BOARD OF DIRECTORS
REGULAR MEETING – 6:00 PM
TUESDAY, SEPTEMBER 15, 2015
LOCATION: Capitola City Council Chambers
420 Capitola Avenue, Capitola, California

AGENDA

1. ROLL CALL

2. PUBLIC HEARING
   2.1 Request for Variance from Tier Adjustment Policy

3. CONSENT AGENDA
   3.1 Approval of Minutes – August 11, 2015
   3.2 Report of Expenditures over $25,000
   3.3 August Warrants and July/August Credit Card Analysis
   3.4 Granite Way Well, Adopt Plans & Specifications, Call for Bids and Approval for Retention Increase to 10% of the Contract Amount CWO 11-137
   3.5 Small Claims Monthly Report for September 2015
   3.6 Approve Reimbursement to Central Water District for Groundwater Model Work, CWO 15-112

4. ORAL COMMUNICATIONS (items not on the Agenda)

5. REPORTS
   5.1 Work Plan Status Report
   5.2 Board Agenda Planning Calendar

6. STATUS REPORTS
   6.1 Conservation Customer Service Field
   6.2 Engineering
   6.3 Operations & Maintenance
   6.4 Finance
6.5 Human Resources
6.6 Special Projects/Community Dialogue
6.7 District Counsel – Oral
6.8 Interim General Manager

7. ADMINISTRATIVE BUSINESS
7.1 Conditional Will Serve Letters – None
7.2 Unconditional Will Serve Letters – None
7.3 Cost of Service - Presentation of Preliminary Findings, Discussion, and General Direction
7.4 Presentation from City of Capitola Staff Regarding Land Use Planning
7.5 Request for Board Approval of the Cooperative Water Transfer and Purchase Agreement with the City of Santa Cruz, or to Provide Direction to Staff Regarding Modifications
7.7 Hexavalent Chromium Equipment Procurement Bid Award and CEQA Notice of Determination
7.8 Consider Proposals from Verizon Wireless to Lease Areas at Crestline and Austrian Tanks for Installation and Maintenance of Telecommunications Facilities
7.9 Approval of Revised Temporary Job Classification, Compensation and Term: Conservation Compliance & Customer Service Assistant
7.10 Approval of New Temporary Job Classification & Compensation: Assistant Staff Analyst

8. WRITTEN COMMUNICATIONS AND CORRESPONDENCE – None

ADJOURN TO CLOSED SESSION – OPEN SESSION WORKSHOP TO FOLLOW IN THE COMMUNITY ROOM
9. **CLOSED SESSION**

9.1 Raphael DeHoratius v. Soquel Creek Water District Threatened Litigation
Government Code Section 54956.9 (d) (2)

9.2 Robert Lindow v. Soquel Creek Water District Threatened Litigation
Government Code Section 54956.9 (d) (2)

9.3 Michael Boyd v. Soquel Creek Water District Pending Litigation Government Code
Section 54956.9

9.4 Gregory J. Erlach v. Soquel Creek Water District Pending Litigation Government
Code Section 54956.9

**RECONVENE TO OPEN SESSION – MEETING MOVES ACROSS THE HALL TO THE
COMMUNITY ROOM**

10. **MINI BOARD WORKSHOP - COMMUNITY WATER PLAN DISCUSSION**

10.1 Community Water Plan Board Workshop Overview

10.2 Revised Pre-Recovery Goal and Post-Recovery Yield Estimates Based on Estimated
Effects of Climate Change and Updated Consumptive Use for Community Water Plan
Development

10.3 Demand Forecast Through 2045 for the Community Water Plan

10.4 Provide Input on Draft Community Water Plan Booklet

11. **ADJOURNMENT**
MEMO TO THE BOARD OF DIRECTORS

Subject: Agenda Item No. 2.1 Request for Variance from Tier Adjustment Policy

Attachments: 1. Consumption History
3. Tier Adjustment Policy

The customer is requesting a variance from the District’s Tier Adjustment Policy in order to receive a higher credit on the water bill for 735 Clubhouse Drive after repairing a toilet leak. District records show that the customer established service in July of 2012 and the account is in good standing.

The customer experienced increased water consumption due to a toilet leak that occurred during the service period ending on July 14, 2015. The leak was detected by District Staff during the regularly scheduled meter read that day and water service was shut off. Staff also left a door hanger with notification of the leak. A data log indicated that average water consumption for the period of July 9th through July 14th (6 days) was 7.17 units or 5,363 gallons of water per day.

The leak was billed as follows:

June 12, 2015 to July 14, 2015: 56 units
3 units of Tier 1 consumption at $5.47 = $16.41
4 units of Tier 2 consumption at $9.57 = 38.28
8 units of Tier 3 consumption at $15.04 = 120.32
41 units of Tier 4 consumption at $21.87 = 896.67

Service Charge = 24.83
Total billing = $1,096.51

The customer has stated that he repaired the toilet with parts on hand and a subsequent meter reading showed that water consumption has returned to a more typical level of usage for the account.

Under the District’s Tier Adjustment Policy all consumption over 15 units billed at the highest tier 4 rate that exceeds recorded usage for the same period in the prior year is billed at the lower tier 3 rate. In this case the credit reduces the billing for units in the tier 4 level from $21.87 per unit to the tier 3 level of $15.04 per unit resulting in a credit of $6.83 per unit for each unit of water billed above 15 units in one billing period. A total of 41 tier-4 units were billed during the period and a credit of $280.03 (41 units x $6.83 per unit) has been applied to the July bill. The
remaining balance on the water bill after the adjustment and customer good faith payment of $100.00 are applied is $716.48.

Staff set up an amortized payment plan allowing this balance to be paid in twelve installments over the course of a year. Under the plan, each installment of $59.70 would be paid along with the balance of subsequent monthly water billings on the account.

The attached Leak Adjustment Policy was adopted in March of 2012 and at that time the District utilized a three-tiered rate structure and billed customers every 60 days. All water usage over 30 units was billed at the highest tier 3 rate. Monthly billing was implemented in January 2014 and all water usage over 15 units is billed at the highest tier 4 rate. Current adjustment practices are consistent with the Policy.

Consistent with established District policies and practices, the recommendation is to deny the request for a variance. The recommendation to deny the variance is made according to findings under Resolution No. 74-55, Section 1.03, Findings: B - Granting the variance would not be in harmony with the general intent and purpose of the ordinances, resolutions and policies of the District; C - Granting of the variance would constitute a grant of special privilege inconsistent with similar situations.

**POSSIBLE BOARD ACTIONS**

1. Open public hearing and receive public testimony.
2. By MOTION, close the public hearing.
3. By MOTION, deny or approve the customer’s request for a variance from the established Tier Adjustment Policy OR
4. Take no action.

By___________________________________
Michelle Boisen
Financial and Business Services Manager
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**Address:** 735 CLUBHOUSE DR  
**Location Number:** XXXX315

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MEMO TO ALL EMPLOYEES

Subject: Tier Adjustment Policy
       Effective March 1, 2012

The District will grant a Tier Adjustment for a toilet leak, above ground irrigation leak (either through faulty valves, sprinkler heads, or timers), or a clogged drip irrigation line, upon reasonable proof of its existence.

To be eligible for the adjustment, the customer must report the leak to the District within six (6) months of the billing period in which the leak occurred, establish proof of repair of the leak, and allow District staff to complete a water efficiency survey at the service address where the leak occurred.

The amount of the adjustment is determined by first calculating the amount of water attributable to the leak. The amount of water attributable to the leak shall be determined using data derived from the meter. Consumption attributable to the leak within the tier 3 category is billed at the tier 2 rate.

In the absence of definitive data, the consumption during the period(s) of the leak shall be compared to the same period(s) in the prior year. All consumption within the tier 3 category that exceeds recorded usage for the same period in the prior year is billed at the tier 2 rate.

The adjustment is calculated consistent with the following example:

A. Billed consumption (including leak) 175 units
B. Prior year’s billed consumption 35 units

C. Water consumption billed at the Tier 1 rate 8 units
D. Water consumption billed at the Tier 2 rate 162 units
E. Water consumption billed at the Tier 3 rate 5 units

Note: The calculation above is based on tier thresholds in effect on March 1, 2012 for residential customers with 5/8 inch meters in a 60-day billing period.
The adjustment will be calculated at the prevailing rates charged for the tiers and will be credited to the customer's account. No cash refunds will be made unless the account in question has been closed.

A maximum of two billing periods can be considered for this adjustment and the adjustment is limited to one time within any 5-year period.

The District retains the right to deny a Tier Adjustment request if extenuating circumstances exist. In extraordinary cases, the General Manager and/or the Financial and Business Services Manager will have the discretion to adjust the amount attributable to a leak, as circumstances warrant.

By __________________________
Michelle Boisen
Financial and Business Services Manager
BOARD OF DIRECTORS
TUESDAY, SEPTEMBER 1, 2015
CONSENT AGENDA

All matters listed hereunder constitute a consent agenda, and will be acted upon by a single vote of the Board and shall be separately recorded in the minutes of the meeting.

The consent agenda is used to approve non-controversial or routine matters by a single motion and vote of the Board. Examples of such items may include, but are not limited to, approval of previous minutes, routine policies and procedures, conveyance of routine reports, and correspondence requiring no action. If any board member or member of the public wants to discuss any item on the consent agenda, that item is removed from the consent agenda and considered immediately following agenda approval.

3. CONSENT AGENDA
   3.1 Approval of Minutes – August 11, 2015
   3.2 Report of Expenditures over $25,000
   3.3 August Warrants and July/August Credit Card Analysis
   3.4 Granite Way Well, Adopt Plans & Specifications, Call for Bids and Approval for Retention Increase to 10% of the Contract Amount CWO 11-137
   3.5 Small Claims Monthly Report for September 2015
   3.6 Approve Reimbursement to Central Water District for Groundwater Model Work, CWO 15-112
1. **ROLL CALL**
President Daniels called the meeting to order at 7:00 p.m. at the Community Foundation in Aptos.

**Board Members Present:**
Dr. Bruce Daniels, President
Dr. Thomas LaHue, Vice President
Dr. Bruce Jaffe
Rick Meyer
Carla Christensen

**Staff Members Present:**
Ron Duncan, Interim General Manager
Taj Dufour, Engineering Manager/Chief Engineer
Shelley Flock, Interim CCSF Manager
Christine Mead, Operations and Maintenance Manager
Michelle Boisen, Financial/Business Manager
Leslie Strohm, Supervising Accountant
Traci Hart, Human Resources Manager
Carla James, Water Quality Program Coordinator
Bob Bosso, District Counsel
Karen Reese, Executive Assistant/Board Clerk

**Others Present:**
5 members of the public

2. **PUBLIC HEARING** – None

3. **CONSENT AGENDA**
Item 3.5, 3.6 and 3.8 were pulled for discussion

MOTION: Director LaHue; Second; Director Meyer: To approve consent agenda items 3.1, 3.2, 3.3, and 3.7. Motion passed unanimously.

3.1 Approval of Minutes - June 16, 2015
*Action: Approved*

3.2 Report of Expenditures over $25,000
*Action: Approved*

3.3 July Warrants and June/July Credit Card Analysis
*Action: Approved*

3.4 Item pulled

3.5 Madeline Well Rehabilitation and Pumping Equipment Installation Project, Approve Allocation from Operating Contingency Reserves (OCR) and Bid Award, CWO 15-129
*Action: Removed from Consent; Discussed; Approved*
Ms. Mead answered questions from the Board regarding having only one bidder.

MOTION: Director Meyer; Second; Director Jaffe: To approve consent agenda item 3.5. Motion passed unanimously.
3.6 Request to Approve Water-Wise Garden Grant for “Water-Wise Walk” at Seacliff Village County Park  
*Action: Removed from Consent; Discussed; Approved*  
Ms. Minot spoke about the walk that will be held and the water wise planting at the new park. The District will be acknowledged in the signage along with the types of plantings so the public can easily purchase what is being used in the park.  

| MOTION: Director Christensen; Second; Director LaHue: To approve consent agenda item 3.6. Motion passed unanimously. |

3.7 Approve Replacement of Two Trailer-Mounted Emergency Generators  
*Action: Approved*  

3.8 Selection of General Manager Recruitment Search Firm  
*Action: Removed from Consent; Discussed*  
Discussion was held as to whether the current hiring process is the correct one. The hiring committee will meet again to discuss and bring information back to a future meeting.  

| MOTION: President Daniels; Second; Director Christensen: To bring back consent agenda item 3.8 for further discussion and consider changing the hiring process Motion passed unanimously. |

4. **ORAL COMMUNICATIONS** *(items not on the Agenda)*  
No public comment  
Director LaHue noted that in his recent travels he saw water saving fixtures in countries that do not have a water shortage.  
Director Jaffe commented on the large amount of water savings customers have been achieving.  
Director Jaffe asked to agendize discussion of the board reimbursement policy of being paid for only one meeting per day. Mr. Bosso will check, but believes that is part of the government code.  
Director Meyer expressed concern with the hundreds of housing units planned for the county without any apparent consideration for water supply and asked if the staff is communicating with other agencies about this. Mr. Duncan replied that he has met with the Capitola city manager and has meetings scheduled with the county, but that topic was not discussed.  

5. **REPORTS**  
5.1 Work Plan Status Report  
Brief discussion was held.  
5.2 Board Agenda Planning Calendar  
Brief discussion was held.  
5.3 Presentation of District Transparency Certificate of Excellence from the Special District Leadership Foundation  
Ms. Boisen presented the certificate to the Board for 2015-2017 in recognition of the District’s completion of all transparency program requirements.
6. **ADMINISTRATIVE BUSINESS**

6.1 **Conditional Will Serve Letters**

Discussion was held about planning permits being approved without regard to water availability and whether the District can have any impact on permits being issued. It was agreed to agendize this topic for discussion at a future meeting.

6.1.1 Conditional Will Serve Letter for Accessory Dwelling Unit at 182 Creek Dr., Aptos, Richard Emigh, APN 042-051-04

6.1.2 Conditional Will Serve Letter for Single Family Residence at 126 Meredith Ct., Aptos, Brandi & William Manchester, APN 041-422-04

6.1.3 Conditional Will Serve Letter for Single Family Residence at 660 Bayview Drive Aptos, Kelley Trousdale, APN 043-161-57

**MOTION:** Director LaHue; Second: Director Christensen: To authorize the District's Conditional Will Serve Letters for Item 6.1.1, 6.1.2, and 6.1.3. Director LaHue, Director Meyer, Director Christensen, and Director Jaffe voted in favor of the motion. President Daniels voted against the motion. Motion passed.

6.2 **Unconditional Will Serve Letters**

6.2.1 Unconditional Will Serve Letter for Bill Lindeke, 3430 Maplethorpe Ln., Soquel, APN 037-131-06

**MOTION:** Director LaHue; Second; Director Christensen: To authorize the District's Unconditional Will Serve Letter for 3430 Maplethorpe Ln., Soquel. Director LaHue, Director Meyer, Director Christensen, and Director Jaffe voted in favor of the motion. President Daniels voted against the motion. Motion passed.

6.3 **Approve Scope of Work for Hexavalent Chromium Engineering Design Services Phase III**

Dave Carlson and Ashu Shirolkar from Black and Veatch were present to answer questions about the design services of the next phase of the project.

**MOTION:** Director LaHue; Second; President Daniels: To approve the scope of work for Black & Veatch Corporation to perform detailed design and bid phase services (phase III) and authorize the General Manager to sign a purchase order in the amount not to exceed $635,553 for Hexavalent Chromium Treatment Engineering Design Services, CWO 14-009 and authorize the Board President to execute the District's standard Consultant Agreement. Motion passed unanimously.

6.4 **Review and Approve Revised Third Amendment to the Joint Exercise of Powers Agreement (JPA)**

Discussion was held. The Board has the following concerns:

- The third amendment states cost sharing be set by measured use of the Partner Agencies; not everyone measures their water use. The
understanding is that the County is estimating private well pumping at this time.

- How to deal with issues if one Partner Agency doesn’t want to take part in a project. Within the third amendment, there is no plan to address this. SqCWD wants it understood that this is a concern, and it will need to be addressed in the GSA moving forward.

- Cost-sharing ratios that were set for FY 2015 contributions were set pragmatically and should be revisited, but this would not preclude SqCWD from signing the agreement.

- This agreement should not be considered precedent setting for the GSA formation.

**MOTION:** Director LaHue; Second; Director Meyer: To approve the revised Third Amendment of the JPA with the understanding that the concerns of the Board be expressed but that not preclude the agreement from moving forward and to approve the District BIG representatives to vote in favor of approving the Third Amendment of the JPA, including subsequent additional minor modifications that may be made. Director LaHue, Director Meyer, Director Christensen, and Director Jaffe voted in favor of the motion. President Daniels voted against the motion. Motion passed.

6.5 Consider Waiving Enforcement of the Stage 3 Water Restriction Prohibiting Aesthetic Uses of Water While the Current Water Shortage Contingency Plan is Re-evaluated

Ms. Flock reviewed the issues with enforcing some of the current Stage 3 restrictions, most notably the restrictions on the use of fountains and ponds (unless they support life). Fountain and pond restrictions feel inequitable in Stage 3 as customers are still allowed to conduct other actions that are likely to use more water (e.g., fill a pool, plant new turf grass, etc.). Ms. Flock stated that the District has learned a lot during the implementation of the current Stage 3 restriction and will be using the lessons learned to improve the Water Shortage Contingency Plan (WSCP) over the next year as part of the Urban Water Management Plan update. Due to the difficulty and inequity of enforcing the fountain and pond restriction at this time, Ms. Flock asked the Board to consider allowing staff to waive enforcement of this restriction at this time.

Discussion was held.

**MOTION:** Director Jaffe; Second; Director LaHue: To direct staff to waive enforcement of the prohibition related to aesthetic water features through the current curtailment period and up until July 1, 2016 when a new WSCP is adopted. Motion was passed unanimously.

6.6 Intent of Department of Water Resources (DWR) to Designate the Groundwater Basin as Being in Critical Overdraft

Brief discussion was held.
MOTION: Director Jaffe; Second; Director LaHue: To direct staff to agendize this topic for discussion at the Basin Implementation Group (BIG) on August 20th and direct staff to provide input to DWR regarding their intent to recommend the basin as being in critical overdraft at the August 19th California Water Commission meeting. Motion passed unanimously.

6.7 Introduction of Potential Software Purchase to Facilitate Board Packets and Minutes

Mr. Duncan gave a brief overview of Accela software designed to help create Board packets and minutes more efficiently. Staff is still investigating and a presentation will be held at the next meeting for the Board to see what is involved.

MOTION: Director LaHue; Second; Director Jaffe: To move forward with presentation of Accela. Motion passed unanimously.

6.8 Supplemental Supply Discussion – Oral Report

Mr. Duncan noted the WSAC will be meeting on Thursday and Friday of this week, and he plans to attend.

Director Meyer asked if any larger transfers, other than the pre-1914 water rights, have been negotiated with the City of Santa Cruz. Mr. Duncan replied not at this point.

President Daniels asked when we would be receiving data on the contaminants of emerging concern from Orange County or Santa Clara Valley. Consultants are well aware that this is of concern to the Board and staff has requests in with both agencies.

7. STATUS REPORTS

7.1 Conservation Customer Service Field

The Board commented on the thoroughness of the report. Ms. Flock noted the water conservation guide for the County of Santa Cruz has been produced. Board comment included that it had too many ads mixed in with the information.

Director Meyer commented he is supportive of the work being done for the public to better understand the WDO program. Changing the name is a good idea.

7.2 Engineering

Mr. Dufour reported the following:

- Initial study/negative declaration for acquiring the land next to the headquarters is out for review. A public hearing will be held on 9/1.
- The current agreement for the demonstration facility with Ionex at the Chromium 6 San Andreas well site terminated too prematurely. A revised agreement will be coming back to the Board to rent the equipment through 12/2017.

7.3 Operations & Maintenance

Ms. Mead reported the following:

- There was a coupling failure on Clubhouse Drive again in an AC pipe, and a main rupture on St. Andrews. Approximately 64,000 gallons of water were lost. Crews were in the area so they were able to shut the valves down quickly. This is representative of the AC pipe in the system that is at the end of its life span at 50+ years old.
Meeting Minutes  
August 11, 2015  
Page 6 of 7

Director Jaffe asked about when the NO-DES will be operational. Ms. Mead has submitted the NSF information to the State and they are waiting for the operations plan. They will review it at the same time.

