



CITY OF SANTA CRUZ  
809 Center Street  
Santa Cruz, California 95060

## TRANSPORTATION AND PUBLIC WORKS COMMISSION (TPWC)

### Regular Meeting

May 20, 2019

**7:00 P.M. GENERAL BUSINESS AND MATTERS OF PUBLIC INTEREST, COUNCIL CHAMBERS**

Commission meetings are audio recorded and will be posted to the Advisory Body webpage following the meeting.

Written material for every item listed on the agenda is available for review at the Public Works office, 809 Center Street, Room 201, and online at [www.cityofsantacruz.com](http://www.cityofsantacruz.com).

Time limits set by Commission Policy are guidelines. Unless otherwise specified, procedures for all items, are:

- Oral staff report
- Public comment - 3 minutes each; maximum total time may be established by the Presiding Officer at the beginning of an agenda item
- Commission deliberation and action

No action will be taken on items listed under Oral Communications, Announcements, Presentations, and Information Items

Appeals - Any person who believes that a final action of this advisory body has been taken in error, that decision may or may not be appealable to the City Council. Appeals must be in writing, setting forth the nature of the action and the basis upon which the action is considered to be in error, and addressed to the City Council in care of the City Clerk Administrator. Appeals must be received by the City Clerk Administrator within ten (10) calendar days following the date of the action from which such appeal is being taken. An appeal must be accompanied by a fifty dollar (\$50) filing fee.

#### Additional Information

Visit the City's Web Site at [www.cityofsantacruz.com](http://www.cityofsantacruz.com) with links including City Advisory Body Meeting Agendas and Minutes, Advisory Body Information, and the Santa Cruz Municipal Code.

A copy of the full TPWC agenda, agenda reports and attachments which are included in the meeting packet, are available for review at the Central Library on Church Street no later than three (3) days prior to the meeting date.

The City of Santa Cruz does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities, we ask that you attend fragrance free. If you wish to attend this public meeting and will require assistance, such as an interpreter for American Sign Language, Spanish, or other special equipment, please call the Public Works Office at (831) 420-5162 or e-mail [sruble@cityofsantacruz.com](mailto:sruble@cityofsantacruz.com) at least five (5) days in advance so that arrangements for such assistance can be accommodated. The Cal-Relay system number: 1-800-735-2922.

Any writing related to an agenda item for the open session of this meeting distributed to the TPWC less than 72 hours before this meeting is available for inspection at the Public Works Department at 809 Center Street, Room 201. These writings will also be available for review at the TPWC meeting in the Council Chambers.

**Transportation and Public Works Commission (TPWC)**

**7:00 PM**

**Call to Order**

**Roll Call: Chair Philip Boutelle; Vice Chair Peggy Dolgenos; Commissioners: Erich Friedrich, Dale Hendsbee, Shawn Orgel-Olson; Robert Orrizzi and Donald Roland.**

**Absent with Notification**

**Statements of Disqualification**

**Oral Communications**

**Announcements**

**Presentations**

1. Climate Action Plan Annual Progress Update Report
2. Ecology Action and Bike Santa Cruz County presentation on their bicycling and walking safety education and encouragement programs for Santa Cruz school youth funded in part with Measure D

**Approval of Minutes**

3. March 18, 2019 Transportation and Public Works Commission Draft Minutes

Motion to approve the minutes of the March 18, 2019 Transportation and Public Works Commission Meeting as submitted.

**Consent**

**General Business**

4. Source Water Commitment and Tertiary Treatment Facility - Agreement between the City of Santa Cruz and Soquel Creek Water District

That the Transportation and Public Works Commission recommend that the City Council approve an Agreement between the City of Santa Cruz and Soquel Creek Water District committing secondary treated effluent as the source water for Pure Water Soquel and siting the Tertiary Treatment Facility at the City Wastewater Treatment Facility.

5. Transportation and Public Works Commission's Annual Work Plan for June 2019 through June 2020

Motion to review, comment and approve the draft calendar for the Transportation and Public Works Commission Work Plan for June 2019 through June 2020.

**Information Items**

**Subcommittee/Advisory Body Oral Reports**

**Items Initiated by Members for Future Agendas**

**Adjournment**



## Transportation and Public Works Commission

Regular Meeting

**Draft Minutes**

7:00 p.m., Monday, March 18, 2018

City Council Chambers

809 Center Street

**Call to Order 7:01 p.m.**

**Roll Call: Chair Philip Boutelle; Vice Chair Peggy Dolgenos; Commissioners: Erich Friedrich, Dale Hendsbee, Shawn Orgel-Olson and Robert Orrizzi.**

**Absent with Notification: Commissioner: Donald Roland**

**Statements of Disqualification: Commissioner Dale Hendsbee on Item 5**

**Oral Communications None**

### **Announcements**

At 7:03 P.M. Chair Boutelle opened Announcements.

Mark Dettle, Director of Public Works, announced that there is a special council meeting on March 19, 2019 that focuses on TDM measures and how it effects downtown.

Scott Ruble welcomed Shawn Orgel-Olson as a newly appointed TPWC commissioner.

At 7:04 P.M. Chair Boutelle closed Announcements.

### **Presentations**

1. UCSC Student Bicycle Infrastructure Planning Seminar Group Presentation

Students from UCSC gave a presentation on Bicycle Infrastructure Planning and possible improvements to roadways for a safer bike commute to UCSC.

### **Approval of Minutes**

2. January 28, 2019 Transportation and Public Works Commission Draft Minutes

MOTION: Vice Chair Peggy Dolgenos moved, seconded by Commissioner

Robert Orrizzi to approve the minutes of the January 28, 2019  
Transportation and Public Works Commission Meeting.

ACTION: The motion carried unanimously with the following vote:

AYES: Chair Boutelle, Vice Chair Dolgenos, Commissioners: Friedrich and  
Orrizzi.

NOES: None.

ABSENT: Commissioner Roland

DISQUALIFIED: Commissioners: Hendsbee and Orgel-Olson.

Consent None.

### General Business

3. Appeal of Parking Changes on Washington Street adjacent to 301 Center  
Street (Laurel Park) - Public Hearing

Claire Fliesler, Transportation Planner, gave a presentation on the parking  
changes on Washington Street.

MOTION: Vice Chair Dolgenos moved, seconded by Commissioner Friedrich to  
deny the appeal of the decision to remove parking on Washington Street  
adjacent to 301 Center Street (Laurel Park) to install a bike share station  
location.

