</u>	<u>2,002</u>
NET POSITION:				
Beginning of year	(1,244,963)	13,267,779	12,022,816	29,785
End of year	<u>\$ (1,774,191)</u>	<u>\$ 11,191,050</u>	<u>\$ 9,416,859</u>	<u>\$ 31,787</u>

The accompanying notes to the financial statements are an integral part of this financial statement.

City of Scotts Valley
Statement of Revenues, Expenditures and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2019

	Enterprise Funds			Internal Service Fund
	Recreation Fund	Wastewater Fund	Total	
OPERATING REVENUES:				
Fees and services	\$ 1,092,527	\$ 2,617,094	\$ 3,709,621	\$ 58,538
Total operating revenues	<u>1,092,527</u>	<u>2,617,094</u>	<u>3,709,621</u>	<u>58,538</u>
OPERATING EXPENSES:				
Salaries	744,200	468,572	1,212,772	-
Taxes and benefits	257,756	701,616	959,372	-
Maintenance and operations	109,974	718,003	827,977	67
Advertising	7,057	585	7,642	-
Professional and contractual services	129,569	83,961	213,530	-
Utilities and communications	17,869	428,541	446,410	-
Insurance and bonds	151,988	53,979	205,967	60,315
Depreciation	1,000	794,353	795,353	-
Total operating expenses	<u>1,419,413</u>	<u>3,249,610</u>	<u>4,669,023</u>	<u>60,382</u>
OPERATING INCOME (LOSS)	<u>(326,886)</u>	<u>(632,516)</u>	<u>(959,402)</u>	<u>(1,844)</u>
NONOPERATING REVENUE (EXPENSES)				
Interest income	-	36,476	36,476	662
Total nonoperating revenues (expenses)	<u>-</u>	<u>36,476</u>	<u>36,476</u>	<u>662</u>
OTHER FINANCING SOURCES (USES):				
Capital contributions	-	225,624	225,624	-
Transfers in	97,084	-	97,084	-
Transfers out	(30,133)	(120,362)	(150,495)	-
Total contributions and transfers	<u>66,951</u>	<u>105,262</u>	<u>172,213</u>	<u>-</u>
Change in net position	<u>(259,935)</u>	<u>(490,778)</u>	<u>(750,713)</u>	<u>(1,182)</u>
NET POSITION:				
Beginning of year	(1,774,191)	11,191,050	9,416,859	31,787
End of year	<u>\$ (2,034,126)</u>	<u>\$ 10,700,272</u>	<u>\$ 8,666,146</u>	<u>\$ 30,605</u>

City of Scotts Valley
Statement of Revenues, Expenditures and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2020

	Enterprise Funds			Internal Service Fund
	Recreation Fund	Wastewater Fund	Total	
OPERATING REVENUES:				
Fees and services	\$ 710,240	\$ 3,023,105	\$ 3,733,345	\$ 47,771
Total operating revenues	710,240	3,023,105	3,733,345	47,771
OPERATING EXPENSES:				
Salaries	570,399	461,593	1,031,992	-
Taxes and benefits	1,322,548	(533,378)	789,170	-
Maintenance and operations	68,262	991,034	1,059,296	54
Advertising	494	-	494	-
Professional and contractual services	88,195	149,407	237,602	-
Utilities and communications	17,448	418,556	436,004	-
Insurance and bonds	143,507	3,315	146,822	44,492
Depreciation	500	777,328	777,828	-
Total operating expenses	2,211,353	2,267,855	4,479,208	44,546
OPERATING INCOME (LOSS)	(1,501,113)	755,250	(745,863)	3,225
NONOPERATING REVENUE (EXPENSES)				
Interest income	-	43,902	43,902	681
Total nonoperating revenues (expenses)	-	43,902	43,902	681
OTHER FINANCING SOURCES (USES):				
Capital contributions	-	31,204	31,204	-
Transfers in	380,535	-	380,535	-
Transfers out	(30,259)	(50,774)	(81,033)	-
Total contributions and transfers	350,276	(19,570)	330,706	-
Change in net position	(1,150,837)	779,582	(371,255)	3,906
NET POSITION:				
Beginning of year	(2,034,126)	10,700,272	8,666,146	30,605
End of year	<u>\$ (3,184,963)</u>	<u>\$ 11,479,854</u>	<u>\$ 8,294,891</u>	<u>\$ 34,511</u>

City of Scotts Valley
Statement of Net Position
June 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 12,328,511	\$ 2,125,321	\$ 14,453,832
Receivables	1,613,102	1,022,989	2,636,091
Total current assets	13,941,613	3,148,310	17,089,923
Noncurrent assets:			
Advances to Redevelopment Successor Agency	5,041,886	1,600,000	6,641,886
Loans receivable	3,376,109	-	3,376,109
Restricted cash with fiscal agent	3,397	-	3,397
Capital assets:			
Nondepreciable	8,643,362	694,935	9,338,297
Depreciable, net	22,903,303	10,009,573	32,912,876
Net capital assets	31,546,665	10,704,508	42,251,173
Total noncurrent assets	39,968,057	12,304,508	52,272,565
Total assets	53,909,670	15,452,818	69,362,488
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows from pension	3,111,816	881,932	3,993,748
Deferred outflows from OPEB	949,247	242,831	1,192,078
Deferred loss on refunding	794,889	-	794,889
Total deferred outflows of resources	4,855,952	1,124,763	5,980,715
LIABILITIES			
Current liabilities:			
Accounts payable	762,673	134,230	896,903
Accrued liabilities	262,977	42,359	305,336
Deposits payable	716,785	-	716,785
Unearned revenue	1,000	36,768	37,768
Long-term debt - current portion	1,292,038	71,954	1,363,992
Total current liabilities	3,035,473	285,311	3,320,784
Non-current liabilities:			
Accrued interest	118,594	-	118,594
Long-term debt - noncurrent portion	10,671,680	64,053	10,735,733
Net pension liability	14,292,265	4,132,731	18,424,996
Net OPEB liability	12,362,372	3,162,467	15,524,839
Total noncurrent liabilities	37,444,911	7,359,251	44,804,162
Total liabilities	40,480,384	7,644,562	48,124,946
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from pensions	944,534	368,590	1,313,124
Deferred inflows from OPEB	1,053,650	269,538	1,323,188
Total deferred inflows of resources	1,998,184	638,128	2,636,312
NET POSITION			
Net investment in capital assets	24,557,190	10,704,508	35,261,698
Restricted for:			-
Debt services	3,397	-	3,397
Low mod housing	1,589,318	-	1,589,318
Public safety	618,652	-	618,652
Public project	3,291,847	722,596	4,014,443
Parks & recreations	1,835,661	-	1,835,661
Others	995,132	-	995,132
Total Restricted:	8,334,007	722,596	9,056,603
Unrestricted	(16,604,143)	(3,132,213)	(19,736,356)
Total net position	\$ 16,287,054	\$ 8,294,891	\$ 24,581,945

See accompanying Notes to Basic Financial Statements