Director Meyer asked about manganese buildup in the system and whether the NO-DES will flush this out. Ms. Mead indicated it would get the loose sediment and biofilms, keeping the heavy metals out of the water supply.

Director LaHue noted on the production graphs that the July production was less than half than what it was in 2003 and the weather index had the largest gap he has seen.

President Daniels asked about Chrome 6 annual average of 4.0 micrograms per liter (ug/L). Why is it not 2 which is the goal the Board voted for? Ms. Mead noted 4.0 is at the compliance point where raw water from Bonita is being blended. What is coming out of the treatment plant is more on the order of 2.1.

7.4 Finance  
Ms. Boisen reported the following:
- On August 18th staff will be meeting with the new rate consultants. They will be presenting the preliminary findings. Ms. Boisen asked two Board members to attend from 9 a.m. to 11 a.m. President Daniels and Director Christensen indicated they would like to attend.

7.5 Human Resources  
No questions

7.6 Special Projects/Community Dialogue  
No report

7.7 District Counsel – Oral  
Mr. Bosso reported the following:
- Ms. Boisen received service of a lawsuit based on a claim by a customer, but brought by an insurance company who subrogated in place of the customer after paying for a claim. It is being forwarded to JPIA.

7.8 Interim General Manager  
Mr. Duncan reported the following:
- A study regarding Public Participation and Policymaking was handed out to the Board and is attached (Exhibit A)
- Scott McGilvray came and spoke to staff and Board members about winter water transfers and his summary email is attached (Exhibit B)
- Staff met with Supervisor Zach Friend and Supervisor John Leopold. Directors Christensen attended the meeting with Supervisor Friend and Vice President LaHue and Director Meyer attended the meeting with Supervisor Leopold.
- A letter of support was written for Derrik Williams for the ACWA groundwater Committee. One will also be written for Mr. Bosso for the Legal Affairs Committee.
- Three agreements are in process: County Sanitation Cooperative Agreement for evaluating the potential of recycling waste water, City of Santa Cruz Cooperative Water Transfer Resource Management
Agreement and USGS Cooperative Agreement regarding groundwater modeling.
- Staff is having a mini workshop on August 26th to listen, connect and identify items for improvement.
- Will be attending portions of the WSAC meetings on Thursday or Friday.
- Mr. Sikes was concerned about plants dying off in the demonstration garden. Mr. Martin suggested using water from a main flushing to refill the tanks.

8. **WRITTEN COMMUNICATIONS AND CORRESPONDENCE**

8.1 Written communication from Shelley and Ronald Reinisch regarding leak policy

Mr. Duncan noted staff is aware that water used via the fire service meter is not broken down on the bill. With a software change this will appear on the bill separately at some time in the future.

8.2 Written communication from Carol Tomes regarding leak adjustment

Ms. Boisen noted that she met with Ms. Tomes and resolved her issue.

In addition to the communications noted, two additional emails were received. (Attached as Exhibit C)

President Daniels Adjourned the meeting to closed session at 9:04 p.m.

9. **CLOSED SESSION**

9.1 Raphael DeHoratius v. Soquel Creek Water District Threatened Litigation
Government Code Section 54956.9 (d) (2)

9.2 Robert Lindow v. Soquel Creek Water District Threatened Litigation
Government Code Section 54956.9 (d) (2)

9.3 Michael Boyd v. Soquel Creek Water District Pending Litigation Government Code Section 54956.9

President Daniels reported that direction was given to District Counsel.

10. **ADJOURNMENT**

President Daniels adjourned the meeting at 9:19 p.m. to the next scheduled Regular Meeting on Tuesday, September 1, 2015.

SUBMITTED BY:                 APPROVED BY:

_________________________________  ____________________________________
Karen Reese, Board Clerk        Bruce Daniels, President
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PAYROLL TOTALS $212,771.18
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$2,060.74
## CREDIT CARD DETAIL

### JULY - AUGUST 2015

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Total: **$2,513.83**
MEMO TO THE BOARD OF DIRECTORS

Subject: Consent Agenda Item No. 3.4 Granite Way Well, Adopt Plans & Specifications, Call for Bids and Approval for Retention Increase to 10% of the Contract Amount CWO 11-137

Attachments:
1. Select Sheets from Technical Specs
2. Resolution 15-18
3. Resolution 15-19
4. Resolution 15-22

HydroMetrics, WRI has prepared the plans & specifications to bid the drilling and construction of the Granite Way Well. The bid date is set for November 24 and bid award is anticipated to occur on December 1. Construction is expected to begin early January 2016 and will last for approximately 3 months. Staff is bidding the project early to provide advanced notice to well drilling Contractors to avoid scheduling delays.

The proposed scope of work will consist of installing a sound wall, drilling a 36-inch diameter, 55-ft deep borehole for a 30-inch diameter conductor casing, drilling a 24-inch diameter borehole to an approximate depth of 710 ft, and constructing the 12-inch diameter stainless steel well. Other work includes constructing a temporary water treatment system for discharge of well development water, developing the well, aquifer testing, video survey, disinfection and site clean-up. The engineer's estimate is $775,000 and the technical specifications are attached for reference.

FY 15/16 includes $1,225,000 to complete this project. To date, approximately $25,000 has been expended and an estimated $126,000 in construction oversight is anticipated. The project will be paid for through Certificate of Participation (COP) funds.

A proposal from HydroMetrics, WRI to perform construction oversight will be presented to the Board prior to construction.

Prior to January 1, 2012, the California Public Contract Code stipulated a ten percent retention to be withheld from payments made by an awarding body to a Contractor. Up to this date, the District withheld ten percent (10%) retention from payments to contractors with which the District had executed contracts. California State Senate Bill 293 revised the Public Contract Code and reduced the retention amount to be withheld by awarding bodies to five percent (5%) of the contract amount except under certain circumstances.
California State Senate Bill 293 revised Public Contract Code Section 7201 (b)(4) and states that, for contracts entered into on or after January 1, 2012, the “retention proceeds withheld from any payment by an awarding entity... may exceed 5 percent on specific projects where the director of the department has made a finding prior to the bid that the project is substantially complex and therefore requires a higher retention amount than 5 percent and the department includes both this finding and the actual retention amount in the bid documents.”

Neither Senate Bill 293, nor any existing provision of the Public Contract Code, defines the characteristics of a project considered “substantially complex.” Further, neither Senate Bill 293, nor any existing provision of the Public Contract Code, provides a requirement or recommendation for the amount of the retention proceeds once a project is deemed “substantially complete.”

Due to the special and complex nature of the work required to construct the Granite Way Well, the Project should be determined “substantially complex.” The complex requirements of the Project include, but are not limited to:

a. Construction of a 710 ft deep stainless steel municipal drinking water well
b. Treatment of development water to comply with discharge requirements

Staff recommends that the retention amount be set at ten percent of the contract amount, which was the retention amount withheld by the District on all projects prior to passage of California Senate Bill 293.

POSSIBLE BOARD ACTIONS:

1. By MOTION, approve Resolution No. 15-18 for plans and specifications for Granite Way Well Project, CWO 11-137.

2. By MOTION, approve Resolution No. 15-19 setting prevailing wages and calling for bids for the Granite Way Well Project, CWO 11-137.

3. By MOTION, adopt Resolution 15-22 approving the finding and consider the Granite Way Well Project (CWO 11-137) “Substantially Complex” and approve designation of the retention amount to ten percent (10%) of the contract amount.

By___________________________________

Taj A. Dufour, P.E.
Engineering Manager/Chief Engineer
SECTION 107 - OVERVIEW OF WORK TO BE DONE

Work includes the furnishing of all materials, labor, equipment, fuel, tools, transportation, and services for drilling, construction, development, testing, and completion of the well as described in these specifications. All work shall be performed in accordance with California Well Standards Bulletin 74-81 and 74-90.

While the final design of the well may change, the general work required applicable to the project includes:

1) The Contractor shall obtain the necessary well drilling permits from the County of Santa Cruz Environmental Health Service.
2) The Contractor shall attend a pre-construction meeting with the OTR and District staff.
3) Move and setup the equipment on the Granite Way well site.
4) Drill and install a conductor casing to a depth of 55 feet.
5) Drill a pilot hole to a depth of 770 feet, or as directed by the OTR.
6) Provide for, and assist with, conducting geophysical borehole logs using spontaneous potential (SP), resistivity and natural gamma surveys of the pilot hole.
7) Ream the pilot hole to a diameter of 24-inches, to a total depth of 720 feet, or as directed by the OTR.
8) Construct the well by installing into the reamed borehole the approximate quantities of the following:
   i. 440 feet of 12-inch diameter, stainless steel (Type 304L), blank casing;
   ii. 60 feet of 12-inch diameter, stainless steel (Type 304L), wire wrap well screen, with 0.060-inch openings;
   iii. 10 feet of 12-inch diameter, stainless steel (Type 304L), blank casing;
   iv. 60 feet of 12-inch diameter, stainless steel (Type 304L), wire wrap well screen, with 0.060-inch openings;
   v. 30 feet of 12-inch diameter, stainless steel (Type 304L), blank casing;
   vi. 100 feet of 12-inch diameter, stainless steel (Type 304L), wire wrap well screen, with 0.060-inch openings;
   vii. 10 feet of 12-inch diameter, stainless steel (Type 304L), blank cellar pipe with a bullnose; and
   viii. 431 feet of 2-inch diameter, stainless steel gravel feed pipe. The tentative design features are presented in the table below.
9) Install approximately 300 linear feet of gravel pack.
10) Install approximately 5 linear feet of bentonite seal.
11) Install approximately 415 linear feet of a cement grout annular seal.
12) Develop the well by bailing and airlift/swabbing.
13) Install a temporary pump and perform final development by pumping and surging.
14) Perform aquifer testing of the well.
15) Remove the temporary pump and perform an alignment survey and a baseline video survey of the completed well.
16) Disinfect the well.
17) Site clean up.

The tentative design of the Granite Way well is as follows:

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<tr>
<td>700 - 710</td>
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<td>Depth Interval, in feet</td>
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<tr>
<td>-1 - 430</td>
<td>2-inch nominal diameter, TYPE 304L STAINLESS STEEL gravel feed pipe.</td>
</tr>
</tbody>
</table>

A drawing showing the tentative design features of the Granite Way well is provided on Figure 2. The Contractor is advised that the proposed design of the well presented above is based on knowledge at the time of writing of these specifications. Although no major changes are anticipated, the final design of the well may be altered slightly based on the site specific conditions at the site as determined from the pilot hole drilling and the borehole logs.

SECTION 108 - SERVICES FURNISHED BY THE DISTRICT

Upon completion of the geophysical survey, the OTR shall confirm the final well design to the Contractor. This shall include total casing depths, placement of the gravel envelope, and depths of annular seals.

SECTION 109 - WATER SUPPLY FOR CONSTRUCTION

Water supply for well drilling and construction will be made available from a fire hydrant located approximately 75 feet from the site on Cathedral Drive. The Contractor is responsible for conveyance of water to point of use.

SECTION 110 – PROJECT CLOSEOUT

Upon completion of the well construction operations and submittal of all specified submittals, District representative will perform final site inspection prior to release of final payment. Project close out shall be consistent with the Sections 106.22 and 108.11 of the Division Five General Conditions in the Contract Documents.

SECTION 111 – ELECTRICAL POWER FOR CONSTRUCTION

There is no power immediately available at the site. It is the Contractor's responsibility to provide temporary power for site operations.
Figure 1: Granite Way Well Location
Figure 2: Granite Way Well Preliminary Drawing

- Nominal 36" diameter borehole for conductor casing
- 30" conductor casing ASTM A-53 Grade B steel with 3/8" wall thickness
- Nominal 12" diameter blank casing, 304L stainless steel, 5/16" wall thickness
- Cement grout
- Nominal 24" diameter borehole
- 2" gravel feed pipe, stainless steel
- 5' Bentonite Seal
- Stainless steel centralizers welded evenly around well circumference at intervals of 50 feet in the screened zone, intervals of 80 feet in blank above screens.
- Filter pack (8x16)
- Nominal 12" diameter wire wrapped screen, 304L stainless steel, 0.060" slot size
- Nominal 12" diameter, 10 foot long cellar with end cap, 304L stainless steel, 5/16" wall thickness
RESOLUTION NO. 15-18

BEFORE THE BOARD OF DIRECTORS OF THE
SOQUEL CREEK WATER DISTRICT

APPROVING PLANS AND SPECIFICATIONS FOR THE
GRANITE WAY WELL PROJECT CWO 11-137

WHEREAS, the Soquel Creek Water District has prepared plans and specifications for certain improvements entitled and known as the Granite Way Well Project, CWO 11-137; and

WHEREAS, the Board of Directors of said District has determined that the work will consist of installing a sound wall, drilling a 36-inch diameter, 55-ft deep borehole for a 30-inch diameter conductor casing, drilling a 24-inch diameter borehole to an approximate depth of 710 ft, and constructing a 12-inch diameter stainless steel well. Other work includes constructing a temporary water treatment system for discharge of well development water, developing the well, aquifer testing, video survey, disinfection and site clean-up. The Contractor will be issued a Notice to Proceed on Jan 4, 2016 and the work shall be completed on or before April 4, 2016. The Contractor shall complete the Contract work within the specified time of completion, beginning on the Notice to Proceed date and continuing in consecutive working days until the project Contract expires. Work is located in Aptos, CA.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Soquel Creek Water District that the plans and specifications dated September 2015 for said project are approved and adopted.

PASSED AND ADOPTED, by the Board of Directors of the Soquel Creek Water District this 15th day of September, 2015 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVE:

ATTEST: Dr. Bruce Daniels, President

Karen Reese, Board Clerk
RESOLUTION NO. 15-19

BEFORE THE BOARD OF DIRECTORS OF THE
SOQUEL CREEK WATER DISTRICT

RESOLUTION CALLING FOR BIDS AND DETERMINING
GENERAL RATE OF PER DIEM WAGES FOR
THE GRANITE WAY WELL PROJECT
CWO 11-137

BE IT RESOLVED, by the Board of Directors of the Soquel Creek Water District that:

WHEREAS, the Board of Directors of the Soquel Creek Water District has heretofore on this 15th day of September, 2015 approved and adopted plans and specifications, dated September 2015, for the Granite Way Well Project; and

WHEREAS, the Soquel Creek Water District has ascertained the general prevailing rate of per diem wages in the locality in which such work is proposed to be performed for each craft, classification, or type of worker needed to execute a contract for the Granite Way Well Project and have included in the same in their plans and specifications.

NOW, THEREFORE, IT IS HEREBY FOUND, ORDERED AND DETERMINED AS FOLLOWS:

1. The Secretary of said District is hereby directed to publish pursuant to the Government Code of the State of California, in the Santa Cruz Sentinel, a newspaper published and circulated in said District, and in the manner prescribed by law, a notice inviting sealed proposals for the doing of said work, in substantially the form attached hereto as Exhibit “A”.

2. A public bid opening will be held on Tuesday, November 24, 2015, at 2:00 p.m. at the District Office, 5180 Soquel Drive, Soquel, California, is hereby fixed as the time and place for the opening of said bids, the contract for said project to be awarded, provided District accepts any of said bids.

3. In accordance with the provision of Division 2, Part 7 of the California Labor Code, the Board of Directors has ascertained and hereby determines that the wage scale set forth in the specifications, is heretofore approved and adopted as the prevailing rate of per diem wages for work of a similar character to that above described in the locality in which said work is proposed to be done and that a schedule of said prevailing rates of per diem is available at the District Office and shall be posted at each job site.
4. That not less than said rate of per diem shall be paid for any work proposed to be performed in the execution of a contract or contracts which the District proposes to let for the performance of such work.

PASSED AND ADOPTED this 15th day of September, 2015 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVE:

________________________
Dr. Bruce Daniels, President

ATTEST:

________________________
Karen Reese, Board Clerk
EXHIBIT A

PUBLIC NOTICE
SOQUEL CREEK WATER DISTRICT
SANTA CRUZ COUNTY, CALIFORNIA

NOTICE INVITING SEALED PROPOSALS
GRANITE WAY WELL
APTOS, CALIFORNIA
CWO 11-137

NOTICE IS HEREBY GIVEN that sealed Bids will be publicly opened, examined, and announced by the Soquel Creek Water District, Santa Cruz County, California, on November 24, 2015 at the hour of 2:00 PM and reported at the next regular District Board Meeting.

Bids may be delivered or mailed to the Secretary of the Board, 5180 Soquel Drive, Soquel, CA 95073, or Post Office Box 1550, Capitola, CA 95010-1550.

Bids shall be made in accordance with the prevailing hourly rate of per diem wages for this locality and project as determined by the Director of Industrial Relations pursuant to Labor Code §1770 et seq., a copy of which is on file at the District Office, 5180 Soquel Drive. Labor Code §1770 et seq. is made a part of this Notice by reference as though fully set forth herein.

Work will consist of installing a sound wall, drilling a 36-inch diameter, 55-ft deep borehole for a 30-inch diameter conductor casing, drilling a 24-inch diameter borehole to an approximate depth of 710 ft, and constructing a 12-inch diameter stainless steel well. Other work includes constructing a temporary water treatment system for discharge of well development water, developing the well, aquifer testing, video survey, disinfection and site clean-up. The Contractor will be issued a Notice to Proceed on January 4, 2016 and the work shall be completed on or before April 4, 2016. The Contractor shall complete the Contract work within the specified time of completion, beginning on the Notice to Proceed date and continuing in consecutive working days until the project Contract expires. Work is located in Aptos, CA.

Work will be done and progress payments made in cash in accordance with the plans and specifications approved by the Board of Directors on September 15, 2015 and the Standard Specifications and Standard Plans adopted by the Board of Directors August 2, 1994 and any subsequent updates.

The Board of Directors reserves the privilege of rejecting any and all bids or to waive any irregularities or informalities in any bid, or in the bidding process.

No bidder may withdraw their bid for a period of thirty (30) days after bids are opened, within which time an award will be made.

Bids shall be submitted in sealed envelopes clearly marked on the outside:

“BID FOR GRANITE WAY WELL, BID OPENING:
November 24, 2015 @ 2:00 PM

THE BID DOCUMENTS ARE NOT TO BE REMOVED FROM THE BOUND SPECIFICATIONS.

Plans and Specifications may be obtained at the Office of the Soquel Creek Water District, 5180 Soquel Drive, Soquel, CA 95073.

Dated: September 15, 2015

Taj A. Dufour
Engineering Manager/Chief Engineer
RESOLUTION NO. 15-22

BEFORE THE BOARD OF DIRECTORS OF THE
SOQUEL CREEK WATER DISTRICT

RESOLUTION APPROVING THE FINDING AND CONSIDER THE GRANITE WAY WELL PROJECT “SUBSTANTIALLY COMPLEX” AND APPROVE DESIGNATION OF THE RETENTION AMOUNT TO TEN (10%) OF THE CONTRACT AMOUNT
CWO 11-137

BE IT RESOLVED, by the Board of Directors of the Soquel Creek Water District that:

WHEREAS, the Board of Directors of the Soquel Creek Water District heretofore on this 15th day of September, 2015 determines and declares that the Granite Way Well Project as “substantially complex” under the provisions of California Public Contract Code retention policy in effect prior to January 1, 2012; and

WHEREAS, the passage of California State Senate Bill 293 states that the retention an awarding body can withhold is limited to five percent; unless prior to the bid the project is determined to be “substantially complex”; and

NOW, THEREFORE, IT IS HEREBY FOUND, ORDERED AND DETERMINED AS FOLLOWS:

1. Under the provisions of California State Senate Bill 293 the Board of Directors of the Soquel Creek Water District declares that the Granite Way Well Project is “substantially complex” and the retention for the project will be ten percent.