At 7:39 PM Chair Boutelle opened public comment.

Janneke Strause

At 7:40 PM Chair Boutelle closed Public Comment

ACTION: The motion carried unanimously with the following vote:

AYES: Chair Boutelle, Vice Chair Dolgenous, Commissioners: Friedrich,  
Hendsbee, Orgel-Olson and Orrizzi.

NOES: None.

ABSENT: Commissioner Roland

DISQUALIFIED: None

4. Appeal of Parking Changes on North Branciforte Avenue adjacent to 950  
North Branciforte Avenue - Public Hearing

Dan Estranero, Assistant Engineer, and Nathan Nguyen, Associate Civil  
Engineer, gave a presentation on the parking changes on North Branciforte  
Avenue adjacent to 950 North Branciforte Avenue.

At 8:03 PM Chair Boutelle opened Public Comment.

Piet Canin  
Donna Ramos  
Doug Brouwer  
Todd Pinsky  
Julia Pinsky  
Janneke Strause

At 8:15 PM Chair Boutelle closed Public Comment.

MOTION: Vice Chair Dolgenos moved, seconded by Commissioner Hendsbee to deny the appeal to remove parking adjacent to 950 North Branciforte Avenue for the crossing improvement at the intersection of North Branciforte Avenue and Berkeley Way.

ACTION: The motion carried with the following vote:

AYES: Chair Boutelle, Vice Chair Dolgenos, Commissioners: Hendsbee, and Orgel-Olson

NOES: Friedrich and Orrizzi

ABSENT: Commissioner Roland

DISQUALIFIED: None

5. Measure D Proposed 5-Year Project List FY 2020-2024 - Public Hearing

Chris Schneiter, Assistant Director of Public Works, gave a presentation on the Measure D Proposed 5-Year Project List for FY 2020-2024.

MOTION: Vice Chair Dolgenos moved, seconded by Commissioner Orgel-Olson to recommend that the City Council approve the proposed Measure D Five-Year Expenditure Plan for FY 2020-2024 with the addition of \$33,000 for the FY 2020 SR2S and Youth Bike Safety Program and a \$1.0 million dollars request from the SCCRTC Measure D allocation for the MB Sanctuary Scenic Trail (Rail Trail) segment 7 Phase 2 project.

ACTION: The motion carried with the following vote:

AYES: Chair Boutelle, Vice Chair Dolgenos, Commissioners: Friedrich, Orgel-Olson and Orrizzi.

NOES: None

ABSENT: Commissioner Roland

DISQUALIFIED: Hendsbee

6. Election of Officers

MOTION: Commissioner Orrizzi moved, seconded by Vice Chair Dolgenos to re-elect Phillip Boutelle as Chair.

MOTION: Commissioner Orrizzi moved, to re-elect Peggy Dolgenos as Vice Chair.

ACTION: Both motions carried with the following vote:

AYES: Chair Boutelle, Vice Chair Dolgenos, Commissioners: Friedrich, Hendsbee, Orgel-Olson and Orrizzi.

NOES: None

ABSENT: Commissioner Roland

DISQUALIFIED: None

7. Nomination to Resilient Coast Santa Cruz Technical Advisory Committee

MOTION: Commissioner Orrizzi moved, to nominate Commissioner Hendsbee to the Resilient Coast Santa Cruz Advisory Committee.

ACTION: Motions carried with the following vote:

AYES: Chair Boutelle, Vice Chair Dolgenos, Commissioners: Friedrich, Orgel-Olson and Orrizzi.

NOES: None

ABSENT: Commissioner Roland

DISQUALIFIED: None

8. Transportation and Public Works Commission Annual Work Plan

MOTION: Chair Boutelle moved that the Transportation and Public Works Commission form an Ad-Hoc Subcommittee for the Formulation of an Annual Work Plan for the Commission. This Ad-Hoc Subcommittee will consist of Chair Boutelle, Vice Chair Dolgenos, and Commissioner Orgel-Olson.

ACTION: Motion carried with the following vote:

AYES: Chair Boutelle, Vice Chair Dolgenos, Commissioners: Friedrich, Hendsbee, Orgel-Olson and Orrizzi.

NOES: None  
ABSENT: Commissioner Roland  
DISQUALIFIED: None

### **Items Initiated by Members for Future Agendas**

Commissioner Friedrich requested that Ecology Action and Bike Santa Cruz County provide a presentation on their bicycling and walking safety education and encouragement programs for Santa Cruz elementary school youth funded with Measure D.

MOTION: Commissioner Friedrich moved, seconded by Hendsbee to adjourn from the 3/18/19 meeting.

ACTION: The motion carried unanimously with the following vote:

AYES: Chair Boutelle, Vice Chair Dolgenos, Commissioners: Friedrich, Hendsbee, Orgel-Olson and Orrizzi.

NOES: None.

ABSENT: Commissioner Roland

**Adjournment 9:31 P.M.**





Transportation and Public Works  
Commission  
AGENDA REPORT

**DATE:** 5/10/2019

**AGENDA OF:** 5/20/2019

**SUBJECT:** Source Water Commitment and Tertiary Treatment Facility - Agreement between the City of Santa Cruz and Soquel Creek Water District

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**RECOMMENDATION:** That the Transportation and Public Works Commission recommend that the City Council approve an Agreement between the City of Santa Cruz and Soquel Creek Water District committing secondary treated effluent as the source water for Pure Water Soquel and siting the Tertiary Treatment Facility at the City Wastewater Treatment Facility.

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**BACKGROUND:** Previous and current collaboration with Soquel Creek Water District: The Soquel Creek Water District (District) is currently solely reliant on groundwater from the Santa Cruz Mid-County Groundwater Basin. This is one of the 21 basins that has been identified as critically-overdrafted by the State of California, and is experiencing active seawater intrusion at the coastline as result of depressed groundwater levels. If left unresolved, seawater contamination will move further inland. Since 2015, the District has been exploring a project that would use advanced treated purified wastewater to replenish groundwater and prevent seawater intrusion. The District does not own or operate a wastewater treatment facility (WWTF) that can provide it with a source of secondary or tertiary treated wastewater for such a project and has been working with the City of Santa Cruz to explore the potential for using water that the City WWTF currently discharges to the Monterey Bay National Marine Sanctuary as a source of supply for groundwater replenishment. This project is known as the Pure Water Soquel Project.

The City issued a letter to the District in June 2016 expressing its willingness to work with the District to make available up to 1.6 million gallons per day (mgd) of secondary treated effluent from the City Wastewater Treatment Facility (WWTF) and also recognizing the potential value of wastewater as a resource that could be put to beneficial reuse. In July 2017, the City and District furthered its collaboration by entering into a Memorandum of Understanding (MOU) that identified the preliminary terms and described the generation of an agreement following the completion of environmental review (Environmental Impact Report) and the District taking action on the Project.

In 2018, the City and District corroborated together on a recycled pilot project using membrane tertiary-treatment methods at the WWTF. This pilot project won two awards: First and Second Place for the California Water Environment Association's (CWEA) Engineering & Research Achievement Award at the local Monterey Bay Chapter and at the CA statewide-level, respectively. The District certified the EIR and approved the Pure Water Soquel Project EIR in

December 2018. City staff has continued to work with the District staff on the siting the Tertiary Treatment Facility at the WWTF, which would be memorialized by the proposed Agreement.

**City's Interest in Upgrading Tertiary-Level Treatment at SCWWTF:**

The Wastewater Treatment Facility recycles 150,000 gallons of tertiary wastewater per day for onsite operational use. The existing sand media filtration system that produces the recycled water is at the end of its useful life. The Wastewater Fund has budgeted \$400,000 to improve reliability and performance of the existing water filtration system. That expenditure will be necessary to keep the existing filtration system operational if the Soquel Tertiary project at the WWTF is not constructed. The existing filtration system does not meet regulatory requirements for offsite use.

**DISCUSSION:** The District's advanced water purification treatment process will be split between two facilities, the tertiary-level treatment (which can produce tertiary water, typical for non-potable uses such as irrigation for parks, golf-courses, and crops) and advanced purification treatment (which can produce purified water for groundwater replenishment). The proposed tertiary treatment facility will replace the City's existing sand media tertiary system with a membrane and UV-system to produce of tertiary water for three uses: (1) recycled water for in-plant uses, (2) Title 22 recycled water to irrigate La BARRANCA Park and for a bulk recycled water fill station, and (3) recycled water to convey to the advanced water treatment facility to further treated to purified water standards. Please see the attached Project Component Graphic.

The Agreement is almost complete and staff is working on a few details with the City Attorney and the District's staff. Since this Agreement is still being finalized, it is appropriate to receive input at this time from the Commission. The key points of the draft agreement follow the previous agreed to MOU and are listed below:

- City will provide the space for the Tertiary Treatment Facility at the WWTF
- District will fund the design and construction of the Tertiary Treatment Facility at the WWTF.
- The facility will provide tertiary treated water for the District use (1.67 mgd) and City use (.29 mgd).
- The City will provide secondary treated water to the tertiary facility at no cost.
- The tertiary facility would be owned by the District and operated and maintained by the City.
- The cost to operate and maintain the tertiary treatment facility would be split between the District and the City based on volume of water used by each party.

**FISCAL IMPACT:** The City would cover the cost of their own staffs' time during the design and construction, as in-kind contributions to the Tertiary Treatment Facility. Once the facility is operational the City cost will be approximately 10% of the overall cost to operate and maintain the facility. That cost would increase when offsite use is implemented by the City at a later date. The City currently operates the existing tertiary facility for onsite use and that cost would be eliminated once the new facility is complete.

Prepared by:  
Steve Wolfman  
Senior Civil Engineer

**ATTACHMENTS:**

Draft Agreement  
Project Component Graphic

**AGREEMENT**  
**BY AND BETWEEN SOQUEL CREEK WATER DISTRICT**  
**AND THE CITY OF SANTA CRUZ**  
**REGARDING SOURCE WATER, CONSTRUCTION, DESIGN, OWNERSHIP, OPERATION,**  
**REPAIR, AND MAINTENANCE OF THE TERTIARY FACILITY COMPONENT**  
**OF THE PURE WATER SOQUEL PROJECT**

This Project Agreement is entered into and made effective this \_\_\_\_ day of June, 2019 (the “effective date”), by and between Soquel Creek Water District (District) and the City of Santa Cruz, a municipal corporation (“City”), together sometimes referred to herein as the parties.

**RECITALS**

- A. The City owns and operates a regional wastewater treatment facility (“WWTF”) that provides wastewater treatment and disposal services to the City of Santa Cruz, Santa Cruz County Sanitation District (including Live Oak, Soquel, Capitola and Aptos areas) and disposal services to the City of Scotts Valley; and
- B. Wastewater generated by development in the service area of the District is conveyed through facilities owned and operated by the Santa Cruz County Sanitation District to the City of Santa Cruz WWTF for treatment and disposal, making the City’s wastewater facility a regional asset for the treatment of wastewater; and
- C. The WWTF pumps approximately on average eight (8) million gallons per day of treated water into the Monterey Bay Marine Sanctuary and reduction and recycling of this treated water would be considered a benefit; and
- D. The Santa Cruz Mid-County Groundwater Basin (the “Basin”) is currently the sole source of potable water supply for the water service area of the District; and
- E. The Basin has been designated by the State of California as being in a state of critical overdraft and threatened by seawater intrusion that will, if not promptly and effectively addressed, cause irreparable damage to the Basin, making it unsuitable for continued use as a source of potable water; and
- F. The District has prepared and is implementing a Community Water Plan that includes a range of possible approaches that would, if implemented, provide the means of reducing or eliminating the threat of seawater intrusion and contributing to the restoration of the Basin to sustainable levels, as required by the state’s 2014 Sustainable Groundwater Management Act; and
- G. A key conclusion from the Community Water Plan is that, in addition to ongoing water conservation and proactive groundwater management, a supplemental source of supply is required to eliminate the threat of seawater intrusion and begin the longer-term process of restoring the Basin to sustainable levels; and