2. The General Manager of the District is hereby authorized to set the retention on said project to ten percent.

PASSED AND ADOPTED this 15th day of September, 2015 by the following vote:
AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

______________________________
Dr. Bruce Daniels, President

ATTEST:

______________________________
Karen Reese, Board Clerk
### ACWA Joint Powers Insurance Authority
#### Monthly Small Claims Report

**District Name:** SOQUEL CREEK WATER DISTRICT  
**Month/Year:** SEPTEMBER 2015  
**Prepared by:** KAREN REESE

<table>
<thead>
<tr>
<th>Claim No.</th>
<th>Date/Time of Incident</th>
<th>Date Claim Received</th>
<th>Claimant's Name (and driver/vehicle)</th>
<th>Brief Description of What Happened</th>
<th>Amount of Settlement</th>
<th>Date Settled</th>
<th>Release Attached?</th>
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</thead>
<tbody>
<tr>
<td>15-02</td>
<td>6/30/15</td>
<td>7/14/15</td>
<td>Dede Harrington/David Johnson</td>
<td>District incorrectly reported customer had a leak</td>
<td>187.50</td>
<td>8/28/15</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Approved by:  

White - JPIA Office Copy / Canary - District Office Copy  
Revised January 7, 2003
Pay: ONE HUNDRED EIGHTY-SEVEN AND 50 / 100

To the order of:

DEDE HARRINGTON
312 CAPITOLA AVE
CAPITOLA, CA 95010

Date: 08/28/2015
Amount: 187.50

Vendor: DEDE HARRINGTON
Vendor No.: HARR1006
Vendor Account No.: 

Invoice Number: SMALL CLAIM
Date: 8/19/2015
Description: SMALL CLAIMS REIMBURSEMENT

Check Date: 08/28/2015
Check Amount: 187.50
Invoice Amount: 187.50
RELEASE OF ALL CLAIMS

The undersigned, Releasor, being of lawful age, for valuable consideration, receipt of which is hereby acknowledged, does hereby and for my heirs, executors, administrators, successors and assigns, releases and forever discharges the Soquel Creek Water District, its agents, servants, employees, successors, heirs, executors and administrators of and from any and all claims, actions, causes of action, demands, rights, damages, costs, loss of service, expenses and other compensation whatsoever, which the undersigned now has or which may hereafter accrue on account of or in any way growing out of that incident described in that certain claim filed by the undersigned against the Soquel Creek Water District concerning events alleged to have occurred on June 30, 2015.

It is understood and agreed that this settlement is the compromise of a doubtful and disputed claim, and that any consideration given to the undersigned is not to be construed as an admission of liability on the part of the party or parties hereby released.

It is further understood and agreed that all rights under Section 1542 of the Civil Code of California and any similar law of any state or territory of the United States are hereby expressly waived. Said section reads as follows:

1542. Certain claims not affected by general release. A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

The undersigned further declares and represents that no promise, inducement or agreement not herein expressed has been made to the undersigned, and that this Release contains the entire agreement between the parties hereto, and that the terms of this Release are contractual and not a mere recital.

THE UNDERSIGNED HAS READ THE FOREGOING RELEASE AND FULLY UNDERSTANDS IT. Signed and delivered this 18 day of August, 2015.

Releasor
DeDe Harrington
Residing at: 312 Capitola Avenue, Capitola, CA 95010

Witness

[Signature]
July 29, 2015

Ms. DeDe Harrington
312 Capitola Avenue
Capitola, CA 95010

Dear Ms. Harrington,

I have received the “Release of All Claims” form that was left in the District drop box on July 27, 2015. Unfortunately, I am unable to proceed with your reimbursement because the form has not been filled out completely. Please date the form and have someone sign next to your name in the space marked as Witness.

Once the completed release form is received, the District will issue a check.

Please feel free to contact me directly with any questions you may have.

Sincerely,
SOQUEL CREEK WATER DISTRICT

[Signature]

Michelle Boisen
Financial and Business Services Manager
Claim Form

NAME OF DISTRICT: Capitola, California - Sequel Creek

1. Claimant name, address (mailing address if different), phone number, social security number, and date of birth.
   - Name: Dee Harrington
   - Address(es): 312 Capitola Ave, Capitola, CA 95010
   - Social Security Number: 
   - Date of Birth: 9/13/74

2. List name, address, and phone number of any witnesses.
   - Name: Sequel Creek Water Rep.
   - Address: 
   - Phone Number: ( )

3. List the date, time, place, and other circumstances of the occurrence or transaction, which gave rise to the claim asserted.
   - Date: 9/30
   - Time: 1:30 pm
   - Place: 4995 Cliff Drive, Capitola
   - Tell What Happened (give complete information):
     Sequel Creek wrote said we had a large water leak. Plumber called no leak. Rep said claim was mistake. They came out and also checked the property and meters.

NOTE: Attach any photographs you may have regarding this claim.

4. Give a general description of the indebtedness, obligation, injury, damage, or loss incurred so far as it may be known at the time of presentation of the claim.
   - Sequel Creek reported we had a leak. We called a plumber who confirmed no leak. I called Sequel Creek and a rep came out said it was a mistake.

5. Give the name or names of the public employee or employees causing the injury, damage, or loss, if known.

6. The amount claimed if it totals less than ten thousand dollars ($10,000) as of the date of presentation of the claim, including the estimated amount of any prospective injury, damage or loss, insofar as it may be known at the time of the presentation of the claim, together with the basis of computation of the amount claimed. If the amount claimed exceeds ten thousand dollars ($10,000), no dollar amount shall be included in the claim. However, it shall indicate whether the claim would be a limited civil case.

Date: 9/18/15
Time: 2:00 pm
Signature: [Signature]

ANSWER ALL QUESTIONS. OMITTING INFORMATION COULD MAKE YOUR CLAIM LEGALLY INSUFFICIENT.
Utility Billing
Service Request Form

Request Number: 000006-07-2015
Account Number: [redacted]
Account Status: Active
Name: DAVID JOHNSON
Billing Address: 21450 MT EDEN CT
SARATOGA, CA 95070

Home Phone: [redacted]
Business Phone: [redacted]
Cell Phone: [redacted]
Service Address: 4995 B CLIFF DR

Request Date: 7/1/2015
Request Description: CHECK FOR LK CUSTOMER REQUEST. MEET WITH DEE DEE WITH BEACHHOUSE RENTALS AT 1:30P. PHN 831-801-1384. THEY HAD LEAK BACK ON 6/17 BUT PLUMBER COULD NOT FIND ANYTHING.

Service Date: 7/2/2015
Service Description: THERE IS NO LEAK ON THE PREMISES. BOTH DAILY AND HOURLY DATA LOG CONFIRMS THIS. PLEASE E-MAIL RESULTS TO PROPERTY MANAGER, ATTN DEE DEE. THANK YOU.

<table>
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<tr>
<th>Water/Gas Meters</th>
<th>Route-Seq</th>
<th>Serial No</th>
<th>Register ID</th>
<th>MXU ID</th>
<th>Manufacturer</th>
<th>Model No</th>
<th>Reading</th>
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<td>11840735</td>
<td>MASTER</td>
<td>BL05-5/8</td>
<td>168</td>
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<td></td>
<td>6/17/2015</td>
<td>7</td>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Comments:

Follow up needed? yes no  Serviced By: ___________________________ Date: _____________ Time: _____________
JIMMIE SMITH PLUMBING
P.O Box 1648
Aptos, CA 95001
831-475-5700
Lic No 359806

Bill To
Beach House Rentals
312 Capitola Ave, Ste A
Capitola, CA 95010

Ship To
Beach House Rentals
4995 Cliff Drive Unit B
Capitola, CA 95010

<table>
<thead>
<tr>
<th>P.O. Number</th>
<th>Terms</th>
<th>Rep</th>
<th>Ship</th>
<th>Via</th>
<th>F.O.B.</th>
<th>Project</th>
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<td>Net 30</td>
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<table>
<thead>
<tr>
<th>Quantity</th>
<th>Item Code</th>
<th>Description</th>
<th>Price Each</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Plumber's rate OT</td>
<td>Look for water leak. No leak</td>
<td>187.50</td>
<td>187.50</td>
</tr>
</tbody>
</table>

I need to be reimbursed for this bill.

Dee Harrington
312 Capitola Ave
Capitola, CA 95010
831 801 1384

Total $187.

Pay online at: https://ipn.intuit.com/996m9vpf
September 15, 2015

MEMO TO THE BOARD OF DIRECTORS

Subject: Consent Agenda Item No. 3.6 Approve Reimbursement to Central Water District for Groundwater Model Work, CWO 15-112

Attachments: 1. SAGMC Meeting Agenda Item 5.12 (dated 8/20/2015)
2. Invoice from Central Water District (dated 8/31/2015)

Background
At the August 20, 2015 meeting, the Soquel-Aptos Groundwater Management Committee (SAGMC) approved the reimbursement of Central Water District’s groundwater modeling efforts based on the approved cost split per the JPA Amendment #3 (see attachment 1).

The Central Water District (CWD) Groundwater Model was completed in 2014 and covers a portion of the Soquel-Aptos basin (within and surrounding the CWD jurisdictional area). When the scope of work for the Soquel-Aptos groundwater model was originally developed, the plan was to build upon the Central Water District model. Thus, the model work currently underway by HydroMetrics WRI has incorporated CWD’s model and, as discussed at the SAGMC meeting, an appropriate cost share of the entire model for the Soquel-Aptos region should be split among the partner agencies.

Based on the JPA Amendment #3 cost split, the District’s share of CWD’s model is $74,690. Since this work was not budgeted, an allocation from Operating Contingency Reserves (OCR) is needed to fund the work.

POSSIBLE BOARD ACTION

1. By MOTION, approve an allocation from OCR in an amount not to exceed $74,690 to reimburse Central Water District for its groundwater modeling efforts based on the cost split agreed upon at the August 20, 2015 SAGMC meeting.

2. Take no action.

By ______________________________
Melanie Mow Schumacher
Special Projects/Community Dialogue Manager
MEMO TO THE BASIN IMPLEMENTATION GROUP

Subject: Agenda Item No. 5.12 Approve Reimbursement to Central Water District (CWD) for their Groundwater Model Based on JPA Cost Split

Background
At the August 14, 2014 meeting, the BIG approved the proposal from Hydrometrics WRI to develop a Soquel Aptos Basin Groundwater Model with cost sharing based on 2014-2015 member cost share (see attached memo). Within that August 14 agenda item memo there were three other pertinent points to highlight:

- The City of Santa Cruz indicated that they would be willing to help fund the model as a non-member partner, and if/when they accept a membership into the BIG, funding would continue on a partner basis. Thus, the cost split outlined for Central’s model was SqCWD: 79.7%, CWD: 10.5%, City of Santa Cruz: 9.7%.
- Central Water District has already completed a groundwater model that covered a portion of the Soquel-Aptos basin (within and surrounding their jurisdictional area).
- The Soquel-Aptos groundwater model that is underway builds upon the Central Water District model and in order to undertake an appropriate cost share of the entire groundwater model for the Soquel-Aptos region, the cost of both modeling projects should be combined then the respective shares billed to each BIG member.

Discussion
As outlined in the August 14, 2014 memo, the cost share for Central Water District’s groundwater model was to be split between the City of Santa Cruz, Central Water District, and Soquel Creek Water District and a “credit” given to Central Water District for future modeling work.

Staff requests discussion with the BIG members to address the following questions:
- Under the assumption that JPA Amendment #3 is approved by all agencies, should the cost split for Central Water District’s groundwater model include all four partner agencies? Thus, the $106,700 amount for CWD’s model would be split:

<table>
<thead>
<tr>
<th></th>
<th>% split</th>
<th>Cost Share Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Water District</td>
<td>10%</td>
<td>$10,670</td>
</tr>
<tr>
<td>Soquel Creek Water District</td>
<td>70%</td>
<td>$74,690</td>
</tr>
<tr>
<td>City of Santa Cruz</td>
<td>10%</td>
<td>$10,670</td>
</tr>
<tr>
<td>County of Santa Cruz</td>
<td>10%</td>
<td>$10,670</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>$106,700</td>
</tr>
</tbody>
</table>
Rather than have a running “credit” for Central Water District for future modeling work, are the partner agencies amenable to Central Water District invoicing the partner agencies for their cost share amount? This would provide a cleaner, more efficient way of accounting for payment of this modeling work.

POSSIBLE ACTIONS
1. By MOTION, approve the reimbursement of Central Water District’s groundwater modeling efforts and direct staff on the cost split percentages and method for reimbursement.
2. No action.

By _______________________________
Melanie Mow Schumacher, Special Projects/Community Dialogue Manager
Soquel Creek Water District

By _______________________________
Ron Duncan, Interim General Manager
Soquel Creek Water District
Per discussion and approval by the S-AGMC Members, Soquel Creek Water District share of reimbursement to the Central Water District for costs related to the groundwater model developed by HydroMetrics WRI (refer to S-AGMC meeting agenda of August 20, 2015, item 5.12)

Total this Invoice: $74,690.00 (seventy-four thousand and six hundred and ninety dollars)
Work Plan and Special Assignments Status Report
Updated for September 15, 2015

ACTIVITIES RELATED TO WORK PLAN ITEMS

Key –
Regular Font = No Change
Red Underlined = New Assignment or Activity
Blue Strikethrough = Completed or moved to a Department Status Report; completed and moved items are deleted the following month

ADMINISTRATION

a. Request to work with the City Santa Cruz Water Department to develop a proposal for the purchase of pre-1914 water (5/19/2015). Specifically the Board requested to negotiate a separate short term solution and purchase price and then work on a longer term solution. President Daniels, Director Jaffe and District staff met with City staff on May 8 to start the process. District staff and the Santa Cruz Water Director met on June 26 and started the negotiation process. This process will be ongoing for the next couple months. Staff developed (with the review of Mr. Bosso) a draft Cooperative Water Transfer Resource Management Pilot and Purchase Agreement and provided it to Rosemary Menard (City Water Director) on Friday 24 for her review. Rosemary and Ron Duncan met on July 28 to discuss the agreement. (More detail presented in the interim GM Status report.) Staff recently worked with President Daniels, Director Jaffe, and Mr. Bosso to refine the agreement. The draft agreement is shown in item 7.5 of the current (Sept. 15) agenda for District Board consideration.

b. Agendize discussion about timing for a surface water rights application required for surface water exchanges with the City of Santa Cruz Water Department for post 1914 water rights water (e.g., San Lorenzo River) (5-21-13). On hold until the Santa Cruz Water Supply Advisory Committee is done with its assessment.

c. Numerous action items were developed as a result of the July 9 Community Water Workplan discussions. Staff will return to the Board as needed to obtain additional input to complete the plan (July 9, 2015). The interim GM met with the Board President on July 24 to discuss the Board’s expectations regarding the level of effort desired for the showing the impacts on yields and protective elevations from climate change.

d. Agendize representatives from the City of Capitola and Santa Cruz County to present at a District Board meeting to explain their land use planning process and how better coordination can be realized regarding land use and water resource planning (Sept. 1, 2015).
e. Arrange a time that members of the Board can present to the Capitola City Council and the County Board of Supervisors regarding the water-supply situation (Sept. 1, 2015).

FINANCE
a. Agendize leak adjustment policy per direction on (2/19/13). Staff will review leak adjustment policy after a decision is made as to whether or not to change the current water rate structure.

CONSERVATION and CUSTOMER SERVICE FIELD
No current items.

ENGINEERING
a. At the April 7, 2015 board meeting, it was requested that a discussion of a more organized backflow program be agendized. Meeting the State requirements, providing a safe water supply and encouraging conservation need to be considered. Until that time, customers will not be required to install backflow devices on rain catchment systems. This item will be brought back at the July 21 Board meeting.

b. At the July 9, 2015 Board workshop, Director Meyer commented that the District’s Well Master Plan projects may qualify for Proposition 1 funding. Staff will look into the Proposal Solicitation Package (PSP) requirements.

e.b. At the July 21, 2015 Board meeting, President Daniels suggested that staff revise the variance policy regarding application for service without frontage on a water main. President Daniels suggested staff return with an amendment to the District policy that did not require a public hearing for customers requesting service in situations where the property does not front a water main.

OPERATIONS & MAINTENANCE

HUMAN RESOURCES

SPECIAL PROJECTS/COMMUNITY DIALOGUE (SPCD)
a. The Board indicated that it would be good to develop a policy on responding to letters from the public that are addressed to the Board (May 19, 2015).

MISCELLANEOUS WORK PLAN ITEMS

b. Investigate options for identifying location of saltwater interface. Staff contacted Randy Hanson of USGS and received the following: USGS can provide geophysics onshore, offshore and in wellbores to assess the saltwater
interface as well as provide isotope, age-dating and halogen geochemical samples to determine if the saltwater is current or remnant. We were referred to David O'Leary in San Diego to determine if this is feasible for the District. Director Jaffe recommended we contact Pete Swarzenski since he is most familiar with the Monterey Bay area. This info was sent to Hydrometrics so they can follow up. A proposal from USGS was presented to the BIG, who chose not to move it forward. On May 26, 2015 Rosemary Knight of Stanford presented results that used District data. We will be scheduling a conference call with both groups. Through the Stanford presentation we also made contact with a consulting firm out of Canada that can do much of the measuring activity USGS was proposing. The cost is much lower so we will be determining how much of USGS's task cost is for the actual field work and how much is for analysis of the findings. A discussion of this subject will be agendized at a later date.

c. Staff was asked to prepare a Gantt Chart type report showing the items staff is working on over a 5-year horizon. It was recognized that the work plan reflects a very high staff work load. A Gantt Chart may help the Board to prioritize staff efforts. A draft was presented at the September 1, 2015 Board Meeting. The Board indicated they liked it, but requested larger font and potentially each department being its own page. This item will be presented about twice a year.

d. Agendize a conversation about a District name change – on hold due to higher priorities
<table>
<thead>
<tr>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thu</th>
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<tbody>
<tr>
<td>3</td>
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<td>7</td>
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<tr>
<td></td>
<td></td>
<td>Packet Material Due for Review and Compilation</td>
<td></td>
<td>Board Packet Published</td>
</tr>
<tr>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
</tr>
</tbody>
</table>
| Board Meeting at 7pm (at CF)  
- Transparency Award Presentation  
- Approve BIG Third Amendment  
- Scope of Work for Hex Chrome – Phase II  
- Stage 3 Restriction – Consider removing fountains  
- DWR Designation of Basin as in Critical Overdraft  
- Status Reports |     |     |     |     |
| 17  | 18  | 19  | 20  | 21  |
|     |     |     | BIG/SAGMC Meeting (7pm at Capitola)  
Agenda Finalized |     |
| 24  | 25  | 26  | 27  | 28  |
|     |     | Packet Material Due for Review and Compilation |     | Board Packet Published |
| 31  |     |     |     |     |
| Weekend Event: August 29 – Conservation outreach booth at the Cabrillo Farmer’s Market |

Notes:
- CF – Community Foundation
- BIG – Basin Implementation Group
- SAGMC – Soquel-Aptos Groundwater Management Committee
<table>
<thead>
<tr>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
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</tr>
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<tr>
<td>1</td>
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<td>2</td>
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<td>4</td>
</tr>
</tbody>
</table>
| Board Meeting at 6 pm  
Public Hearing: Initial Study/Mitigated Negative Declaration for Chrome 6 Treatment  
Public Hearing: Headquarters expansion  
Public Hearing: Backflow and Cisterns  
Approve Draft Cooperative Agreement with County of Santa Cruz Sanitation  
USGS Joint Funding Agreement  
Goals and Objectives for Purified Recycle Water Outreach  
Coordination Between Water Supply and Land Use  
Software Presentation to Facilitate Board Packets and Minutes  
Proposal to Modify Will Serve Board Review Process  
Status Reports |     | 3 | 4 | Agenda Finalized |
| 7   | 8   | 9   | 10  | 11  |
|     |     | District Pancake Breakfast  
– Staff and Board, 8am  
Packet Material Due for Review and Compilation |     | Board Packet Published |
| 14  | 15  | 16  | 17  | 18  |
| Board Meeting at 6pm  
Consider Proposal from Verizon for Antennas  
Approve Draft Cooperative Water Transfer Agreement with City of Santa Cruz  
Water Rate Consultant Presentation  
Quarterly Monitoring Report  
District Quarterly Newsletter  
Community Water Plan – mini Board Workshop | SAGMC Subcommittee Meeting (9am-12pm at Santa Cruz) | SAGMC Meeting (7pm at Capitola) |     |
| 21  | 22  | 23  | 24  | 25  |
|     |     |     |     | Agenda Finalized |
| 28  | 29  | 30  |     |     |
|     |     | Packet Material Due for Review and Compilation | Outreach Events:  
September 16-20 – Water Conservation Coalition booth at Santa Cruz County Fair |     |
<table>
<thead>
<tr>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thu</th>
<th>Fri</th>
</tr>
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<tbody>
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<td>Board Meeting at 6pm</td>
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<td>Board Meeting at 6pm</td>
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<tr>
<td>31</td>
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</tr>
</tbody>
</table>

- Board Meeting at 6pm
- Discussion on Groundwater Sustainability Agency Development
- Approval of Contract with Consultant Selected to Prepare the 2015 Urban Water Management Plan
- Packet Material Due for Review and Compilation
- Water Rate Consultant – Rate Design Decisions
- Status Reports
- Agenda Finalized
- Board Packet Published
A. Newly Transferred Workplan Items in Progress
1. Contact the six multifamily top tier customers that were identified at the February 17, 2015 Board Meeting in the January 2015 Income & Investment Report (March 2015, requested by President Daniels).