- H. In accordance with the California Environmental Quality Act (“CEQA”), the Community Water Plan identified options the District evaluated, including at least the following range of potential water supply alternatives: 1) No Action; 2) Water Transfers and Exchanges using treated, available surface water from City of Santa Cruz’s sources; 3) Desalination based on the proposed Deep Water Desal project that would be located in Moss Landing; and 4) Advanced Purified TERTIARY TREATMENT FACILITY (APWF) for groundwater replenishment; and
- I. On June 29, 2016, the CITY first issued a letter indicating its willingness to collaborate with the DISTRICT on planning a proposed wastewater recycling facility; and
- J. In November of 2016, the District issued a Notice of Preparation/Initial Study (“NOP/IS”) in accordance with CEQA and began preparing an Environmental Impact Report (“EIR”) for “Pure Water Soquel,” an advanced purified groundwater replenishment project to utilize advanced treated wastewater to supplement natural recharge of the Basin with purified water, and thereby to increase the sustainability of the District’s groundwater supply, reduce overdraft conditions in the Basin, protect against seawater intrusion, and promote beneficial reuse by reducing discharge of treated wastewater into the Monterey Bay National Marine Sanctuary; and
- K. On July 21, 2017, the Parties entered into a Memorandum of Understanding (“MOU”) memorializing preliminary terms related to “Pure Water Soquel,” an advanced purified groundwater replenishment project that would use secondary treated wastewater from the WWTF as a source of supply, and describing a forthcoming PROJECT AGREEMENT and OPERATIONS PLAN; and
- L. The DISTRICT completed the environmental review with a Project Level Environmental Impact Report (EIR) and on December 18, 2018 the DISTRICT Board approved Resolution 18-30 which certified the EIR and approved Resolution 18-31 approving the PWS Project. That action met the precondition for the CITY agreeing to enter into the PROJECT AGREEMENT to provide tertiary treated water to DISTRICT.
- M. On February 28, 2019, the CITY issued a letter further affirming that the DISTRICT had met those conditions; and
- N. On April 16, 2019, the DISTRICT Board, after much consideration including ongoing collaboration with the CITY that took into account the City’s expressed preferences, concluded that the PROJECT that would best serve the CITY and the DISTRICT would construct the TERTIARY TREATMENT FACILITY at the WWTF and construct the Advanced Water Treatment Facility at a central location in Live Oak; and
- O. On November 15, 2018, the Board of Directors of the Santa Cruz Mid-County Groundwater Agency (MGA) directed staff to incorporate the Pure Water Soquel Project (among other projects) into the draft Groundwater Sustainability Plan (GSP) document currently under development by the MGA as part of the MGA’s requirement to prepare and submit such a plan to the state by January 2020; and
- P. Nothing about anything in the City’s agreement to provide assurances of source water availability as well as the volumes of treated effluent needed by the District

pursuant to this AGREEMENT, in any way affects the City's commitment to implement the City Council accepted recommendations of the Water Supply Advisory Committee, including recommendations regarding the preference for using winter river flows to develop a supplemental source of supply for the City that would increase water supply reliability and reduce vulnerability to drought in the City's water service area; and

- Q. The Parties now desire to enter into this PROJECT AGREEMENT regarding the source water, design, construction, ownership, and operation of a TERTIARY TREATMENT FACILITY to be located at the WWTF,

## **AGREEMENT**

### **ARTICLE 1: DEFINITIONS**

It is understood that the following words or phrases are used herein:

AFY:	Acre-feet per year
AWP:	Advanced Water Purification
CITY:	The City of Santa Cruz
DISTRICT:	Soquel Creek Water District
MGD:	Million gallons per day
OPERATIONS PLAN:	Plan that includes the details related to the Operations of the TERTIARY TREATMENT FACILITY including but not limited to water quality standards, operational costs, maintenance, and emergency response.
THE ORDER:	Collectively, the following: (a) the California Regional Water Quality Control Board, Central Coast Region—any General Order Establishing General Water Reuse Requirements for Municipal Waste Water and Water Agencies, and any specific Order pertaining to the PROJECT; and (b) General Waste Discharge Requirements for Recycled Water Use, Water Quality Order 2014-009 adopted by the State Water Resources Control Board on June 3, 2014, and any amendments or successor thereto.
PWS:	Overall Pure Water Soquel Program which includes the TERTIARY TREATMENT FACILITY, conveyance infrastructure, purified water facility, and the seawater intrusion prevention/recharge wells.

PUBLIC WORKS: The City of Santa Cruz Public Works Department

PURIFIED WATER FACILITY: The portion of the PWS project to be built offsite of the SCWWTF that will receive tertiary treated recycled water and purify it through a multi-step advanced water purification process to create purified water that would be conveyed to seawater intrusion prevention/recharge wells in the Santa Cruz Mid-County region.

TERTIARY TREATMENT FACILITY: The portion of the overall PWS project to be built within the WWTF boundaries to be further described in the plans and specifications as approved by the City the purpose of which is to treat secondary effluent to a tertiary treatment standard for use as a source water for the DISTRICT's PWS AWP facility, in to meeting the City's needs for tertiary treated water and to provide tertiary treated effluent.

WWTF: Santa Cruz Regional Wastewater Treatment Facility

**ARTICLE 2: COOPERATIVE AGREEMENT AND COOPERATION BETWEEN AGENCIES**

The City and District have been collaborating on beneficial reuse of water since 2016, and DISTRICT has established its target date of December 2022 for completion of the TERTIARY TREATMENT FACILITY discussed under this AGREEMENT, as part of its Pure Water Soquel Program objectives.

The CITY and DISTRICT agree to cooperate in 'good faith' to resolve any disputed issues that may arise in connection with the topics cover in this AGREEMENT.

The CITY and DISTRICT agree to remain open and transparent regarding the development of the design, operation, maintenance, and cost allocation for the TERTIARY TREATMENT FACILITY.

The CITY and DISTRICT agree to hold regular meetings, at necessary intervals, to review, discuss, advance, and resolve any topics and issues related to the TERTIARY TREATMENT FACILITY discussed in this PROJEC AGREEMENT.

**ARTICLE 3: PROJECT DESCRIPTION**

The TERTIARY TREATMENT FACILITY consists of the proposed microfiltration/ultrafiltration membrane treatment process and other facilities to be

constructed within the boundaries of the WWTF. The TERTIARY TREATMENT FACILITY will be owned and paid for by the DISTRICT, and operated by the CITY. The TERTIARY TREATMENT FACILITY would receive secondary treated effluent from the WWTF as the source water that would be further treated to standards suitable to be further treated and purified at the AWP Facility and ultimately used to replenish the Santa Cruz Mid-County Groundwater Basin to create a seawater intrusion barrier to prevent further seawater intrusion from occurring. The TERTIARY TREATMENT FACILITY would also produce water to meet the CITY's needs for tertiary treated recycled water for in-plant uses, for irrigation purposes at Las Barranca's Park, and for a CITY fill-station.