Staff has evaluated the January 2015 multifamily residential data and found that the large spike in Tier 4 consumption was due to significant leak experienced on one account/service. Despite the high use in January 2015 being attributed to a leak, staff proceeded to evaluate multifamily consumption data over a six month period and has identified a group of multifamily accounts that consistently have usage in Tier 4. In September, we will be sending postcards with conservation messaging to most multifamily dwelling occupants, and will also provide some outreach materials to property managers for distribution. Staff developed a custom mailing list for each multifamily occupant and designed a postcard that will be mailed out in early September. In conjunction with this task, we will focus extra efforts on the group of approximately 5 multifamily customers that consistently use water in the upper tier. The details of the extra outreach efforts are still in development.

B. Conservation Outreach, Projects, and Other Information

Current Conservation Outreach Messages and Supporting Facts:

1. Soquel Creek Water District is in a Stage 3 Water Shortage and Groundwater Emergency due to our community’s long-term groundwater shortage compounded by a fourth year of drought.
   a. Our goal is to reduce the District’s overall water usage by 25% compared to 2013.
   b. Stage 3 Emergency water rates, an increase of about 15% or roughly $7 per month on an average customer’s bill, took effect June 1.

2. Thank you for continuing to do your part to use water efficiently and help protect our community’s water supply. Many customers are using water efficiently without sacrificing their quality of life by:
   a. Minimizing or eliminating the use of potable water for outdoor irrigation.
   c. Making water conservation a habit.

3. Our community needs to continue conserving water beyond the drought to help protect the over-drafted groundwater supply on which we currently rely, while we actively seek additional water sources, including:
   a. Drafting an agreement to test transfer of excess surface water from the City of Santa Cruz in the winter.
   b. Studying the feasibility of replenishing groundwater with recycled water.
c. Signing a memorandum of interest with the proposed Deep Water Desalination project in Moss Landing.

Stage 3 Water Shortage Emergency Outreach:
Staff continued to implement an outreach plan to communicate clearly with all customers about the continuation of a Stage 3 Water Shortage and new water use restrictions. A copy of the updated plan (showing status of the items) is attached following this report. The plan includes completing all associated Stage 3 actions as defined in the District’s Urban Water Management Plan.

Staff is continuing with the same look and feel and “Do More to Use Less” tagline that was used in last summer’s curtailment outreach for consistency and effectiveness.

Water Conservation Outreach:
1. A water conservation banner will hang over Capitola from Sept. 21- Oct. 2.
2. A postcard (attached following this report) was designed and will be sent in early September to approximately 4,600 multi-family residents who don't pay water bills.
3. Staff tabled at the Aptos Farmers Market on August 1 and 29.
4. As requested by the Association for California Water Agencies for a presentation to the State Water Resources Control Board, staff prepared a summary of the top five most effective things we’ve done to inform, encourage, and assist customers with conservation during the drought.
5. Website and hard-copy water restriction information was updated to reflect that the District will not be enforcing the restriction on fountains and ponds during the current curtailment period.
6. Santa Cruz County Fair - In partnership with the Water Conservation Coalition of Santa Cruz County, staff is planning an outreach booth in the Harvest Building about outdoor water conservation. The booth will be jointly staffed from Sept. 16-20. A demonstration oak woodland garden is also being created in the Harvest building to highlight one of the landscape design templates that feature water-wise plants suited for this type of habitat. Douglas Landscape designed the layout, plants were donated by Soquel Nursery Growers, and hardscape was donated by Granite Rock.

Training/Workshops/Webinars/Presentations:
1. Along with staff from Scotts Valley and Santa Cruz Water Departments, District staff presented at the Certified Landscape Contractor Association’s (Central Coast Chapter) first Water Symposium. Information was presented on local rebate programs and water restrictions, the State of California turf rebate program, and how local agencies and the landscape contractors can continue to partner. The event was well-attended and interest was high.
2. Two Cabrillo College Extension classes were held in August: (1) Replace your Lawn! Landscaping Strategies, and (2) Walkways, Pathways and Patios. Classes scheduled for September include Laundry-to Landscape Hand-on Installation Workshop, and Plant Selection and Landscape Design. These
classes/workshops are sponsored by the District and other local water providers, allowing for a low registration fee.

3. The District, in conjunction with other local water providers, sponsored a graywater workshop on August 2. The workshop was presented by Ecology Action.

4. Staff is collaborating with the City of Watsonville and the Santa Cruz County Outdoor School to introduce 5th and 6th grade teachers to the *Our Water Works in Santa Cruz County* booklets that have been recently revised. The teacher workshop will be held on September 16.

**C. Conservation Plus Programs**

Of the following components of the Conservation Plus program approved by the Board at the January 20, 2015 meeting, the progress is as follows:

**Water Conservation Learning Launches** – Two pilot efforts are currently active. Measureable results will be used to adapt efforts to what is most effective, resource efficient and helpful for our customers:

1. **Top Users** – Customers using a confirmed annual average of 200 gallons per capita per day (GPCD) or more are being called to schedule a house call during which they will pledge to take at least one water-saving action within the next two weeks. Staff then provides an email containing resources to assist with their pledged action(s) and follow-up phone calls to offer support and encouragement. Those who choose not to participate in a house call can complete a phone consultation to help identify water-saving actions we can support them in taking. Those who we can’t reach by phone will receive information in the mail with data about their water use and suggested actions with follow-up communications.

2. **Reducers** – A second mailing is being sent to this group thanking them for their water savings. The mailing includes a sticker identifying them as a water saver. We’re encouraging them to display the sticker publicly and let us know where they placed it, or to give it to a water-saving friend and let us know if they did this. Those who respond may be entered into a drawing and will be asked what actions they think contributed to their savings and how we can support them in doing more.

**Large Landscape Irrigation Budgets** – About 75 irrigation-only accounts continue to receive monthly reports showing their water usage relative to their landscape’s custom water budget. Program engagement amongst landscapers, property managers and account holders is extremely high. Approximately 80% of the accounts have signed on and are using the program. Staff will be looking at some program metrics in the near-term and will share the results with the Board.

**Home Water Report Program** – An emailed survey will be sent at the end of September to single-family residential customers that were new to the home water report program when we expanded it from the pilot phase in February 2015. Results of the survey will be presented to the Board in late November 2015 to help inform a
decision on how to proceed with WaterSmart when our current contract expires at the end of the year. Data analysis from the home water report program for August 2015 is attached at the end of this report.

Rebates
1. A second round of follow-up with local plumbing fixture and appliance suppliers was performed to ensure they were providing updated rebate applications and information to customers.
2. Staff is in the process of developing the new sub-metering rebate requirements and materials.
3. Staff reviewed the newly announced State/Save Our Water rebates for turf and toilet replacements and distilled the requirements to help our customers understand these rebate programs and how they differ from ours. This information was posted on our website to inform customers and make it easy for them to find information about the additional State rebates. Also, when staff goes out to do turf rebate pre-inspections, customers will be provided with a flyer about the State rebate program.

Restaurant/Hospitality Outreach and Pre-Rinse Spray Valve Installation
1. Four restaurants were visited in August, bringing the total number completed to 70. Staff installed low-flow aerators and pre-rinse spray valves where needed, provided signage required by our Water Waste Ordinance, and checked for visible leaks. Customers were provided a summary/receipt of actions taken, and staff noted information about rebate opportunities and recommendations for greater water-efficiency where applicable. The program continues to be very well received by the business community. All of the data collected to date has been entered into a database and will be used to calculate and report on estimated program water savings.

D. New Water Service Applications/Water Demand Offset Program
New Water Services (Inquiries & Applications): Staff responded to about ten inquiries regarding the new water service process and cost, mostly for single-family homes and accessory dwelling units (ADUs). Four new water service applications were filed in August.

New Water Service Applications in Process: Worked with two project applicants to identify remaining requirements, finalize WDOs, and verify compliance with water use efficiency requirements so they could proceed to the Unconditional Will Serve request step.

E. 2015 Urban Water Management Plan (UWMP)
Received and reviewed ten consultant proposals to prepare the District’s 2015 UWMP. Two proposals were chosen by the review team (Duncan, Mow Schumacher, Campbell & Flock) as the front-runners and interviews have been set-up with both firms to inform the final selection. One consultant completed their interview and the second is scheduled for September 11. The team will make a final selection and will bring a final contract to the Board in early October.
F. Customer Service Field (CSF)

1. Our 3-month contract employee (Rand Coniglio) who was hired to perform meter box cleanouts/maintenance is working out well. About 300 meter boxes have been cleaned to date. This has been a huge help to staff as we’ve been able to get boxes cleaned in advance of performing meter change outs or other repairs, allowing staff to focus on these more technical issues. Mr. Coniglio is also assisting with the GIS meter mapping project by taking photos of the meter locations he visits with a GPS enabled camera or location aware smart phone. GIS staff is then uploading the photos to the online meter database. 109 photos were taken in August.

2. In the month of August, staff collected 15,790 meter reads, attended to 470 leak alerts, and performed 485 data logs. Data logs involve downloading frequent (e.g., hourly, daily, etc.) usage data stored in our automated meters to establish usage patterns and help troubleshoot and identify leaks or unknown water use. If a leak is suspected, staff attempts to make contact with the customer in person. If the customer is not home, they are notified via door hanger, letter and/or phone call. Depending upon the severity of a suspected leak, staff may also turn off water service to conserve water and reduce the customer’s water bill. If leaks are observed on the District’s side of the meter, staff may fix the leak or dispatch Construction Maintenance for immediate assistance.

Customer service performed 1,653 service calls during the month of August. The breakdown of the August service calls by type is shown in the figure below. The miscellaneous category includes maintenance actions such as raising meter box levels, locating meters, providing water conservation signs, adding meter risers, and correcting hazardous conditions such as broken concrete.
Number of Service Calls by Type, August 2015
(Total Number of Calls = 1,653)

- Data Log, 485
- Leak Alert, 470
- Final Billing, 138
- Miscellaneous, 99
- Collections Related, 91
- 48-Hr. Notice, 221
- Verify Repairs Made, 20
- Meter Change, 15
- High Use, 90
- Check for Stuck Meter, 24

(Number of Service Calls by Type, August 2015 (Total Number of Calls = 1,653))
<table>
<thead>
<tr>
<th>Rebate Type</th>
<th>Quarter 1 Rebates To Date (7/1/15 – 8/31/15)</th>
<th>Fiscal Year 2015/2016 Rebates To Date (7/1/15-8/31/15)</th>
<th>Fiscal Year 2014/2015 Rebate Totals (for Reference)</th>
<th>Fiscal Year 2013/2014 Rebate Totals (for Reference)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Toilet: ≤ 1.0 UHET ($100)</td>
<td>39</td>
<td>39</td>
<td>112</td>
<td>77</td>
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<tr>
<td>Commercial Toilet: ≤ 1.28 gpf ($175)</td>
<td>1</td>
<td>1</td>
<td>24</td>
<td>22</td>
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<tr>
<td>Commercial Urinals</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>≤ 0.125 gpf ($250)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Waterless ($300)</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>0</td>
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<tr>
<td>Residential Clothes Washer: CEE Tier 2 or 3 ($100)</td>
<td>46</td>
<td>46</td>
<td>341</td>
<td>395</td>
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<tr>
<td>Commercial Clothes Washer Energy Star/CEE Tier 2 or 3 ($600)</td>
<td>1</td>
<td>1</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>WBIC ($75 and $125)</td>
<td>4</td>
<td>4</td>
<td>8</td>
<td>6</td>
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<td>Rainwater Cistern $25/cistern and &gt;100 gallon capacity is $25/100 gallons)</td>
<td>7 (4,072 gallons)</td>
<td>7 (4,072 gallons)</td>
<td>45,525 gallons</td>
<td>9,860 gallons</td>
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<tr>
<td>Turf Retrofit ($1 /sq. ft.)</td>
<td>61 (47,389 sq. ft.)</td>
<td>61 (47,389 sq. ft.)</td>
<td>178,920 sq. ft.</td>
<td>130,005 sq. ft.</td>
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<td>Drip Conversion ($20 per 100 sq. ft.)</td>
<td>6 (8,691 sq. ft.)</td>
<td>6 (8,691 sq. ft.)</td>
<td>55,243 sq. ft.</td>
<td>7,575 sq. ft.</td>
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<td>Graywater ($150)</td>
<td>3</td>
<td>3</td>
<td>5</td>
<td>8</td>
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<tr>
<td>Hot Water Recir. ($150)</td>
<td>6</td>
<td>6</td>
<td>16</td>
<td>11</td>
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<tr>
<td>Residential Showerhead ≤ 1.5 gpm ($25)</td>
<td>9</td>
<td>9</td>
<td>19</td>
<td>26</td>
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<tr>
<td>Commercial Showerhead ≤ 1.5 gpm ($50)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>54</td>
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<tr>
<td>Pressure Reducing Valve ($50)</td>
<td>1</td>
<td>1</td>
<td>8</td>
<td>18</td>
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<tr>
<td>Rebate Type, Continued</td>
<td>Quarter 1 Rebates To Date (7/1/15 - 8/31/15)</td>
<td>Fiscal Year 2015/2016 Rebates To Date (7/1/15-8/31/15)</td>
<td>Fiscal Year 2014/2015 Rebate Totals (for Reference)</td>
<td>Fiscal Year 2013/2014 Rebate Totals (for Reference)</td>
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<td>------------------------</td>
<td>---------------------------------------------</td>
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<td>--------------------------------------------------</td>
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<tr>
<td>Rain Shut-Off Sensor ($25)</td>
<td>1</td>
<td>1</td>
<td>4</td>
<td>2</td>
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<tr>
<td>Pool Cover ( $75)</td>
<td>0</td>
<td>0</td>
<td>8</td>
<td>13</td>
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<tr>
<td>Rainwater Downspout Redirect ($40 each, up to $80)</td>
<td>2</td>
<td>2</td>
<td>25</td>
<td>1</td>
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<tr>
<td>Commercial Ice Machine ($300)</td>
<td>0</td>
<td>0</td>
<td>Not Offered</td>
<td>Not Offered</td>
</tr>
</tbody>
</table>

UHET – Ultra HET  
gpf = gallons per flush  
gpm = gallon per minute  
WBIC = weather-based irrigation controller

<table>
<thead>
<tr>
<th>Water Use Efficiency Survey Program</th>
<th>Quarter 1 Surveys To Date (7/1/15 - 8/31/15)</th>
<th>Fiscal Year 2015/2016 Surveys To Date (7/1/15-8/31/15)</th>
<th>Fiscal Year 2014/2015 Survey Totals (for Reference)</th>
<th>Total Surveys (Since 5/24/03)</th>
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<tbody>
<tr>
<td>Single-family Residential</td>
<td>39</td>
<td>39</td>
<td>131</td>
<td>2,341</td>
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<td>Apartments (individual units)</td>
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<td>Mobile Home</td>
<td>3</td>
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<td>Duplex</td>
<td>2</td>
<td>2</td>
<td>16</td>
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<td>Condo</td>
<td>0</td>
<td>0</td>
<td>19</td>
<td>602</td>
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<tr>
<td>Commercial/Institutional</td>
<td>1</td>
<td>1</td>
<td>4</td>
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<tr>
<td>Landscape</td>
<td>24</td>
<td>24</td>
<td>95</td>
<td>762</td>
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<table>
<thead>
<tr>
<th>Toilets Identified by Flush Rate during Surveys</th>
<th>Quarter 1 Toilets To Date (7/1/15 - 8/31/15)</th>
<th>Fiscal Year 2015/2016 Toilets to Date (7/1/15-8/31/15)</th>
<th>Fiscal Year 2014/2015 Toilets (for Reference)</th>
<th>Total Toilets (Since 5/24/03)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.0 gpf</td>
<td>3</td>
<td>3</td>
<td>15</td>
<td>3,334</td>
</tr>
<tr>
<td>3.5 gpf</td>
<td>3</td>
<td>3</td>
<td>19</td>
<td>1,573</td>
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<tr>
<td>1.6 gpf</td>
<td>53</td>
<td>53</td>
<td>238</td>
<td>3,485</td>
</tr>
<tr>
<td>1.28 gpf (HET)</td>
<td>10</td>
<td>10</td>
<td>72</td>
<td>243</td>
</tr>
<tr>
<td>0.8 gpf</td>
<td>0</td>
<td>0</td>
<td>4</td>
<td>5</td>
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</table>
### Water Waste Enforcement (August 1 - 31, 2015)

<table>
<thead>
<tr>
<th>Reported Water Waste Violations:</th>
<th>Stage 1</th>
<th>Stage 2</th>
<th>Fine/ Shut-Off</th>
<th>Verified Corrected</th>
</tr>
</thead>
<tbody>
<tr>
<td>By Email/Phone: 37</td>
<td>64</td>
<td>36</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>By District Staff: 7</td>
<td></td>
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</tbody>
</table>

- Active patrol time this month continued to be reduced as staff was also conducting conservation surveys & installing retrofits at food service operations, assisting the Customer Service Field crew as needed, and following up on continued irrigation violations at one large Home Owner's Association (HOA) served by multiple meters. However, the reduced patrol time continues to be offset by an uptick in water waste reports by the public.

- A significant amount of staff time (about 30% of total hours worked for Conservation Compliance Assistant) was spent dealing with water waste/irrigation violations at a large HOA served by numerous combined domestic/irrigation meters. Staff catalogued all violations over the last year at each meter in this complex and found that many violations were occurring at the same ten addresses/meters. Staff also utilized datalog technology on the meters associated with the most numerous violations to demonstrate to the property manager that irrigation was occurring too often and for too long, resulting in runoff and overspray despite assurances from the landscape contractor. Staff held a meeting with the head property manager to present this information and notify them of imminent service shutdown if future violations occurred. The property manager immediately shut-off all irrigation at the HOA. No violations have been observed or reported since.

- There were 64 First Notices in August. These violations were primarily from leaks, faulty irrigation timers, or broken sprinkler heads/emitters.
- There were 36 Second Notices given in August, all in the large HOA in Capitola mentioned above. We continue to work closely with customers who receive First Notices to bring them into compliance with our Ordinance and this probably keeps our Second Notice numbers at a minimum.

- There were no water shut-offs in August. Customers have cooperated in stopping water waste after First Notices were received.

- There were no corrected violations verified by staff.

- There were 37 reports of water waste that came through email and phone calls from the public and 7 reports from District staff.

### Water Demand Offset Program Facts (as of 8/31/2015)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Pending Development Projects</td>
<td>90</td>
</tr>
<tr>
<td>Total Offsets Required (acre-feet)</td>
<td>127</td>
</tr>
<tr>
<td>Completed Development Projects</td>
<td>186</td>
</tr>
<tr>
<td>Developer Completed Offset Credits</td>
<td>117</td>
</tr>
<tr>
<td>(acre-feet)</td>
<td></td>
</tr>
<tr>
<td>Developer Purchased Offset Credits</td>
<td>59</td>
</tr>
<tr>
<td>(acre-feet)</td>
<td></td>
</tr>
<tr>
<td>WDO Fund Beginning Balance</td>
<td>$329,620</td>
</tr>
<tr>
<td>Allocations to Schools for Retrofits</td>
<td>$286,005=</td>
</tr>
<tr>
<td>(Minus)</td>
<td></td>
</tr>
<tr>
<td>Remaining Balance after School</td>
<td>$ 43,615</td>
</tr>
<tr>
<td>Allocations</td>
<td></td>
</tr>
<tr>
<td>WDO Fees Paid in April-August 2015</td>
<td>$119,955</td>
</tr>
<tr>
<td>(Plus)</td>
<td></td>
</tr>
<tr>
<td><strong>Final Balance</strong></td>
<td><strong>$163,570</strong></td>
</tr>
</tbody>
</table>
Updated Outreach Plan for Stage 3 Curtailment
CURTAILMENT 2015 OUTREACH PLAN

Measurable Outreach Goal and Objectives:
Our goal is to reduce the District’s overall pumping 25% between May 1, 2015 and March 1, 2016 as compared to 2013.

The following outreach objectives can help us attain our goal:

- Increase customer knowledge of our long-term groundwater shortage and solutions being pursued.
- Continue to build trust with customers in all interactions.
- Assist customers in continuing existing and adopting new hardware, landscapes and behaviors leading to long-term water savings.

Messages:
Incorporate in all curtailment outreach:

1. Soquel Creek Water District is in a Stage 3 Water Shortage and Groundwater Emergency due to our community’s long-term groundwater shortage compounded by a fourth year of drought.
   a. The goal is to reduce the District’s overall water usage by 25% compared to 2013.
   b. Emergency water rates, an increase of about 15% or roughly $7 per month on an average customer’s bill, took effect June 1.

2. Thank you for continuing to do your part to use water efficiently and help protect our community’s water supply. Many customers are using water efficiently without sacrificing their quality of life by:
   a. Minimizing or eliminating the use of potable water for outdoor irrigation.
   c. Making water conservation a habit.

3. Our community needs to continue conserving water beyond the drought to help protect the over-drafted groundwater supply on which we currently rely, while we actively seek additional water sources, including:
   a. Drafting an agreement to test transfer of excess winter river water from the City of Santa Cruz.
   b. Studying the feasibility of replenishing groundwater with recycled water.
   c. A memorandum of interest with the proposed Deep Water Desalination project in Moss Landing.
## Outreach Activities by Audience:

| Stage 1 requirements: Shaded grey in table. | Stage 2 requirements: Shaded yellow in table. |
| Stage 3 requirements: Shaded pink in table. | Unshaded: Nice to do if resources allow, but not required. |

### Residential/All Customers:

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>DETAILS/TIMING</th>
<th>COST</th>
<th>ASSIGNED</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prohibit aesthetic water use i.e. ponds/fountains</td>
<td>Restriction may be inequitable as a Stage 3 measure.</td>
<td>$</td>
<td>Shelley</td>
<td>Complete (Received approval from Board on 8/11 to consider waiving enforcement through the curtailment period and until Water Shortage Contingency Plan is updated in 2016)</td>
</tr>
<tr>
<td>Only wash vehicles at commercial carwash</td>
<td>Update outreach materials. Incorporate into habit program.</td>
<td>$ printing/design, materials, etc.</td>
<td>LA/Julia All</td>
<td>Ongoing (Outreach materials updated; Ran ads in Times Newspapers specific to this restriction)</td>
</tr>
<tr>
<td>Prohibit washing of structures</td>
<td>OK if preparing to paint/stain and pressure washer is used. Add to outreach materials</td>
<td></td>
<td>All</td>
<td>Complete (Outreach materials updated)</td>
</tr>
<tr>
<td>Monthly Eblasts</td>
<td>Include curtailment update in each monthly eblast, which are also sent to media. Two birds.</td>
<td>Staff time/mailchimp</td>
<td></td>
<td>Ongoing</td>
</tr>
<tr>
<td>Regular media briefings</td>
<td></td>
<td></td>
<td>LA-assist with content</td>
<td></td>
</tr>
<tr>
<td>Update internal staff</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>District Website: Publish weekly consumption reports</td>
<td>Keep monthly production data updated on website</td>
<td>Staff time</td>
<td>Matt/Christine</td>
<td>Ongoing</td>
</tr>
<tr>
<td>ACTIVITY</td>
<td>DETAILS/Timing</td>
<td>COST</td>
<td>ASSIGNED</td>
<td>STATUS</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>-------------------------------------------</td>
<td>--------------------</td>
<td>---------------------------------------------</td>
</tr>
<tr>
<td>Send direct notices to all customers</td>
<td>June bill insert with basic curtailment information.</td>
<td>$ add insert cost</td>
<td>Matt-bill insert</td>
<td>Complete</td>
</tr>
<tr>
<td>Notify customers w/o bills</td>
<td>Update multi-family mailing list and create postcard to send mid-summer.</td>
<td>$ Get estimate</td>
<td>LA/Vai-postcard</td>
<td>Ongoing (Identified mailing addresses for all individual MF dwelling units, postcard designed, mailing to be complete in early September)</td>
</tr>
<tr>
<td>Increase water waste patrols/enforce ordinance</td>
<td>Update doorhangers, violation letters.</td>
<td>$ Graphic update $ Print estimate</td>
<td>LA/Tera</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Advertising</td>
<td>Coordinate TPG, Sentinel and PSA’s through Feb. 2016. Promote rebates, housecalls, publicize prohibitions, suggest water-saving actions, report water waste, coordinate with other agencies</td>
<td>$ Get estimates $ Get estimates Matt/Melanie-negotiate contracts, design ads. LA-Assist with designing conservation ads.</td>
<td>Ongoing</td>
<td></td>
</tr>
<tr>
<td>Periodic Public Banners</td>
<td>Capitola, District office</td>
<td>$ only if create new</td>
<td>LA- reserve space and coordinate</td>
<td>Ongoing</td>
</tr>
<tr>
<td>District Vehicle Magnets</td>
<td>Create magnets for meter-read/patrol vehicles</td>
<td>$ estimate</td>
<td>Would be nice to do if resources allow, not required.</td>
<td></td>
</tr>
<tr>
<td>Tabling Events</td>
<td>Monthly Aptos Farmers’ Market (May-Oct) Earth Day (April 20) Garden Faire (June 22) Aptos Fourth of July? (July 4) Help from temp employee</td>
<td>$Help from Ecology Action again or staff??</td>
<td>Would be nice to do if resources allow, not required.</td>
<td>Ongoing Tabled at 8/1 Farmers’ Market. Scheduled for 8/29 Farmers Market, and 9/16-20 County Fair</td>
</tr>
<tr>
<td>Offer to speak at community groups</td>
<td>Have temp employee make phone calls to schedule</td>
<td>Staff time</td>
<td>If resources allow, not required.</td>
<td>Ongoing – always do at customer request.</td>
</tr>
</tbody>
</table>
## ACTIVITY

<table>
<thead>
<tr>
<th>City of Capitola newsletter/website</th>
<th>Include basic curtailment information</th>
<th>Staff time</th>
<th>LA</th>
<th>Completed new rebate outreach in July/Aug; Staff presented at local landscape industry’s Water Symposium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide Information to Third Parties</td>
<td>Plumber, Green Gardeners, Appliance retailers, Nurseries, etc.</td>
<td>$printing/Staff time</td>
<td>If resources allow, not required.</td>
<td></td>
</tr>
</tbody>
</table>

### High water users:

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>DETAILS/TIMING</th>
<th>COST</th>
<th>ASSIGNED</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact large users (mail, phone, email)</td>
<td>Ideas: Postcard, WaterSmart messaging, habit pilot and then expansion. Hospitality program.</td>
<td>$</td>
<td>LA/julia - large users</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Work with large users to reduce consumption</td>
<td></td>
<td></td>
<td>Tera/shelley - hospitality</td>
<td></td>
</tr>
</tbody>
</table>

### Commercial:

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>DETAILS/TIMING</th>
<th>COST</th>
<th>ASSIGNED</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Require commercial customers to display “save water” signage and develop conservation plans</td>
<td>Create and mail signs to all commercial customers and make available for download on website. Hospitality outreach recommendations=plans</td>
<td>$ print and mail signs</td>
<td>Matt/shelley</td>
<td>Completed in June</td>
</tr>
</tbody>
</table>

### Internal:

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>DETAILS/TIMING</th>
<th>COST</th>
<th>ASSIGNED</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meet State mandate &amp; reporting</td>
<td>8% reduction over 2013 beginning in June.</td>
<td>Staff time</td>
<td>Shelley/christine submit reports</td>
<td>Exceed mandate, reports ongoing</td>
</tr>
<tr>
<td>Hire additional temp staff in customer service/conservation</td>
<td>Job description to board June 2.</td>
<td>$</td>
<td>Traci</td>
<td>Ongoing</td>
</tr>
<tr>
<td>Work with other water providers/basin users to reduce consumption</td>
<td>Communication with County is key for private wells for commercial/inst. Customers, HOA landscapes.</td>
<td>Staff time</td>
<td>Shelley/tera</td>
<td>Complete Coordinated with the County who will enforce</td>
</tr>
</tbody>
</table>
Landscape Connections:

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>DETAILS/TIMING</th>
<th>COST</th>
<th>ASSIGNED</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact landscape managers to inform them of situation and heightened enforcement</td>
<td>Work with Waterfluence to incorporate outreach with monthly reports</td>
<td>$</td>
<td>Roy/Shelley</td>
<td>Pending</td>
</tr>
<tr>
<td>Work with large landscapes on adhering to ordinances</td>
<td>Communicate to Tera where these are and include in patrol routes.</td>
<td>Staff time</td>
<td>Tera-Patrol</td>
<td>Ongoing, currently working with one repeat offender</td>
</tr>
</tbody>
</table>

**ONGOING ACTIVITIES: No additional action needed.**

<table>
<thead>
<tr>
<th>ACTIVITY</th>
<th>DETAILS/TIMING</th>
<th>COST</th>
<th>ASSIGNED</th>
<th>STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase detect/repair</td>
<td>Establish Conservation Hotline</td>
<td>Stop potable irrigation on District-owned properties</td>
<td>Expand, intensify public info campaign</td>
<td></td>
</tr>
<tr>
<td>Increase enforcement</td>
<td>Increase customer site visits</td>
<td>Request voluntary water conservation of all customers</td>
<td>Intensify system leak detection and repair internally</td>
<td></td>
</tr>
<tr>
<td>Suspend flushing</td>
<td>District Lobby info</td>
<td>District newsletter</td>
<td>Message on monthly water bill</td>
<td></td>
</tr>
<tr>
<td>Monthly update memos to board</td>
<td>Conservation Workshops</td>
<td>Distribute hotel placards</td>
<td>Create vacation rental materials</td>
<td></td>
</tr>
<tr>
<td>Distribute Restaurant Placards/must request water</td>
<td>Contact surrounding water providers about purchasing water</td>
<td>Increase rebate promotions</td>
<td>Publicize water waste rules</td>
<td></td>
</tr>
<tr>
<td>Coordinate with other agencies</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Postcard to be Sent to Multifamily Occupants
DO MORE TO USE LESS

A Stage 3 Water Shortage and Groundwater Emergency are in effect.

PLEASE USE WATER WISELY.
Thank you for doing your part to use water efficiently during this drought and beyond to protect our community’s over-drafted groundwater supply as we seek new water sources.

Renters and unit owners qualify for all conservation programs! Let us know how we can help you.

SCHEDULE A FREE WATER-WISE HOUSE CALL
Our staff can help you identify simple actions to save water at home.
831-475-8500 x133

REPORT WATER WASTE
Help us educate the community and save water by reporting waste.
831-475-8500 x141 or savewater@soquelcreekwater.org

RECEIVE REBATES & FREE WATER-SAVING DEVICES
Pick-up free showerheads, faucet aerators and more at our office. Check our website for rebates. 5180 Soquel Drive in Soquel

soquelcreekwater.org
WaterSmart Software Dashboard Information for Single Family Residential Accounts
SFR Consumption for August 2015. Previous period = July 2015. This period last year = August 2014.

Total (2015-8) 52.6 MG 1.66 MGD

- ▼ 1.8% previous period
- ▼ 6.3% this period last year

Average (2015-8) 138 GPD

- ▲ 2.0% previous period
- ▼ 11% this period last year

History

<table>
<thead>
<tr>
<th>Period</th>
<th>MG</th>
<th>AVERAGE GPD</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014-1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014-6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2014-11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015-4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Distribution

NUMBER OF SFR ACCOUNTS BY GPD

READING PERIOD

2015 - 8

50% of all SFR accounts used less than 150 GPD in Period 2015-8.
**Allocations** for August 2015. Previous period = July 2015. This period last year = August 2014.
Based on a hypothetical budget of 75 gallons per person, per day.

**Aug (PERIOD 2015-8)**

75% within Allocation

▼ 11% previous period

▼ 2.6% this period last year

---

**History**

**ACCOUNT TYPE**

<table>
<thead>
<tr>
<th>SFR</th>
<th>Compliant</th>
<th>Non-Compliant</th>
</tr>
</thead>
</table>

![Graph showing history of compliant and non-compliant accounts from 2013-7 to 2015-8](image)
Engineering Status Report
September 15, 2015

A. Newly Transferred Workplan Items in Progress

1. At the April 7, 2015 board meeting, it was requested that a discussion of a more organized backflow program be agendized. Meeting the State requirements, providing a safe water supply and encouraging conservation need to be considered. Until that time, customers will not be required to install backflow devices on rain catchment systems. This item will be brought back at the September 1 Board meeting.

2.1 At the July 9, 2015 board workshop, Director Meyer commented that the District’s Well Master Plan projects may qualify for Proposition 1 funding. Staff will look into the Proposal Solicitation Package (PSP) requirements.

B. Capital Improvement Projects

1. Hexavalent Chromium
   i. Public review of the draft Initial Study/Mitigated Negative Declaration (IS/MND) began on June 9 and ended on July 8, 2015. Anticipated Board adoption on September 1.
   ii.i. Scope of Work for Phase III (detailed treatment plant design and bid document preparation) to be presented to Board on August 11. Bids for Procurement of Cr6 water treatment system were opened August 27th and are being reviewed by Black & Veatch and Cornoa Environmental Consultants. Staff anticipates a vendor’s bid to be awarded Sept. 15th.
   iii.ii. Ionex SG demonstration facility at San Andreas operating smoothly. Bonita well IXP testing is complete. Bonita well is being treated to allow for repairs to San Andreas well.
   iv. FY 15/16 includes $5M
   v. iii. Staff is coordinating with Kennedy/Jenks and the Regional Water Management Foundation to submit an IRWM (Integrated Regional Water Management) Proposition 84 Implementation Grant Application with a potential of $4.9M available to the Central Coast Region. Biggest challenge will be a grant requirement that the construction contract be awarded no later than April 1, 2016. Grant application submitted on 8/7/15.

2. McGregor Pump Station (90-95% Construction)
i. Contractor: Anderson Pacific Engineering Construction, Inc.

ii. Start-up and testing complete, and training scheduled for August - September.

iii. Anticipated completion date: September 2015.

iv. Minor additional funds will be reallocated from the 2013 Certificates of Participation due to construction extending further into FY 15/16 than anticipated.

3. Aptos Pump Station (80-90% Construction)
   i. Contractor: Anderson Pacific Engineering Construction, Inc.
   
   ii. Building walls complete, roofing being installed.
   
   iii. Building electrical and plumbing being installed.
   
   iv. Pumps and control panels are being installed.
   
   v. Start-up and testing complete. Training scheduled for September.

   vi. Anticipated completion date: September 2015

4. Headquarters Remodel and Corporation Yard Improvements
   i. Contractor: Testorff Construction.
   
   ii. Anticipated start of construction in mid-August 2015.
   
   iii. Headquarters Asbestos Removal Abatement scheduled weekend of August 21st.
   
   iv. Estimate duration of construction: 84 calendar days
   
   v. Anticipated completion date: October, 2015.

5. Service Area 3 to Service Area 4 intertie
   i. Easement negotiations in progress with four land owners.
   
   ii. Appraisal of easements complete: $61,000
   
   iii. Coastal permit application pending landowner authorization.
   
   iv. FY 15/16 budget includes $800,000

6. Granite Way Well
   i. HydroMetrics, WRI preparing bid documents.
   
   
   iii. MMRP Private Well Monitoring— Letters sent to parcels within 1000m in August. Second mailing sent to private well owners with agreement and registration form.

7. Aptos Jr. High Well Replacement
   i. Project open for bidding July-August 2015. Anticipate awarding project September 1, 2015, and beginning construction in late September/early October 2015.
i. Awarded to Don Chapin Company at September 1, 2015 Board of Director’s meeting.

ii. FY 15/16 budget includes $535,000.

8. Quail Run Tank
   i. Initial Study/Mitigated Negative Declaration revisions underway
   ii. Staff reviewing revised Initial Study/Mitigated Negative Declaration
   iii. Design scheduled for FY 15/16, Construction pending funding
   iv. FY 15/16 includes $500,000 for engineering design and permitting.

9. Cornwell Tank Recoat (0.5MG)
   i. Project scheduled for FY 15/16
   ii. FY 15/16 includes $500,000

10. Mar Vista Pump Station Replacement
    i. Design pending
    ii. FY 15/16 includes $200,000

11. Destruction of Monterey Well
    i. Bid docs pending
    ii. FY 15/16 includes $50,000

12. Property Acquisition of Lot adjacent to Headquarters
    i. Purchase Agreement for $440,000 executed by seller
    ii. CEQA assessment in progress by Hamilton & Swift
    iii. Anticipate final approval of purchase to be presented to Board in October, 2015

C. Mitigation, Monitoring and Reporting Programs (MMRP) & Monitoring and Adaptive Management Plan (MAMP)
   1. Polo Private Well Monitoring
   2. O’neill Private Wells
   3. Soquel Creek Monitoring
      i. Soquel Creek MAMP Baseline Report Draft in review by SqCWD and Santa Cruz Water Distirect. Final Report expected August 2015. Completed and distributed to Santa Cruz City Water and NOAA.
      ii. WISKI database management software installed June 2015. Monitoring Well Data clean up and migration into WISKI database in progress. Shallow well and creek data to be imported and
modified for MAMP report. WISKI data for coastal monitoring wells to be used for quarterly report.

D. Water Service Applications

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Status</th>
<th>Lots</th>
<th>Units</th>
<th>Offset</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential/MLD</td>
<td>2013 Subtotal</td>
<td>15</td>
<td>15</td>
<td>9.032</td>
</tr>
<tr>
<td>Richard Emigh for Dana Huie</td>
<td>2014 Subtotal</td>
<td>23</td>
<td>25</td>
<td>12.568</td>
</tr>
<tr>
<td>182 Creek Dr., Aptos</td>
<td>126 Meredith Ct., Aptos</td>
<td>Board Approved 08/11/15</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>APN 042-051-04</td>
<td>APN 041-422-04</td>
<td>Board Approved 08/11/15</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Brandi &amp; William Manchester</td>
<td>Kelley Trousdale</td>
<td>Board Approved 08/11/15</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>660 Bayview Dr., Aptos</td>
<td>660 Bayview Dr., Aptos</td>
<td>2015 Subtotal</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>APN 043-161-57</td>
<td>APN 043-161-57</td>
<td>Total</td>
<td>50</td>
<td>52</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Status</th>
<th>Lots</th>
<th>Units</th>
<th>Offset</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subdivisions/Commercial</td>
<td>2013 Subtotal</td>
<td>1</td>
<td>1</td>
<td>2.800</td>
</tr>
<tr>
<td>2014 Subtotal</td>
<td>5</td>
<td>99</td>
<td>36.010</td>
<td></td>
</tr>
<tr>
<td>2015 Subtotal</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>100</td>
<td>38.810</td>
<td></td>
</tr>
</tbody>
</table>
E. Geographic Information Systems (GIS)

1. Conferences
   i. Gabriella Bracamonte attended the Esri 2015 User Conference held in Santa Diego.

2.1. Mapplet
   i. Charting for multiple analytes across time has been completed and enabled on Monitoring Wells, Production Wells, and Sampling Stations (due to the limited sampling schedule for Tanks charting was not enabled for those features).
   ii. The ortho imagery grid was added to the Basemap dataframe to assist engineering staff with creating design drawings, vicinity maps, etc.
   iii. A report and chart for water levels (static) has been completed and enabled on Monitoring Wells.
   iv. A report and chart tracking pumping vs. static water levels has been completed and enabled on Production Wells.
   v. A report and chart for comparing production values across multiple Production Wells has been completed and enabled.