#### **ARTICLE 4: SOURCE WATER QUALITY AND QUANTITY**

##### **4.1 SECONDARY EFFLUENT QUANTITY:**

The CITY agrees to use its best efforts to supply on average 2.32 MGD (nominally 2600 AFY) of treated secondary effluent from the WWTF to the TERTIARY TREATMENT FACILITY to produce tertiary treated effluent for the District's use on average 1.67 MGD (nominally 1875 AFY) which, in turn, will produce on average 1.34MGD (nominally 1500 AFY) of purified water. A fraction of the CITY provided secondary effluent, nominally 330 AFY or 0.29 MGD on average), will also be produced in the TERTIARY TREATMENT FACILITY for the CITY's uses.

##### **4.2 SECONDARY EFFLUENT QUALITY:**

The City agrees to use its best efforts to provide secondary treatment effluent that will conform to the requirements all requirements of the WWTF's regulatory permits and be use as a source water to produce Title 22 Restricted and Unrestricted water as a product of the TERTIARY TREATMENT FACILITY.

###### **4.2.1 INDUSTRIAL PRETREATMENT AND SOURCEWATER CONTROL PROGRAM:**

The CITY agrees to maintain its existing comprehensive industrial wastewater pretreatment and pollutant source control program for controlling the discharge of wastes from point sources that could adversely affect the TERTIARY TREATMENT FACILITY and PURE WATER SOQUEL System's water quality or production. The CITY shall comply with all applicable legal requirements with respect to its source water control program.

**4.2.2 RESPONDING TO FUTURE REGULATORY CHANGES;** The Parties acknowledge that regulatory requirements evolve over time and that operating agencies have a responsibility to modify their operations and/or treatment processes as needed to respond to changed regulatory requirements. As the operator of the primary and secondary treatment processes for the WWTF, the City will make any changes to its treatment processes required to maintain compliance with secondary treatment regulations. Changes to the tertiary treatment process required to meet regulatory changes will be implemented by the Parties as needed. Any capital cost associated with changes to the TERTIARY TREATMENT FACILITY to meet future regulatory



requirements will be the responsibility of the District. Any operating costs associated with making changes to the TERTIARY TREATMENT FACILITY will be split between the City and the District based on their actual proportionate usage (by volume) of the tertiary treated wastewater produced by the TERTIARY TREATMENT FACILITY.

Any capital or operating cost associated with producing water that is of a higher quality than required by regulations in place or being specifically proposed at the time a proposal for producing enhanced water quality will be the responsibility of the Party making the proposal for that change unless the other Party expressly agrees to share in those costs.

## **ARTICLE 5: DESIGN, CONSTRUCTION, and START-UP RESPONSIBILITIES**

The parties agree to work cooperatively on the design and construction of the facility.

### **5.1 PRELIMINARY DESIGN**

- 5.1.1 The DISTRICT will fund and be the lead agency, with input from the CITY, during the procurement process and in development of the Request for Qualification (RFQ) and Request for Proposal (RFP) for the selection of Design-Build (D-B) Team for completing the detailed design and construction of the RECYLED WATER PROJECT using Progressive Design Build delivery method.
- 5.1.2 The DISTRICT and CITY will collaboratively work on furthering the tertiary facility design concepts identified in the Feasibility Study (2017, Carollo) and the Environmental Impact Report (ESA, 2018) to develop a preliminary design to be incorporated into the RFP.
- 5.1.2 The preliminary design will include removal of the existing CITY tertiary treatment facility at the WWTF.
- 5.1.3 The DISTRICT will fund and prepare the basis of design report and preliminary design necessary to prepare the procurement documents for selection of the TERTIARY TREATMENT FACILITY D-B Team that would meet the DISTRICT's need for tertiary treated recycled water for the PURIFIED WATER PROJECT as well as the City's existing tertiary treated recycled water needs for in-plant uses, and anticipated need for a recycled water fill-station and for irrigation at Las Barranca Park. The DISTRICT will collaborate with CITY during the preliminary design process and the City shall provide input.
- 5.1.4 The CITY will participate in the D-B Team selection process by providing up to two representatives to the RFQ/RFP evaluation and interview selection panel. DISTRICT shall make the final decision as to the D-B Team selection and negotiation of the GMP provided, however, that CITY must provide its consent prior to DISTRICT's execution of the design-build contract and must

approve other elements of the PROJECT provided for therein that CITY determines may impact its WWTF operations, including, but not limited to, location, facilities design and, initial Project schedule.

- 5.1.5 After the D-B Team is selected and a Design-Build contract is awarded, DISTRICT and the CITY will work collaboratively to provide input to advance the design to 60% design level and for achieving the guaranteed maximum price (“GMP”) negotiations milestone with the D-B Team.

## **5.2 DETAILED DESIGN, CONSTRUCTION, AND CONSTRUCTION OVERSIGHT**

- 5.2.1 The DISTRICT will fund and assign a project manager (the DISTRICT Project Manager) to oversee the entire TERTIARY TREATMENT FACILITY construction, including Construction Management Oversight.
- 5.2.2 The CITY may fund and assign a project manager or liaison to oversee the CITY's activities and coordinate with the CITY and DISTRICT staff on the Project including Construction Management Oversight at the WWTF.
- 5.2.3 In case of any unresolved disagreement regarding design preference, both agencies agree to seek professional opinion of an independent third party design consultant to assist in resolution of any outstanding design issues. If the two agencies fail to resolve the disagreement in a timely manner and the issue threatens to impact the project schedule, then DISTRICT reserve the right to have the final say to keep the project moving as long as CITY in good faith determines that the decision would not adversely impact the WWTF operations and regulatory compliance.
- 5.2.7 The DISTRICT and the CITY each agree to cover the cost of their own staffs' time for the design, procurement and construction, as in-kind contributions to the TERTIARY TREATMENT FACILITY.
- 5.2.8 DISTRICT reserves the right to make improvements and modifications to the TERTIARY TREATMENT FACILITY within the approved Project footprint to enhance the performance of the tertiary treatment system to support the PURE WATER SOQUEL project.

## **5.3 CHANGE ORDERS AND DESIGN DIRECTIVES DURING CONSTRUCTION**

- 5.3.1 The DISTRICT will be the lead agency for reviewing and approving Change Orders and the CITY will have an opportunity to provide input in this process.

5.3.2 Any design changes during the construction, having material cost and schedule impacts to the overall PROJECT, must be approved by the DISTRICT Project Manager.