2. Field Mapplet
   i. An update is under discussion with the vendor. The update will allow photo documentation for USA locates; as well as, restoring Street View functionality.

3. Digital Library (DL)
   i. A Title Search was performed for the District’s Headquarters site. The document has been archived, assigned document and spatial attributes, and uploaded for review.
   ii. Another 1,006346 images have been uploaded and made available, bringing the total to 10,469,0515.
   iii. 30 additional 4 new reports have been assigned document and spatial attributes, uploaded and made available.
   iv. 5 historical reports have been reviewed and made available.
   v. An introductory demo/video of the DL was created and shown to Management staff during one of their scheduled meetings.
v.iii. A new artifact type named “Request for Upload” has been created to enable Managers and Supervisors to upload documents and images. A new demo/video has been created introducing the new Request for Upload feature and is under review released to Management and Supervisory staff.

vi.iv. A format for the presentation and deliver of Facility Records within the DL has been developed and is under review finalized.

4. Image and Document Assets
   i. Consultant reports and engineering records have been removed from the Records Room and temporarily stacked in the main garage area of the Rosedale garage. Once shelving has been installed in the newly designated storage rooms of the Rosedale garage; the Engineering records and reports can are in the process of being moved into their new home, labeled, and indexed.
   ii. A collection of discs containing well videos was discovered by the O&M Manager. They are in the process of being reviewed and, where appropriate, prepared for archiving has been postponed until a later date.
   iii. A draft MOU between the Association of Monterey Bay Area Governments (AMBAG) and SqCWD has been prepared for the District’s participation in the 2015 Regional Orthophotography Project (aerial imagery).
   iv. Investigation into best methods and procedures to collect, archive, and share meter images is in progress.
   v. Investigation into best methods and procedures to map consumption points and connect them to their service connection points is in progress.

5. Facility Records
   i. The newly redesigned Equipment Sheets are in the process of being updated by the Operations Supervisor.
   ii. Facility Records for all Tanks are pending have been submitted for final review by the Engineering Manager.
   iii. Facility Records for all Wells have been reviewed by the GIS Analyst, review comments will be applied, and the documents prepared for secondary review by the Operations Supervisor completed. The records will be submitted for final review to the Engineering Manager this month.
6. Maps

   i. 2015 NPDES maps have been completed.
   ii. Water agency maps for the Water Conservation Coalition’s ‘Official Water Conservation Guide’ have been completed.
   iii. A map identifying parcels within 1000 meters of the proposed Granite Way well, along with situs/owner mailing information was prepared for compliance with the Mitigation and Monitoring Reporting Program (MMRP) requirements.
   iv. Spatial data for the District’s facilities and infrastructure was provided to Carollo Engineers to assist with their work on the recycled water feasibility study.

i. Sampling and Monitoring map for the Water Sampling Technician in progress.
ii. Queried lineal footage and diameters of active distribution main line in Pressure Zone 420 of Subareas 1 & 2 for the O&M Manager.
iii. Performed a view shed analysis to determine best line of sight options for the SCADA tower installation at the proposed Granite Way Well for the Operations Supervisor.
iv. Queried service connections in Pressure Zones 420 & 530 of Subareas 1 & 2 for the O&M Manager.

F. Cross Connection Control Program

1. Modifications to program to be presented to Board in August
   i. Board voted to modify existing Backflow Prevention Program at September 2nd meeting in Capitola
ITEM 6.3
SOQUEL CREEK WATER DISTRICT PRODUCTION

TOTAL SYSTEM PRODUCTION (Acre-Feet)

January

2003

2004

2005

2006

2007

2008

2009

2010

2011

2012

2013

2014

2015

327.31

317.81

303.56

297.04

314.56

284.55

287.29

262.79

266.45

291.80

256.86

298.69

235.76

February

310.71

299.78

280.90

279.04

274.81

265.00

244.07

226.57

240.42

268.48

249.74

221.18

209.64

March

364.00

392.82

318.01

293.25

344.80

341.82

290.20

268.83

267.32

277.54

307.90

253.58

255.95

April

370.41

484.99

350.12

285.69

404.73

424.31

381.52

274.47

308.42

285.19

344.66

265.05

249.02

May

457.48

593.90

446.62

440.04

465.15

504.45

408.51

361.17

404.03

400.86

421.73

343.87

265.89

June

572.78

609.52

541.14

526.16

517.51

524.84

444.41

460.83

390.22

441.91

427.87

359.06

278.39

July

656.04

612.71

574.57

593.23

574.91

538.81

503.55

477.84

456.07

472.37

451.33

363.17

306.26

August

650.87

609.53

550.70

554.00

541.36

513.00

452.37

444.22

431.09

454.67

447.56

330.33

306.29

September

575.75

566.76

493.52

488.77

484.94

466.81

402.82

420.85

400.29

408.37

398.18

300.55

0.00

October

536.92

450.84

458.59

452.46

406.11

434.32

331.49

358.82

341.86

364.75

370.85

286.42

0.00

November

352.40

330.88

380.45

334.18

345.92

317.53

302.38

269.81

280.79

284.82

308.52

231.38

0.00

December

324.01

315.06

310.97

301.64

325.23

291.50

268.71

261.84

286.02

249.38

294.62

223.78

0.00

5,498.70

5,584.59

5,009.14

4,845.50

5,000.04

4,906.92

4,317.33

4,088.03

4,072.97

4,200.15

4,279.83

3,477.07

2,107.21

Total

PURISIMA PRODUCTION (Acre-Feet)

January

2005

2006

2007

2008

2009

2010

2011

2012

2013

2014

2015

204.22

191.46

207.57

182.14

171.25

163.89

176.67

191.18

168.14

196.13

152.40

February

187.80

178.79

182.01

166.82

145.47

148.32

166.24

174.33

161.91

147.26

134.77

March
April

216.05
229.86

188.07
182.67

221.09
250.96

213.09
264.70

180.22
233.14

180.36
179.23

182.81
207.08

183.41
187.41

197.75
213.47

168.57
175.32

167.72
164.24

May

284.89

269.41

287.29

313.19

253.68

224.73

262.62

253.13

256.14

216.01

172.94

June

338.29

325.76

317.88

325.43

274.05

280.78

257.85

270.90

256.07

221.31

179.47

July

373.88

367.12

351.62

337.37

299.08

293.34

291.87

286.69

263.41

226.01

197.17

August

361.72

342.00

336.46

314.87

282.40

281.84

279.35

279.77

260.77

210.34

197.88

September

309.53

314.68

303.76

282.78

253.25

268.78

259.09

253.86

247.27

187.84

0.00

October

282.65

293.49

256.69

262.29

206.68

231.38

223.58

229.93

237.62

184.14

0.00

November

235.88

218.87

222.90

194.06

182.82

179.60

186.21

183.46

200.30

151.25

0.00

December

194.70

202.08

204.43

183.88

170.45

171.74

187.37

164.92

190.06

145.77

0.00

3,219.47

3,074.41

3,142.66

3,040.63

2,652.48

2,603.97

2,680.73

2,658.99

2,652.92

2,229.94

1,366.58

Total

AROMAS PRODUCTION (Acre-Feet)

January
February

2005

2006

2007

2008

2009

2010

2011

2012

2013

2014

2015

99.34

105.58

107.00

101.80

116.10

98.90

89.78

100.63

88.72

102.56

83.37

93.10

100.25

92.80

97.85

98.60

78.25

74.18

94.15

87.84

73.92

74.88

March

101.95

105.18

123.71

128.73

109.98

88.47

84.52

94.13

110.15

85.01

88.23

April

120.26

103.02

153.77

160.63

148.38

95.04

101.34

97.78

131.19

89.73

84.78

May

161.73

170.63

177.86

191.25

154.83

136.44

141.41

147.73

165.58

127.87

92.95

June

202.85

200.40

199.63

199.41

170.36

180.05

132.37

171.01

171.80

137.75

98.92

July

200.69

226.10

222.42

201.43

204.49

184.50

164.20

185.68

187.91

137.16

109.09

August

188.97

212.01

204.90

198.13

169.98

162.38

151.73

174.90

186.79

119.99

108.41

September

183.99

174.08

181.18

184.03

149.58

152.07

141.20

154.51

150.91

112.71

0.00

October

175.94

158.97

149.43

172.03

124.82

127.45

118.28

134.82

133.23

102.28

0.00

November

144.57

115.30

123.02

123.47

119.56

96.43

94.58

101.36

108.22

80.13

0.00

December

116.27

99.56

120.79

107.62

98.26

90.09

98.66

84.46

104.57

78.01

0.00

1,789.67

1,771.09

1,856.50

1,866.38

1,664.93

1,490.07

1,392.25

1,541.16

1,626.91

1,247.13

740.63

Total

Production numbers are taken from SCADA reports.

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9/1/2015


Weather Index = \([\text{Monthly Average Evapotranspiration Rate (inches)} \times \text{Crop Coefficient (1)}] - \text{Effective Monthly Precipitation (inches)}\) (50% of measured).

Precipitation data is averaged from weather stations at De Laveaga & Watsonville since 1908.

Production and Weather Index data are normalized. NWS Rain Data Substituted at De Laveaga when CIMIS Data appears inaccurate.

Season to Date Rain 0.18 inch
Average Season to Date Rain: 0.11 inch
Through August 2015
(Season: July 2015 through June 2016)

Last year: actual 20.3 inches
average 25.43 inches
PRODUCTION COMPARED TO 2013

Monthly Production, Acre Feet

Percent Difference

2013
2014
2015
% Difference, 2015 from 2013
% Difference, 2014 from 2013
Newly Transferred Work Plan Items in Progress
None

CalPERS Pending Decision on New Risk Mitigation Strategy
The August 11, 2015 Finance Report provided an overview of the two options for a risk mitigation strategy under review by the CalPERS Board of Directors. A new strategy to reduce the risk and volatility of the fund is necessary to ensure its long-term health. Without action, it is likely the pension fund would fall well below 100 percent funding levels and possibly drop below 50 percent funding over the next 20 to 30 years.

Both strategies call for a change in investment strategy and increased contributions from employers and employees alike.

Flexible Glide Path:

- Reduces risk and increases employer and employee contribution rates by reducing the discount rate only after an investment year in which a specified level of gains has been achieved.
- Uses part of the investment gain to offset the reduction in the discount rate by providing contribution rate relief through applying funds to the unfunded liabilities. However, if there is no unfunded liability there will be no rate relief.
- There is no lowering of risk after a poor investment year. Note: the threshold as to what constitutes a poor investment year is still to be determined.
- This glide path has the potential to cost employers slightly less and spread out contribution increases, but may not bring the fund to 100 percent funding in the long run.

Blended Glide Path:

- Similar to the flexible glide path, the blended glide path reduces funding risk after an investment year in which a specified level of gains has been achieved.
• Has the same split of providing rate relief on the unfunded liability payments while reducing the discount rate on employers.
• Has checkpoints every four years where risk mitigation could occur even after a poor return in order to ensure a gradual lowering of risk over time.
• This glide path will likely have greater impact on employer contributions, but is, according to CalPERS staff, almost 100 percent guaranteed to result in full funding in the long run.

The California Special Districts Association reported that while CalPERS staff preferred the Blended Glide Path because of its greater likelihood and shorter timeline for accomplishing the goals of reducing risk and volatility, the Board ultimately chose the Flexible Glide Path option which is likely to result in slightly lower increases in employee contributions. As a result of the discussion CalPERS staff has been asked to revise the Flexible Glide Path option to include checkpoints to the plan where the Board will review the effectiveness of this option in order to ensure it is on track to accomplish its intended goals. The CalPERS Board is expected to adopt the plan at the November hearing.

California Employer’s Retiree Benefit Trust Fund (CERBT) Statement
The District elects to prefund Other Post-Employment Benefits (OPEB) through the CalPERS CERBT. The fiscal year to date balance in the account as of June 30, 2015 is as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance:</td>
<td>$938,347.22</td>
</tr>
<tr>
<td>Contributions:</td>
<td>193,911.33</td>
</tr>
<tr>
<td>Investment Earnings:</td>
<td>189,500.39</td>
</tr>
<tr>
<td>Admin Expense:</td>
<td>1,553.70</td>
</tr>
<tr>
<td>Ending Balance:</td>
<td>$1,320,205.24</td>
</tr>
</tbody>
</table>

Financing District Options
Staff attended a recent educational event to learn more about the different types of financing districts. The chart on the following page compares Assessment Districts, Community Facilities Districts, and Enhanced Infrastructure Improvement Districts.

By ________________
Michelle Boisen
Financial and Business Services Manager
## Types of Financing Districts

<table>
<thead>
<tr>
<th>Assessment Districts (AD)</th>
<th>Community Facilities Districts (CFD)</th>
<th>Enhanced Infrastructure Improvement District (EIFD)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Statutory Authority:</strong></td>
<td>1915 Act</td>
<td>Mello Roos Act</td>
</tr>
<tr>
<td><strong>Taxing Formula:</strong></td>
<td>Each property within the AD is</td>
<td>Spread of special tax lien just needs to be</td>
</tr>
<tr>
<td></td>
<td>assessed an amount sufficient to</td>
<td>reasonable</td>
</tr>
<tr>
<td></td>
<td>cover its proportional cost of the</td>
<td>Sets a maximum annual special tax rate</td>
</tr>
<tr>
<td></td>
<td>special benefit it receives from the</td>
<td></td>
</tr>
<tr>
<td></td>
<td>improvements</td>
<td>Dynamic lien: Can change over time</td>
</tr>
<tr>
<td></td>
<td>Static lien: Assessment fixed at</td>
<td></td>
</tr>
<tr>
<td></td>
<td>time</td>
<td></td>
</tr>
<tr>
<td><strong>Uses:</strong></td>
<td>Cannot be used for services, only</td>
<td>Broad array of infrastructure maintenance and</td>
</tr>
<tr>
<td></td>
<td>construction and maintenance</td>
<td>services</td>
</tr>
<tr>
<td><strong>Approval Mechanism:</strong></td>
<td>Subject to Prop 218</td>
<td>Requires 2/3 registered voter approval through</td>
</tr>
<tr>
<td></td>
<td>50+% majority protest from</td>
<td>special election</td>
</tr>
<tr>
<td></td>
<td>taxpayers receiving special benefit</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(vote weighted by assessment lien)</td>
<td></td>
</tr>
<tr>
<td><strong>Renewal:</strong></td>
<td>Annual renewal process required</td>
<td>Set rate annually, no lengthy renewal process</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Limitations or Benefits:</strong></td>
<td>Very difficult to fund 100% of the</td>
<td>May fund 100% of the cost</td>
</tr>
<tr>
<td></td>
<td>costs</td>
<td>Allows for more flexibility in creating an</td>
</tr>
<tr>
<td></td>
<td>Cannot assess for general benefit,</td>
<td>escalation factor to keep up with increasing</td>
</tr>
<tr>
<td></td>
<td>can only assess for special benefit</td>
<td>costs (dynamic lien)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A. Workplan Items in Progress
   - None to Report

B. Human Resources Events, Plans, Projects and Other Information
1. Recruitment
   - Accounting Specialist
     - Promoted Employee started on 8/17/15
   - Customer Service Representative (CSR) I
     - Temporary Employee reassigned to Regular CSR I position on 8/17/15
   - Financial/Business Services Manager
     - In May 2015, Finance Manager, Michelle Boisen submitted notice of resignation which will be effective the end of December 2015
     - HR is working on administrative revisions to the existing job description
     - Developing Recruitment Plan in preparation for upcoming recruitment

2. Benefits
   - 2015 Open Enrollment period is 9/14/15 through 10/9/15
   - Nationwide deferred compensation retirement savings on-site 9/14/15

3. HR Training Events
   - HR JPIA Regional Meeting - 9/3/15
   - LinkedIn Webinar – Public Sector Recruiting - 8/18/15
   - CPS Webinar – Creative Decision Making & Problem Solving - 8/19/15
   - LCW Webinar – The Affordable Care Act (ACA) and the Public Employees Medical & Hospital Care Act (PEMHCA) - 8/11/15

4. Employee Relations
   - Manager-Hosted Employee Breakfast – 9/10/15

5. Labor Relations
   - Scheduled Meeting with SEIU on a bargaining agreement (MOU) matter relating to new plan year benefits changes for Medicare Supplement eligible retirees

6. Policy Review/Revision
   - Current Cell-Phone Policy being reviewed
This Page

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A. Newly Transferred Workplan Items in Progress
Staff is collaboratively working on developing a WDO outreach plan, including a signage program (per request by President Daniels, 6/16/2015) and updated information to reflect the Board’s actions at the July 21 meeting of selecting the No-Des Machine as the next WDO program. Staff met on 9/9 to discuss and will be proposing an outreach plan this fall.

B. Community Water Plan (May 2015–current)
1. Staff continues to work on the components of the Community Water Plan (previously referred to as the Integrated Resources Plan) which is the District’s long-term water resources management plan that represents the current knowledge and understanding of the District’s water supply resources, projected future water demand and supplies, and the policies and projects that have been developed to meet the objectives of assuring a safe, high-quality and reliable water supply for the District’s customers.
2. Staff continues to use the principles set by the Board on July 9 that articulate shared or common values, assumptions, or expectations and shall serve as the standard or basis for reasoning and action in the development of the Community Water Plan.
3. Staff will be presenting the interim pre-recovery goal and the post-recovery yield numbers (that include basin wide groundwater pumping reductions (to reflect conservation efforts) and climate change impacts) at the September 15 workshop. This analysis has been done by HydroMetrics to serve as interim, updated values until the groundwater model is complete. Staff will also be presenting interim demand projections that will be used until updated values can be completed through the 2015 UWMP update.
4. Staff has prepared a very draft handout on the Community Water Plan that will be mailed to customers in lieu of a October-December newsletter. Other outreach activities to educate our customers on the Community Water Plan are also being identified by staff.

1. **Feasibility Analysis**: The feasibility study by Carollo Engineers is underway and on schedule; work will include conducting a preliminary Environmental checklist to use and support the development of a subsequent EIR, if directed by the Board in the future.

2. **Technical Advisor assistance**: Working with Black and Veatch on developing a wastewater source water assessment study has been put on hold and more effort on collecting CEC sampling data from other recycled water facilities and WQ sampling from the City of SC.

3. **Education and Public Outreach**: Based on our 8/20 meeting, a set of goals and objectives were approved by the Board pertaining to our public outreach efforts for our recycled water project. Near term activities are underway to develop additional pages on our website on recycled water and more information on the District’s needs, groundwater is our source water, and seawater intrusion.

4. **Memorandum of Agreement**: The cooperative agreement was approved by the County of SC Sanitation District and the Board last month. Staff from both agencies are working on data collection to feed into the feasibility study.

5. **Summer Intern Assistance**: Ava Bobby, an Aptos High graduate and student at UCSB, has been interning with the District and is working on completing her white paper on indirect potable reuse and water quality.

6. **Meeting with Other Local Agencies**: A meeting with the City of Santa Cruz Water and Public Works Departments, County Public Works, and Soquel Creek Water District was held on 9/10 to talk about the Mid-County Groundwater Replenishment Project and other regional recycled water project opportunities.

6.7. There is a seminar on recycled water at UC Berkeley on September 23 (see attached flyer) that looks very informative. If any board members are interested in attending, please let Ron know.

**D. Supplemental Supply: Deep Water Desalination**

1. **Draft EIR Preparation**: The District submitted a comment letter during DWD’s scoping period for their environmental review.

2. No further action has been scheduled to be taken at this time.

**E. Supplemental Supply: Conjunctive Use (Water Exchange with City of SC)**

1. No further action has been scheduled to be taken at this time.

**F. Supplemental Supply: Water Purchase with City of Santa Cruz**

1. The City of Santa Cruz Water Department has shown interest in selling Pre-1914 excess winter water, if available to the District (0-300 acre feet per year) under certain conditions.
2. District Staff resent the letter from the Board to the City of Santa Cruz expressing interest in opening discussion on the potential of water transfers between the two agencies.

3. District staff has begun discussing purchase options with City Staff and are working on a draft Purchase Agreement (including cost, conditions, and CEQA), scheduled to be presented at the 9/15 board meeting.

G. Supplemental Supply: scwd² Desalination

1. Project continues to be on-hold by the City of Santa Cruz. No further action has been scheduled to be taken at this time.

H. WSAC Update

1. The WSAC process is expected to be complete in October 2015.

I. Groundwater Management Committee Work

1. Third Amendment
   i. The third amendment was approved at the 8/20 SAGMC meeting.
   ii. The committee members would like to include the process and selection of alternates; once agreed upon, a fourth amendment will need to be created.

2. Representatives
   i. The representatives of the SAGMC include:
      • Central Water District: John Benich and Bob Postle
      • City of Santa Cruz: Cynthia Mathews and Micah Posner
      • County of Santa Cruz: Zach Friend and John Leopold
      • Soquel Creek Water District: Bruce Jaffe and Tom LaHue
      • Private Wells: Curt Abramson, Jon Kennedy, and Jim Kerr


4. Groundwater Stakeholder Group
   i. Next Meeting is tentatively scheduled for November 19

4.5. GSA Formation Subcommittee
   i. The next subcommittee meeting is September 16

5.6. BIG/Soquel-Aptos Groundwater Management Committee
   i. The next BIG meeting is on September 17, 2015.

J. CA State Legislation on Groundwater – The next ACWA task force meeting on Sustainable Groundwater Management Act (SGMA) Implementation has not been scheduled.
Public Outreach and Community Engagement

A. Key Messages: Currently, staff are communicating the following primary messages to the public:

a. Our Water Shortage Problem is seawater intrusion, not the drought. The potential El Nino this winter will not solve our problem.
b. Our long-term water shortage will continue even when the drought ends. All of our water comes from an overdrafted groundwater basin that is experiencing seawater contamination at our coastline. As a community, we need to continue conserving water while we actively pursue new water supplies.
c. Soquel Creek Water District continues to remain in a Stage 3 water shortage and groundwater emergencies. Our goal is to reduce consumption by 25% over 2013. This year, the Board has adopted new water restrictions and Stage 3 emergency rates. We appreciate all of the water conservation efforts of our residential customers and businesses. Thank you.
d. Our long-range action-oriented Community Water Plan is the District’s Roadmap to a sustainable water future.
   - We’re working with the community on multiple solutions to our long-term groundwater shortage including increasing conservation and groundwater recharge, seeking new sources of supply, monitoring water levels and quality, water neutral development (WDO), and regional collaboration with all groundwater basin users.

B. Tools: The following items highlight the communication tools staff are using to communicate with our customers and community:

a. Social Media: We are continuing to use Facebook, Twitter, and Instagram.

b. E-Blasts: We currently have 5,812 subscribers. The July e-blast is attached.

c. Newsletter, Bill Inserts: In lieu of a newsletter for October –December, a pamphlet on our Community Water Plan will be sent out to customers.

d. Bill Message: THANK YOU for conserving during the Stage 3 Shortage and beyond - your efforts help protect our over-drafted groundwater...
supply. Water use peaks in the summer. Can you irrigate more efficiently? Schedule a FREE water-wise visit to your home or business for help: 475-8501 x133.

d. e. Print Ads: The District continues to run print ads in the Aptos Times and Capitola-Soquel Times.

e. f. Website: Updates to our website are constantly being done.

f. g. Signs and Banners –We continue to have the banners hung “Our Water is Groundwater” at our local little league fields and also at our O’Neill Well Site and our “Thank You for Conserving Water” banner at the District headquarters. Other District banners will be hung in Capitola 9/21-10/05, and 10/26-11/09. In addition, the Conservation Department will begin passing out “Doing Our Part” yard signs at the post-inspections for front yard turf retrofits.

g. h. Featured Column in Aptos and Capitola Soquel Times: The column for August is attached.

h. i. Official Water Conservation Guidebook: Staff is working with the Water Conservation Coalition to put together a guidebook to be produced by Times Publishing Group that will include information about each water agency in SC County, its current water restrictions and rebates, and other tips on how to save water. The guidebook is now available at participating agencies and on-line.

i. j. Editorial: The Santa Cruz Sentinel ran an editorial by Bruce Daniels and Tom LaHue on 9/7/2015 (attached). This will be re-run in the Aptos and Capitola Soquel Times.

j. k. Events and Presentations: A current list of our upcoming events and presentations is below for August September. The District’s website includes a calendar of events:

- September 12: Plant Selection and Landscape Design Workshop
- September 16-September 20: Water Conservation Coalition Booth at SC County Fair
- September 26: Laundry-to-Landscape Hands-On Installation Workshop
Direct Potable Reuse in California
Specialty Seminar

Wednesday, September 23, 2015

In Memory of
Robert C. Cooper, Ph.D.
Professor Emeritus, School of Public Health
University of California, Berkeley, CA

LOCATION
David Brower Center
2150 Allston Way
Berkeley, CA 94704-4911
(510) 809-0900

Purpose: To discuss and review issues related to direct potable reuse (DPR) that will be addressed by the DPR Expert Panel organized for the State Water Resources Control Board’s Division of Drinking Water. Per California Water Code Section 13560-13569, the DPR Expert Panel is charged with evaluating the feasibility of developing DPR criteria for the State of California.

Members of the public are welcome to attend. Registration is $20 for full-time students and $40 for all others. For more information and to register, go to http://www.nwri-usa.org/dpr-seminar.htm.

8:00 am Registration and Coffee

8:30 am – 11:30 am Water Recycling in California – from Nonpotable to Potable – Visioning
MORNING SESSION Moderator: Rhodes Trussell, Ph.D., P.E. (Founder, Trussell Technologies)

8:30 am Welcome and Opening Remarks Jeff Mosher, Executive Director
National Water Research Institute

8:45 am California Water Supply Plan:
Where Does Recycling Fit In? Frances Spivy-Weber, Vice Chair
California State Water Resources
Control Board

9:15 am Regulating Potable Reuse in California Robert Hultquist, M.S., P.E.
CA Department of Public Health (ret.)

9:45 am Orange County Water District:
Groundwater Replenishment System Jason Dadakis
Orange County Water District

10:15 am BREAK
10:30 am  The Future of Potable Reuse  George Tchobanoglous, Ph.D., P.E.  Professor Emeritus, UC Davis
11:15 am  Update on WateReuse DPR Research Initiative  Julie Minton, Director of Research Programs, WateReuse

11:30 AM  LUNCH ON YOUR OWN (Reconvene at Brower Center at 1:00 PM)

1:00 pm – 5:00 pm  Understanding and Addressing Potential Challenges  
Moderator: Jeff Mosher (Executive Director, NWRI)

<table>
<thead>
<tr>
<th>Time</th>
<th>Topic</th>
<th>Speaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>1:00 pm</td>
<td>Design of High-throughput Screens and their Applications in the Biomedical Sciences</td>
<td>Michael Denison, Ph.D.  Professor, UC Davis</td>
</tr>
<tr>
<td>1:45 pm</td>
<td>Translating HTP Bioassay Results to Risk Estimates</td>
<td>Kevin Crofton, Ph.D.  US Environmental Protection Agency  Computational Toxicology Program</td>
</tr>
<tr>
<td>2:30 pm</td>
<td>Issues Related to Application of Bioassays to Wastewater and Drinking Water</td>
<td>Richard Bull, Ph.D.  Washington State University (ret.)  DDW Expert Panel member</td>
</tr>
<tr>
<td>3:15 pm</td>
<td>BREAK</td>
<td></td>
</tr>
<tr>
<td>3:30 pm</td>
<td>Demonstrating Redundancy and Monitoring to Achieve Reliable Potable Reuse</td>
<td>R. Shane Trussell, Ph.D.  President, Trussell Technologies Inc.</td>
</tr>
</tbody>
</table>
| 4:15 pm| Q & A/Discussion                                                      | Moderator  
Jeff Mosher, Executive Director  
National Water Research Institute                                               |
| 4:45 PM| Wrap Up                                                              | Moderator  
Jeff Mosher, Executive Director  
National Water Research Institute                                               |
| 5:00 pm| ADJOURN                                                              |                                                                                             |

Registration is required. To register, go to [http://www.nwri-usa.org/dpr-seminar.htm](http://www.nwri-usa.org/dpr-seminar.htm).

CONTACTS  
Jeff Mosher  
Executive Director, NWRI  
(714) 705-3722 (Mobile)  
jmosher@nwri-usa.org  
Jaime Lumia  
Event Manager, NWRI  
(714) 376-9767 (Mobile)  
jlumia@nwri-usa.org
Public Outreach Materials

Attachment for September 15, 2015
Workplan
Timeliness. Water Quality. Reliability. Those are the three qualities that rated highest for a supplemental water supply in several community surveys that the District conducted earlier this year. While the first two qualities are self-explanatory, the third is a bit more complex. We look for reliability in many things in our daily lives, from the cars and bicycles that take us from one place to another to the friends who accompany us through our lives, and they all have one thing in common: they are there for us when we need them.

But when it comes to water, reliability is often overlooked because, for the most part, water service in the United States is never unreliable. 24 hours a day and 7 days a week the water that we use to drink, cook, wash, and bathe with is, barring emergencies, accidents, or natural disasters, always accessible. As a result, we end up taking the availability of life’s most precious resource for granted. The current drought, however, has shaken up that perception for many California residents. As images of nearly empty reservoirs fill the news, statewide water transfer projects cease deliveries to municipalities and farms, and mandatory curtailment measures are enacted statewide for the first time in history, people are wondering, “Just how reliable is my water source?”

Here in the Soquel Creek Water District service area, we get 100% of our water supply from groundwater, which we pump from a groundwater basin that extends from 41st Avenue through La Selva Beach and a few miles inland. We share that groundwater basin with several other water agencies and thousands of private wells.

Historically, this water source has been perfectly reliable, providing for all of the water needs of the diverse users of the basin. However, since 1980, pumpers in the mid-county region have been collectively overdraining the basin, meaning that more water is removed from it than is naturally replenished by rainfall.

This overdraft condition has caused the groundwater to fall to dangerously low levels and has allowed seawater to begin moving into the aquifers. This process, referred to as seawater intrusion, is extremely damaging, because once it reaches drinking water wells, they become unusable.

If this occurs, the reliability of our water supply vanishes. To avoid this, we need to find a supplemental water supply so that we can stop or significantly reduce pumping from the groundwater basin and let it return to a sustainable level.
Obtaining a supplemental water supply that is either insulated or isolated from the effects of drought, seawater intrusion, and climate change makes a community much more resilient because it ensures the reliability of water over time.

For more information on what steps you can take to be better prepared for when disaster strikes, contact your local fire department, or check out our website at www.aptosfire.com.
Commentary

Action, action, action on Soquel Creek water front

Dr. Bruce Daniels and Dr. Tom LaPine
Special to the Sentinel

Our customers want it, our groundwater aquifers need it, and we are making it happen.

Soquel Creek Water District has been working toward a long-term solution for water supply reliability and protection of our groundwater basin since 1997. And from 2006 to 2013, the district was heavily involved in a collaborative effort to address our regional water supply issues with the city of Santa Cruz, the new Desalination Program. This solution would have enabled the district to replenish our overdrafted aquifers in normal years and supplemented the city’s supply in times of drought. However, during the final stages of the project in 2013, the city made the unilateral decision to put the project on hold indefinitely, and while the project stopped, our water crisis did not.

We recognize the critical nature of the situation in our groundwater basin. The district immediately redoubled its efforts to reduce demand and find a new supplemental water supply. Our customers have done their part, too, reducing their water usage, on average, 25 percent in the last two years, and a whopping 50 percent over the past 13 years, and we thank them for this amazing effort. District staff have been working daily on enhancing our conservation programs, making progress on our Well Master Plan to relocate production wells away from the coast to allow the spread of seawater intrusion, purchasing excess water from the city this winter, and collaborating with other agencies to establish a Groundwater Sustainability Agency under the new state laws to sustainably manage our shared groundwater resources.

We have also been aggressively pursuing supplemental water supply options that can help replenish our groundwater supply and stop seawater intrusion from moving inland. Starting in 2013, we analyzed and evaluated a long list of supplemental water supply options and have narrowed that list down to three that have the potential to meet our needs: purified recycled water, river water transfers and desalination.

In 2015, the district took actions to keep all three options moving forward, but purified recycled water stands out in three categories identified as important by our customers in a recent survey: timeliness, reliability, and water quality.

• The process of treating purified recycled water into the groundwater basin, known as groundwater replenishment, is proven, which facilitates the timelines of implementation. For example, Orange County has been successful using this process for almost 40 years and several other communities have recently started using recycled water to supplement their water supplies.

• This option is reliable and drought-proof, as it would insulate us from the effects of future droughts.

• Water produced from a recycled water facility is essentially pure and would meet all state and federal water quality requirements for groundwater replenishment. However, we understand that some community members have concerns about new contaminants in waste water, such as remnants of personal care products, so we are in the process of obtaining additional information about the quality of recycled water to educate ourselves and our customers.

Combined with the cost-effective nature of the project, the possibility of receiving grant funding, and the fact that the project would make us less dependent on other agencies to solve our problems, these attributes make a purified recycled water project the logical choice for our "preferred alternative.”

We have many irons in the fire to leverage our options and maximize the opportunity for success. We, and our customers, recognize that if we do not continue to move forward, we risk losing our entire water supply. Thus, we are progressing with evaluating purified recycled water because the price of inaction is simply too great.

Submitted by Dr. Bruce Daniels and Dr. Tom LaPine, president and vice president of the Soquel Creek Water District board of directors.
THE IMPORTANCE OF RESILIENCE

Timeliness. Water Quality. Reliability. Those are the three qualities that rated highest for a supplemental water supply in several community surveys that the District conducted earlier this year. While the first two qualities are self-explanatory, the third is a bit more complex. We look for reliability in many things in our daily lives, from the cars and bicycles that take us from one place to another to the friends who accompany us through our lives, and they all have one thing in common: they are there for us when we need them. But when it comes to water, reliability is often overlooked due to the fact that, for the most part, water service in the United States is never unreliable... [Read the rest of the article HERE]

“A resilient community is one that can recover or rebound from the negative impacts of natural disasters, recessions, etc., but also one that makes wise decisions to avoid or become less vulnerable to detrimental situations in the first place.”

SANTA CRUZ SENTINEL EDITORIAL: A WET WINTER ISN'T ENOUGH
SANTA CRUZ SENTINEL EDITORIAL: A WET WINTER ISN’T ENOUGH

On Sunday, August 16th, the Santa Cruz Sentinel Editorial Board put out an editorial titled “A wet winter isn’t enough”. This piece explores the upcoming winter and what it means in terms of planning for our water future. The hard-hitting conclusion, in particular, made this one of the most popular links we shared on social media this month. “We can’t keep saying no to every water supply idea that is suggested. At some point we’re going to have to take a deep breath and say yes. Planning for an adequate water supply is something that needs to go beyond just wishing for a wet winter.” Click the image below for the full piece.

FREE LOSE YOUR LAWN WORKSHOP

Still trying to figure out how to replace your lawn with beautiful and water-efficient landscaping? On Sunday, October 4th, this half-day workshop will demonstrate how to covert an existing lawn into a beautiful and colorful drought-tolerant Monterey Bay-Friendly Garden. Topics include conversion of overhead spray irrigation to efficient drip irrigation, proper selection of water-wise California native and Mediterranean plants, and how to save money and time by using the sheet mulching method for lawn removal. Participants will also learn about how they can participate in landscape rebate programs for each of the water districts in our area. For more information, click on the ad below.

Workshop
September 16-20: Water Conservation Booth at Santa Cruz County Fair
September 17: Soquel-Aptos Groundwater Management Committee (SAGMC) Meeting
September 26: Laundry-to-Landscape Hands-On Installation Workshop

For more information, visit our online calendar.

Conserving our shared groundwater
Please remember that while the drought is raising awareness of the statewide water shortage, it’s not the primary cause of our local supply crisis. Soquel Creek Water District is 100% dependent on groundwater. Our shared groundwater basin is currently in a state of overdraft, which means more water has historically been extracted than naturally replenished by rainfall. Last year, with such little rainfall, we received virtually no basin recharge. The overdraft condition has led to seawater intrusion at our coastline which, if left unresolved, will eventually move inland and contaminate the groundwater drinking wells. We’re working on long-term solutions to our supply issues and encourage all residents and customers to conserve whenever possible. Contact us to learn how we can help you conserve water.
NEW TIME FOR BOARD MEETINGS

The Soquel Creek Water District Board of Directors is now holding their regular meetings the first and third Tuesday of each month at 6:00 p.m. at the Capitola City Council Chambers (unless otherwise noted). For more information about meeting dates, agendas, and minutes, please click HERE.

Board Meetings

Soquel Creek Water District Board Meetings

The Board of Directors meet the first and third Tuesday of each month at 6:00 p.m., unless otherwise noted. Meetings are open to everyone and comments from the public are heard at each meeting. If you wish to speak on a matter not listed on the agenda as posted, you may do so during the public comment portion of the meeting. No action may be taken upon a matter not listed on the posted agenda.

The District makes every effort to post Board Agendas on this site by 5:00 p.m. the Friday prior to Board meetings. Minutes are posted following approval by the Board.

Agendas and minutes are in PDF format. You must have Adobe Acrobat Reader (free to download) to view and print the District Board agendas and minutes. Copies of minutes and agendas not listed here are available by request from Karen Reese, District’s Board Clerk at (931) 475-8000.

which, if left unresolved, will eventually move inland and contaminate the groundwater drinking wells. We're working on long-term solutions to our supply issues and encourage all residents and customers to conserve whenever possible. Contact us to learn how we can help you conserve water.

FREE
LOSE YOUR LAWN WORKSHOP
Learn how to replace your lawn with a beautiful water-wise garden.

SUNDAY, OCTOBER 4
10am - 4pm
City of Watsonville Nature Center
30 Harkins Slough Rd, Watsonville

REGISTER AT www.green-gardener.org
Sponsored by the Water Conservation Coalition of Santa Cruz County
AUGUST WATER PRODUCTION NUMBERS

Entering September, we remain in a Stage 3 Water Shortage due to our over-drafted groundwater supply, which has been made worse by the continuing drought. Collectively, our goal is to reduce overall water usage by 25% compared to 2013, and our customers are still going strong. In August, your efforts achieved a 31% reduction compared to 2013, which keeps us at a cumulative 27% reduction on the year. Wow! Thank you.

Cumulative Reduction Through August 31, 2015: -27%

Our water waste restrictions are in effect year-round and include the following temporary restrictions:

- Only use a commercial car wash
- Do not wash structures (unless preparing to paint and a pressure washer is used)

Thank you for continuing to do your part by using water as efficiently as possible in your homes, yards, and businesses.

SOQUEL-APTOS GROUNDWATER MANAGEMENT COMMITTEE (SAGMC) COMING TOGETHER
Cumulative Reduction Through August 31, 2015: -27%

Our water waste restrictions are in effect year-round and include the following temporary restrictions:

- Only use a commercial car wash
- Do not wash structures (unless preparing to paint and a pressure washer is used)

Thank you for continuing to do your part by using water as efficiently as possible in your homes, yards, and businesses.

SOQUEL-APTOS GROUNDWATER MANAGEMENT COMMITTEE (SAGMC) COMING TOGETHER

Last month the City and County of Santa Cruz officially joined Central Water District and Soquel Creek Water District to collaborate on groundwater management in the mid county area. At its August 20 meeting, the Soquel-Aptos Groundwater Management Committee (SAGMC), formerly known as the Basin Implementation Group (BIG), also selected three private well representatives to participate and bring added value to discussions, decisions, and oversight of groundwater issues since the basin is shared by municipal agencies and private well pumpers. The committee representatives include:

Central Water District: John Benich and Bob Postle
City of Santa Cruz: Cynthia Mathews and Micah Posner
County of Santa Cruz: Zach Friend and John Leopold
Soquel Creek Water District: Bruce Jaffe and Tom LaHue
Private Wells: Curt Abramson, Jim Kerr, and Jon Kennedy

The SAGMC is currently working on developing a groundwater model of the Soquel-Aptos area basin and meeting the new requirements of the Sustainable Groundwater Management Act, passed in 2014. The next meeting is Thursday, September 17. For more information on the Committee, meeting dates, minutes, and agendas, click HERE.