5.3.3 The DISTRICT will fund all requested change orders related to the Tertiary Treatment Facility or its construction, provided, however, that any change orders requested by the CITY for the benefit of its WWTF operations or facilities shall be funded by the CITY.

#### **5.4 STARTUP AND COMMISSIONING**

5.4.1 The DISTRICT'S D-B Team will be primarily responsible for the Startup and Commissioning process and providing training to the CITY's operations staff. This shall include, but not be limited to, the preparation of operation and maintenance manuals, optimizing performance after substantial completion, and training of CITY operators and CITY maintenance personnel. CITY and DISTRICT shall jointly determine what training is necessary for CITY employees to operate and maintain the TERTIARY TREATMENT FACILITY.

5.4.2 Staff time, from both agencies, during the startup, commissioning and facility operations shall be accounted for in the Facility Operations Costs.

### **ARTICLE 6: OWNERSHIP, LAND ACCESS, OPERATIONS, AND MAINTENANCE**

#### **6.1 OWNERSHIP**

6.1.1 The TERTIARY TREATMENT FACILITY shall be owned and built by the DISTRICT.

6.1.2 The DISTRICT shall retain ownership of the equipment and structures necessary to the TERTIARY TREATMENT FACILITY, and upon termination of this Agreement shall, at the CITY's option, either abandon said equipment and structures in place or restore the CITY site to a condition comparable to that which existed prior to the construction of the TERTIARY TREATMENT FACILITY.

6.1.3 The City reserves the right to purchase the entire TERTIARY TREATMENT FACILITY from the DISTRICT in the future by paying the book value at the time of the purchase. As used herein, "book value" shall be defined as (capitalized cost of construction less straight line depreciation based on the estimated useful life of the TERTIARY TREATMENT FACILITY), (minus the depreciated cost of any components of the TERTIARY TREATMENT FACILITY in excess of \$\_\_\_\_,000 that are replaced prior to the purchase), plus the capitalized cost of replacement for any TERTIARY TREATMENT FACILITY component costing in excess of \$\_\_\_\_,000, less straight line depreciation of

such component based on its estimated useful life). City shall provide 1-year notice to the District regarding "intention to purchase" to initiate the process.

## **6.2 LAND ACCESS**

- 6.2.1 Prior to commencement of construction, the CITY and DISTRICT shall negotiate the terms of and enter into a ground lease for construction, build-out and long-term operation of the TERTIARY TREATMENT FACILITY at the WWTF from the CITY at no cost to the DISTRICT for the term of this Project Agreement, plus any extension thereof entered into between the Parties.
- 6.2.2 The lease shall specify a temporary footprint area for construction of the TERTIARY TREATMENT FACILITY, and a footprint area of up to 120 ft by 60 ft for the permanent TERTIARY TREATMENT FACILITY structure and any appurtenances thereto, as shown in the figure in Attachment A.
- 6.2.3 Details of the LAND ACCESS shall be negotiated in good faith by the DISTRICT and the CITY in conjunction with the OPERATIONS PLAN, discussed below.

## **6.3 OPERATIONS and MAINTENANCE**

- 6.3.1 CITY shall be responsible for operation, repair and maintenance of the TERTIARY TREATMENT FACILITY and shall employ best management practices to ensure that the tertiary components are operated, repaired, and maintained in good working order and in accordance with established industry standards.
- 6.3.2 The DISTRICT and the CITY shall be responsible for the cost of operations, maintenance, repair and replacement of the TERTIARY TREATMENT FACILITY components ("O&M Costs") based on the actual proportionate usage (by volume) of the finished water produced from the TERTIARY TREATMENT FACILITY.
- 6.3.3 CITY shall prepare an estimated annual (fiscal year) budget for operation, repair, and maintenance of the TERTIARY TREATMENT FACILITY and shall submit the estimated annual budget to the DISTRICT by April 30 of each year for approval. The CITY and the DISTRICT shall meet and confer as needed to reach agreement on the estimated annual budget for the upcoming fiscal year provided, however, that CITY shall make the final determination of O&M Costs, which shall include, but shall not be limited to:
  - 6.3.3.1 All direct and indirect labor costs (indirect labor costs are defined as 3rd party vendors/contractors) required for operation, maintenance, repair or, to the extent necessary, replacement of the TERTIARY TREATMENT FACILITY.

- 6.3.3.2 Cost of maintenance, repair or replacement of any TERTIARY TREATMENT FACILITY related equipment and establishment of adequate capital reserves (District will return the net interest on the account to the City annually).
  - 6.3.3.3 Costs of insurance, regulatory compliance or reporting requirements, laboratory testing, consultants or services deemed necessary by CITY in connection with O&M.
  - 6.3.3.4 Cost of utilities, including, but not limited to, electricity, telecommunications, water and/or sewer (to the extent that such utilities are not furnished by DISTRICT as part of its normal operations).
  - 6.3.3.5 Cost of supplies, including but not limited to, chemicals, filter membranes, UV lamps etc.;
  - 6.3.3.6 Administrative and overhead expenses in the amount of fifteen percent (15%) of the sum of items 6.3.2.1 through 6.3.2.3.
- 6.3.4 CITY shall track actual operation, repair, and maintenance costs for the TERTIARY TREATMENT FACILITY and shall invoice the DISTRICT for these costs on a quarterly basis.
- 6.3.5 CITY shall prepare and maintain accurate and complete books and accounting records for the costs related to the operations, repair, and maintenance of the tertiary components in accordance with practices established by or consistent with those utilized by the Controller of the State of California for public agencies.
- 6.3.5.1 DISTRICT shall pay Operation and Maintenance ("O&M") costs that relate to the operation of the TERTIARY TREATMENT FACILITY and its receipt of recycled water as set forth in this Section 6.3.5.
  - 6.3.5.2 Annual Estimate. On or before the commencement of operations, and annually thereafter on or before the beginning of each fiscal year, CITY shall prepare and deliver to DISTRICT an estimate of the total annual O&M Costs (the "Annual Estimate") for the TERTIARY TREATMENT FACILITY for the upcoming year.
  - 6.3.5.3 Actual Cost True-Up. Within four months after the close of each fiscal year, CITY shall calculate its actual O&M Expenses compared to the Annual Estimate for the prior year, which amount shall be used to adjust, up or down as applicable, and the DISTRICT'S proportionate share of such O&M Cost (based on volume), to determine the amount owed by DISTRICT.
  - 6.3.5.4 Payment Schedule. DISTRICT' payment of O&M Costs in the amount of the Annual Estimate, as adjusted by 6.3.5.3 shall occur

on the first of the month following the Delivery Commencement Date, and thereafter shall be paid, in advance, within thirty (30) days of its receipt of the Annual Estimate.

- 6.3.6 CITY shall give immediate notice to DISTRICT, by telephone or per established emergency communication protocol, if the CITY is unable to continue normal operation of the TERTIARY TREATMENT FACILITY. CITY shall use every reasonable effort to restore operation as soon as possible.
- 6.3.7 In case where CITY is unable or unwilling to keep the RECYCLED WATER FACILITY operational, CITY agrees to allow DISTRICT to bring an outside operator to keep the TERTIARY TREATMENT FACILITY operational.
- 6.3.8 As additional details regarding TERTIARY TREATMENT FACILITY operations become available, The DISTRICT and CITY shall prepare an OPERATIONS PLAN. CITY and DISTRICT agree to continue to discuss the methods used to determine the Operation and Maintenance costs allocation and negotiate in good faith. Details of such negotiations shall be captured in the OPERATION PLAN with periodic updates.

#### **ARTICLE 7: ADDITIONAL COSTS/FUNDING**

##### **7.1 COST OF SECONDARY TREATED EFFLUENT.**

The CITY shall provide secondary treated effluent for the TERTIARY TREATMENT FACILITY under this PROJECT AGREEMENT at no cost to the DISTRICT.

##### **7.2 COST OF PERMITTING, DESIGN, CONSTRUCTION AND START-UP.**

The DISTRICT shall provide the environmental review, permitting, design, construction, and start-up/commissioning of the TERTIARY TREATMENT FACILITY under this PROJECT AGREEMENT at no cost to the CITY.

#### **ARTICLE 8: RELOCATION OF PROJECT FACILITIES**

The responsibility and costs associated with relocation of the TERTIARY TREATMENT FACILITY, including planning, design, acquisition and construction of necessary supporting infrastructure, will be borne by whichever party requires the assets to be relocated.

#### **ARTICLE 9: INDEMNIFICATION**

To the extent permitted by law, the parties shall each indemnify and hold the other, its officers, agents, and employees harmless from any and all losses, damages, liability on the account of personal injury, death, or property damage, or claim for personal injury, death, or property damage of any nature whatsoever and by whomsoever made, arising out of the activities of the other party, its employees, subcontractors, or agents under this Agreement.

#### **ARTICLE 10: ASSIGNMENT**

The parties shall not assign, sell, or otherwise transfer interest under this Agreement without first receiving the prior written consent of the other party, which consent shall not be unreasonably withheld.

#### **ARTICLE 11: SEVERABILITY**

If any term, provision, covenant or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.

#### **ARTICLE 12: ENTIRE AGREEMENT**

This Agreement is the full and entire understanding of the parties, and may not be altered except by a writing executed by the parties hereto. The parties agree that there are no warranties, either expressed or implied, no covenants or promises or expectations other than those contained and set forth in the writings of this Agreement.

#### **ARTICLE 13: AMENDMENT**

This Agreement may be amended only by a written instrument duly executed by the parties.

#### **ARTICLE 14: WAIVER**

The waiver or failure to declare a breach in this Agreement as a result of violation of any term or provision set forth in this Agreement shall not constitute a waiver of that term or condition and shall not provide the basis for a claim of estoppel.

#### **ARTICLE 15: ALTERNATIVE DISPUTE RESOLUTION**

Any dispute among the parties to this agreement shall be submitted to arbitration pursuant to the Code of Civil Procedure commencing with Section 1280, and the parties shall be bound by the decision.

#### **ARTICLE 16: NOTICES**

All notices shall be in writing and shall be sent as follows:

DISTRICT: General Manager  
Soquel Creek Water DISTRICT

5180 Soquel Drive  
Soquel, CA 95073  
831-475-8500 Phone

City: City Manager  
City of Santa Cruz  
809 Center Street, Room 10  
Santa Cruz, CA 95060  
831-420-5011 Phone

**ARTICLE 17: NO THIRD-PARTY BENEFICIARIES**

This Agreement does not create, and shall not be construed to create, any rights enforceable by any person, partnership, corporation, joint venture, limited liability company, or other form of organization or association of any kind that is not a party to this Agreement.

**ARTICLE 18: TERM**

This Agreement shall remain in effect for a period of thirty-five (35) years from its effective date, with automatic five (5) year extension periods thereafter unless either party gives notice of termination at least twenty-four (24) months in advance of the term or extension period then in effect.

Authorized and approved for signatures on:

\_\_\_\_\_, 2019

ADD ALL THE SIGNATURES

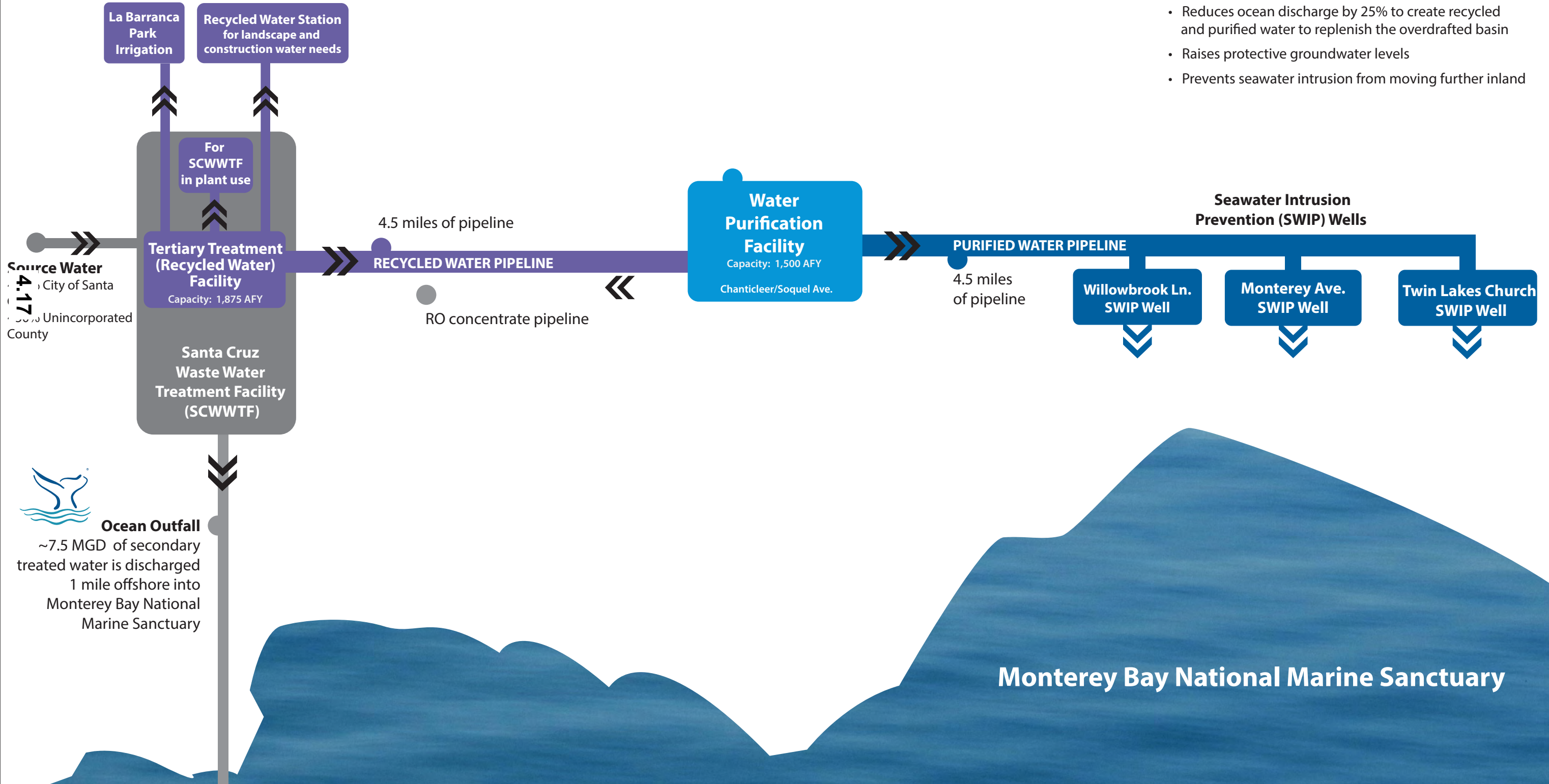


# PUREWater Soquel

Replenishing Mid-County Groundwater & Preventing Further Seawater Intrusion

### System Benefits

- Reduces ocean discharge by 25% to create recycled and purified water to replenish the overdrafted basin
- Raises protective groundwater levels
- Prevents seawater intrusion from moving further inland





Transportation and Public Works  
Commission  
AGENDA REPORT

**DATE:** 5/9/2019

**AGENDA OF:** 5/20/2019

**SUBJECT:** Transportation and Public Works Commission’s Annual Work Plan for June 2019 through June 2020

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**RECOMMENDATION:** Motion to review, comment and approve the draft calendar for the Transportation and Public Works Commission Work Plan for June 2019 through June 2020.

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**BACKGROUND:** At its meeting of December 10, 2018, the Transportation and Public Works Commission adopted a motion regarding certain changes to its Bylaws. One of those changes was the recommendation that the Commission create an annual “Work Plan” for itself, which plan would coincide with the City’s Fiscal Year. This plan is for the Commission members themselves, and not a work plan for the Public Works department or City staff.

**DISCUSSION:** The attached work plan outlines the Commission’s internal advisory priorities for the period beginning June 1, 2019 and ending June 30, 2020 and was formulated by an Ad-Hoc subcommittee of the Commission formed for the purpose of creating the plan. The Commission is free to make modifications if such modifications can be captured in the motion to approve and the subject matter discussion does not fall outside of the posted agenda per the Brown Act.

**FISCAL IMPACT:** There is no fiscal impact associated with adoption of the Annual Work Plan.

Prepared by:  
Philip Boutelle  
Chair

Prepared by:  
Margaret Dolgenos  
Vice Chair

Prepared by:  
Shawn Orgel-Olson  
Commissioner

**ATTACHMENTS:**  
Draft Work Plan – June 2019 through June 2020



## **Transportation and Public Works Commission**

### **FY 2019-2020 Annual Commission Work Plan**

#### **Commissioners:**

**Chair, Philip Boutelle**

**Vice Chair, Margaret Dolgenos**

**Erich Friedrich**

**Dale Hendsbee**

**Sean Orgel-Olsen**

**Robert Orrizzi**

**Donald Roland**

## June 2019 – June 2020 Commission Work Plan

Goal	Action Items	Resources	Leads	Target Dates: Start/End
ATP Plan Update <ul style="list-style-type: none"> <li>- Specific project updates</li> <li>- New projects</li> <li>- Clear, defined language revisions</li> </ul>	<ul style="list-style-type: none"> <li>- Review ATP</li> <li>- Make recommendations on revisions</li> <li>- Focus on project list, language</li> </ul>	<ul style="list-style-type: none"> <li>- Committee</li> <li>- Public Works staff</li> <li>- Planning staff</li> </ul>	Ad-Hoc Committee of Transportation and Public Works Commissioners	Start June 2019, End December 2019
Draft CIP Recommendations (Public Works – Non Transportation)	<ul style="list-style-type: none"> <li>- Deep dive into Public Works non-transportation CIP projects</li> </ul>	<ul style="list-style-type: none"> <li>- Committee</li> <li>- Public Works staff</li> <li>- Planning staff</li> </ul>	Ad-Hoc Committee of Transportation and Public Works Commissioners	Start June 2019, End January 2020
Draft CIP Recommendations (Public Works – Transportation)	<ul style="list-style-type: none"> <li>- Deep dive into Public Works transportation CIP projects</li> </ul>	<ul style="list-style-type: none"> <li>- Committee</li> <li>- Public Works Transportation Engineering staff</li> <li>- Planning</li> </ul>	Ad-Hoc Committee of Transportation and Public Works Commissioners	Start June 2019, End January 2020
“Safe Routes to Downtown” (Commission Initiative)	<ul style="list-style-type: none"> <li>- Create draft/concept plan</li> <li>- Prioritize routes/projects</li> <li>- Identify funding sources (e.g. grants, impact fees, General Fund, new revenues, etc)</li> </ul>	<ul style="list-style-type: none"> <li>- Committee</li> <li>- Downtown Commission</li> <li>- Public Works Transportation Engineering staff</li> <li>- Planning staff</li> </ul>	Ad-Hoc Committee of Transportation and Public Works Commissioners	Start June 2019, End June 2020