Follow on Twitter | like us on Facebook | forward to a friend

For more information, please visit our District website at www.soquelcreekwatwer.org or call Matt Orbach at 831.475.8500. Please share these updates with others!

unsubscribe from this list | update subscription preferences
Learn how to replace your lawn with a beautiful water-wise garden.

**FREE**

**LOSE YOUR LAWN WORKSHOP**

Learn how to replace your lawn with a beautiful water-wise garden.

**SUNDAY, OCTOBER 4**

10am - 4pm

City of Watsonville Nature Center

30 Harkins Slough Rd, Watsonville

**REGISTER AT** www.green-gardener.org

Sponsored by the Water Conservation Coalition of Santa Cruz County
PRESS RELEASE
SOQUEL APTOS GROUNDWATER MANAGEMENT COMMITTEE

For Immediate Release

Contact:
Matt Orbach
Public Outreach Specialist, Soquel Creek Water District
(831) 475-8501x118, matto@soquelcreekwater.org

Soquel-Aptos Groundwater Management Committee Expands Partnerships to Manage Critically Overdrafted Groundwater Basin

September 9, 2015 (Soquel) – While local efforts to collaborate and move forward with implementation of statewide regulations for sustainable groundwater management in the mid-county area continue, a recently proposed reclassification of the Soquel-Valley Groundwater Basin to critically overdrafted status has the potential to move up several important deadlines. The Soquel-Valley Groundwater Basin was identified by the Department of Water Resources (DWR) in July 2015 as one of 21 water basins proposed to be reclassified as critically overdrafted on the basis of the seawater intrusion detected at the coastline and Soquel Creek Water District’s declaration of a groundwater emergency in 2014. Basins classified as being in critical overdraft must officially adopt a Groundwater Sustainability Plan by 2020 and achieve sustainability by 2040. DWR is currently accepting comments on this proposed reclassification through September 25, 2015.

At the August 20th Soquel-Aptos Groundwater Management Committee (SAGMC) meeting, the City and County of Santa Cruz officially joined the Central Water District and Soquel Creek Water District as partner agencies overseeing groundwater management activities. The SAGMC committee also selected three private well representatives to participate and bring added value to discussions, decisions, and oversight of groundwater issues since the basin is shared by municipal agencies and private well pumpers. The committee representatives now include:

- Central Water District: John Benich and Bob Postle
- City of Santa Cruz: Cynthia Mathews and Micah Posner
The committee, formerly known as the Basin Implementation Group, was originally established in 1995, and included five members: two elected officials from Soquel Creek Water District, two elected officials from Central Water District, and one private well representative. Now, the committee is comprised of eleven members focused on developing a groundwater model of the Soquel-Aptos area basin and meeting requirements of the new Sustainable Groundwater Management Act. The Act, passed in 2014, mandates that groundwater basins in California reach sustainability by 2040-2042.

“We are very pleased that the City and County have joined the committee in an ‘official’ capacity as the agencies have been collaborating with data collection and other groundwater management activities over the years,” said Bruce Jaffe, Chair of the Committee. “In addition, with the expansion of private well representation, we have a very diverse set of basin users coming together to collectively address the groundwater issues in the Mid-County region.”

The SAGMC’s next meeting is Thursday, September 17 at 7PM at Capitola Community Room (420 Capitola Avenue, Capitola). All meetings are open to the public. For more information on the Committee, meeting dates, minutes, and agendas visit http://www.soquelcreekwater.org/SAGMC.

The Soquel-Aptos Groundwater Management Committee is a joint exercise of powers entity (pursuant to California Government Code Section 6500 et. seq) with interest in groundwater management within the area known regionally as the Soquel-Aptos Groundwater Basin and whose duties include, but aren’t limited to, undertaking ongoing and comprehensive efforts to collect, maintain and share groundwater data; undertake cooperative research and resource management initiatives; jointly pursue groundwater management grants and studies; and facilitate meeting the requirements of the Sustainable Groundwater Management Act.

www.soquelcreekwater.org/SAGMC

###
Item 6.7 District Counsel (Oral Report)
Interim General Manager’s (GM) Status Report
September 15, 2015

A. Newly Transferred Workplan Items in Progress

a. Request Seawater Intrusion Report from Dr. Rosemary Knight at Stanford (requested on June 2, 2015). Rosemary was contacted and indicated the report will be released over the next three months (June – August). At that time it will be shared with the Board. Recently inquired with Dr. Knight about the report, waiting to hear back.

B. Other Items

Cooperative Water Transfer, Resource Management Pilot and Purchase Agreement between City of Santa Cruz and Soquel Creek Water District: District staff have provided Rosemary Menard (Water Director for City of Santa Cruz) a draft agreement to review. The District interim GM and Ms. Menard developed preliminary terms and conditions, which are being discussed further. The goal is for the draft agreement to be presented to the District Board on September 1 or 15 and to the City Council on September 8 or 22 for review authorization to proceed with CEQA which, at this time, is understood to be triggered by authorization of an agreement. Staff from both agencies are working to keep the process moving forward so if winter water is available, the City and the District are prepared to proceed with this project. Additional steps being pursued include a planned meeting of water quality, operational and engineering staff from both agencies to discuss details and ensure that any additional preparations are being pursued in parallel with the CEQA review. The agreement is on the agenda for tonight (Sept. 15, 2015).

Cooperative Agreement for Evaluating the Recycling of Waste Water to Improved Resource Management: District staff provided County staff a draft agreement to review. The essence of the agreement is to join in a common effort to share data and explore the potential and related benefits of using recycled water to improve resource management. This is related to intercepting the waste water at the County’s Lode Street facility or another pump station closer to the District. The Public Works Director (John Presleigh) and the Interim General Manager (Ron Duncan) met on July 29 to discuss the agreement. The goal is for the agreement to be discussed and accepted at the August 18 County Board of Supervisors meeting and at the August 20 County Sanitation Board meeting and come to the Soquel Creek Water District Board at the September 1 meeting. This was approved by the Board at the September 1, 2015 meeting.

Aptos Chamber of Commerce Presentation: Staff is arranging for a presentation to the chamber in the fall regarding an update of the efforts and plans of the District,
City of Santa Cruz and Central Water District. **They did not include us for the fall schedule, but trying to schedule a later date.**

**Community Water Plan:** Staff continues to work on various items identified at the July 9 Workshop as needing refinement. The goal is to return at the September 15 meeting with a revised version of this technical portion of the Community Water Plan. The technical portion of the plan will serve as a platform to develop a customer friendly outreach version of the plan. **This is on the agenda tonight (Sept. 15) as a mini Board workshop.**

**Hydrometrics Related Items:**
- At a BIG/SAGMC (Basin Implementation Group/Soquel Aptos Groundwater Management Committee) scoping meeting the officials asked for a technical memorandum (TM) regarding what the groundwater model will do. The TM should be presented to the BIG/SAGMC in **August**September.
- Staff has requested that Hydrometrics provide a couple page memo outlining key values related to the basin (e.g., pre and post recovery sustainable yield values). This should help provide everyone a firmer understanding of the current water shortage estimates and will be used to develop the Community Water Plan (the update to the District’s 2012 Integrated Resource Plan (IRP)). The memo was presented at the July 21, 2015 Board meeting.
- Staff also requested that Hydrometrics bring a cost proposal to the Board regarding providing an estimate of the rate that seawater intrusion is advancing in both the Aromas Red Sands and Purisima aquifers. With this knowledge one can estimate the time it would take the seawater intrusion to hit production wells based on different distance scenarios. This will also be used to develop the Community Water Plan. This request has been canceled due to some estimates were provided at the July 9 Board Workshop and more refined values will be presented as part of the groundwater modeling effort.

**Outreach to Other Regional Partners:** The interim GM continues to outreach to other water managers and community partners. Staff have a meeting with Supervisor Zach Friend on August 12 and Supervisor John Leopold on August 17. Both meetings are to provide them an update on the District and regional efforts and to hear their concerns. If one or two Board members would like to participate, then please contact the interim General Manager.

**Presentation from Scott McGilvray:** Mr. McGilvray contacted the District and asked to present his work regarding possible quantities of water available for transfer from the San Lorenzo to the District. On August 4, Board members President Daniels and Director Christensen, staff Taj Dufour and Ron Duncan, and District customer Randa Solick met to hear his presentation.
District staff met with representatives of the City of Santa Cruz Water and Wastewater Departments, and County Sanitation to gain a greater understanding regarding opportunities and concerns with recycled water.
MEMO TO THE BOARD OF DIRECTORS

Subject: Agenda Item No. 7.3  Cost of Service - Presentation of Preliminary Findings, Discussion, and General Direction

Attachment: DRAFT Capacity Charge and Cost of Service Presentation

Mark Hildebrand of Hawksley Consulting will be in attendance to present the initial findings of the Capacity Charge and Cost of Service review. The presentation will include an overview of the project scope and drivers and a discussion of the methodologies and assumptions used as well as some preliminary results and rate design questions.

Staff and Hawksley Consulting are seeking input and direction from the Board. Feedback will be incorporated into preliminary rate design recommendations and presented to the Board for additional input on October 20, 2015. The final draft recommendations will come before the Board on November 3, 2015 for approval.

POSSIBLE BOARD ACTION

By MOTION, provide input to Hawksley Consulting regarding preliminary rate design as needed.

By
Michelle Boisen
Financial and Business Services Manager
Soquel Creek Water District
DRAFT Capacity Charge and Cost of Service
Board Presentation

Agenda

☑ Introductions
☑ Project Scope and Drivers

Capacity Charge
☑ Methodologies
☑ Preliminary Results

Water Service Cost of Service
☑ Methodology
☑ Preliminary Results

Water Service Rate Design
☑ Discussion Points
Hawksley Consulting

- The Management Consulting Division of MWH Global, Inc.
- 8,000 MWH Worldwide Employees / 150 are Hawksley
- 12 Offices in California, including San Jose, Walnut Creek and SF

Financial Services

- Financial Planning
- Cost-of-Service
- Rate Design
- Capacity Fees
- Affordability
- Advanced Needs

Mark Hildebrand
Project Manager
California Market Leader for Hawksley’s Financial Services Team

- 13 years of water rate-setting experience in California
- Published author on Proposition 218 requirements

RATE STUDY DRIVERS

a. Financial stability
b. Changes in consumption patterns
c. Drought policies & rates
d. Desal Plant (not in planning horizon)
e. Hex Chrome
f. Recent court decisions
g. Equity between Commercial and Residential customers
PROJECT SCOPE

1. Capacity Charge
2. Rate Study
   a. Financial Plan
   b. Cost of Service
   c. Rate Design & Drought Rates

Capacity Charge

The cost of adding new customers to the system

- One-time fee that is charged as a condition of development
- Covers the capital costs of the capacity that is needed to serve new development
- “Growth pays for growth”
Methodologies

Two generally-accepted methods:
– Equity Approach
– Incremental-Cost Approach (Marginal)

Past Investments in Capacity

Future Investments in Capacity

Equity Approach

Incremental Cost Approach

Cost/Value of Plant in Service

Equivalent Units Served (by Existing Plant) = Fee

Cost of Proposed Projects

Equivalent Units Served (by Proposed Plant) = Fee

Current Capacity Charge Methodology

Existing Capacity Value ($) + Future Capacity Cost ($) = Unit Cost of Capacity ($/EDU)

Existing Capacity (EDU) + Future Source Capacity (EDU)
**Proposed Capacity Charge Methodology**

\[
\text{Existing Infrastructure Capacity Value ($)} + \text{Future Supply\* Capacity Cost ($)} = \text{Unity Cost of Capacity ($/EDU)}
\]

* Recycled Water Treatment Plant (RWTP) project will be used to calculate the incremental cost of new source of supply.

**Water Demand Offset**

Water Demand Offset (WDO) will continue to be treated as a separate charge from the Capacity Charge.

- WDO is necessary to “make immediate room” for new development
- WDO addresses short-term supply needs, Capacity Charge addresses long-term supply needs

**Hawksley Recommends:**

- Clear accounting of WDO revenue spending
- Eliminate the WDO once RWTP is on-line
**DRAFT Capacity Charge Calculation**

<table>
<thead>
<tr>
<th>Infrastructure Buy-In Summary</th>
<th>Incremental Water Resource Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 RCNLD of Asset List (1)</td>
<td>1 Total RWTP Cost</td>
</tr>
<tr>
<td></td>
<td>2 Debt Interest</td>
</tr>
<tr>
<td>2 Committed Capital</td>
<td>3 Cost attributable to growth</td>
</tr>
<tr>
<td>2 (Less) Meters, Services &amp; Groundwater ($15,415,242)</td>
<td>3 (Less) Outstanding Debt Principal (2) ($35,168,871)</td>
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<tr>
<td>4 (Less) Contributed Capital</td>
<td>4 (Less) Contributed Capital</td>
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<tr>
<td>5 Subtotal</td>
<td>5 Incremental Charge $ per ERU</td>
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<tr>
<td>6 Existing ERU Capacity (3)</td>
<td>Draft Capacity Charge $16,186</td>
</tr>
<tr>
<td>7 Buy-In Charge $ per ERU</td>
<td></td>
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Talking points:
- Using RWTP to measure marginal water rather than the desal plant.
- Including the cost of debt financing the RWTP.

**DRAFT Capacity Charge Schedule**

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>Current Capacity Charge</th>
<th>Proposed Capacity Charge</th>
<th>Draft Capacity Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current Meter Equivalency Factor</td>
<td>Proposed Meter Equivalency Factor</td>
<td>Draft Capacity Charge</td>
</tr>
<tr>
<td>5/8-inch R</td>
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<td>0.50</td>
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<tr>
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<td>$8,420</td>
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<td>6-inch</td>
<td>50.19</td>
<td>60.00</td>
<td>$10,040</td>
</tr>
</tbody>
</table>

Talking points:
- A major driver for the increase is due to the inclusion of the cost of financing for incremental supply.
- Change in the Meter Equivalency Schedule.
- Future fee schedule to be adjusted based on actual changes to ENR Construction Cost Index.
Cost of Service

Cost-of-service

- A method to equitably allocate the revenue requirements of the utility between the various customer classes of service (e.g. residential, commercial, etc.)
- The cost of service provides two key pieces of information
  - Allocated total costs to each class of service
  - Average unit costs
    - $/Customer/Month
    - $/HCF
- Informs rate design decisions
Why Cost-of-Service is Important?

– Allows for rate design that recovers the actual cost to serve for a class
  • Classes that cost more to serve pay more (i.e. Irrigation)
– Many costs are incurred for the joint benefit of all customers, while other costs may benefit only certain specific customers
– Prevents inter-class subsidization (i.e. fair and equitable)
– Makes rates **defensible** on basis of actual costs to serve

Cost-of-Service Process

[Diagram showing the Cost-of-Service Process]

- **Revenue Requirements**
  - O&M
  - Capital

- **Functionalize Costs**
  - Source of Supply
  - Treatment
  - Trans & Dist
  - Pumping
  - Service/Meters
  - Conservation
  - Direct Fire Protection
  - Customer Service

- **Assign Functions to Joint & Specific Shares**
  - Joint Cost Shares
  - Specific Cost Shares

- **Allocate Functions to Demand Characteristics**
  - Base
  - Max-Day
  - Max-Hour
  - Meter/Customer
  - Fire Protection
  - Conservation

- **Allocate Demand Costs to Customer Classes**
  - Single Family Residential
  - Multi-Family Residential
  - Commercial
  - Private Fire Protection
### Usage Characteristic

<table>
<thead>
<tr>
<th>Customer Class</th>
<th>No. of Customer Accounts</th>
<th>Equivalent Meters</th>
<th>Total Annual Usage (HCF)</th>
<th>DRAFT Peak Day Factor</th>
<th>Extra Max-Day Demand (HCF)</th>
<th>DRAFT Peak Hour Factor</th>
<th>Extra Max-Hour Demand (HCF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family</td>
<td>13,001</td>
<td>13,403</td>
<td>797,058</td>
<td>1.27</td>
<td>598</td>
<td>1.65</td>
<td>1,808</td>
</tr>
<tr>
<td>Multi Family</td>
<td>466</td>
<td>1,655</td>
<td>236,291</td>
<td>1.24</td>
<td>159</td>
<td>1.65</td>
<td>522</td>
</tr>
<tr>
<td>Commercial</td>
<td>575</td>
<td>984</td>
<td>169,581</td>
<td>1.56</td>
<td>261</td>
<td>1.65</td>
<td>472</td>
</tr>
<tr>
<td>Government</td>
<td>78</td>
<td>310</td>
<td>34,054</td>
<td>1.88</td>
<td>82</td>
<td>1.65</td>
<td>114</td>
</tr>
<tr>
<td>Irrigation</td>
<td>181</td>
<td>402</td>
<td>50,845</td>
<td>2.42</td>
<td>198</td>
<td>1.65</td>
<td>219</td>
</tr>
<tr>
<td>Private Fire</td>
<td>1,358</td>
<td>25,215</td>
<td>0</td>
<td>na</td>
<td>76</td>
<td>na</td>
<td>832</td>
</tr>
<tr>
<td>Total</td>
<td>15,659</td>
<td>41,969</td>
<td>1,286,829</td>
<td></td>
<td>1,372</td>
<td></td>
<td>3,966</td>
</tr>
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</table>

### Allocation of Capital Costs

<table>
<thead>
<tr>
<th>System Function</th>
<th>Allocation of Net Plant In Service</th>
<th>Allocation of Non-Operating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply</td>
<td>$2,234,814</td>
<td>$295,770</td>
</tr>
<tr>
<td>Wells</td>
<td>1,989,039</td>
<td>263,243</td>
</tr>
<tr>
<td>Treatment</td>
<td>4,759,020</td>
<td>629,840</td>
</tr>
<tr>
<td>Storage</td>
<td>3,592,991</td>
<td>475,520</td>
</tr>
<tr>
<td>Trans. &amp; Dist.</td>
<td>16,012,856</td>
<td>2,119,247</td>
</tr>
<tr>
<td>Pumping</td>
<td>1,677,996</td>
<td>222,077</td>
</tr>
<tr>
<td>Service/Meters</td>
<td>5,615,846</td>
<td>743,238</td>
</tr>
<tr>
<td>Direct/Fire Protection</td>
<td>1,651,336</td>
<td>218,549</td>
</tr>
<tr>
<td>Customer Service</td>
<td>202,766</td>
<td>26,835</td>
</tr>
<tr>
<td>Conservation</td>
<td>103,950</td>
<td>13,757</td>
</tr>
<tr>
<td>Administration</td>
<td>216,502</td>
<td>28,653</td>
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<tr>
<td>Indirect</td>
<td>1,059,869</td>
<td>140,270</td>
</tr>
<tr>
<td>Total</td>
<td>$39,116,985</td>
<td>$5,177,000</td>
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</tbody>
</table>
### Allocation of Operating Costs

<table>
<thead>
<tr>
<th>System Function</th>
<th>Allocation of O&amp;M Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply</td>
<td>$207,642 2.1%</td>
</tr>
<tr>
<td>Wells</td>
<td>453,748 4.7%</td>
</tr>
<tr>
<td>Treatment</td>
<td>618,060 6.3%</td>
</tr>
<tr>
<td>Storage</td>
<td>65,254 0.7%</td>
</tr>
<tr>
<td>Trans. &amp; Dist.</td>
<td>922,249 9.5%</td>
</tr>
<tr>
<td>Pumping</td>
<td>1,044,090 10.7%</td>
</tr>
<tr>
<td>Service/Meters</td>
<td>859,681 8.8%</td>
</tr>
<tr>
<td>Fire Protection</td>
<td>35,148 0.4%</td>
</tr>
<tr>
<td>Customer Service</td>
<td>1,791,714 18.4%</td>
</tr>
<tr>
<td>Conservation</td>
<td>1,356,957 13.9%</td>
</tr>
<tr>
<td>Administration</td>
<td>939,038 9.6%</td>
</tr>
<tr>
<td>Indirect</td>
<td>1,446,621 14.9%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$9,740,200 100%</strong></td>
</tr>
</tbody>
</table>

### Total Allocated Costs

<table>
<thead>
<tr>
<th>Customer Class</th>
<th>Base</th>
<th>Extra Capacity</th>
<th>Customer</th>
<th>Public (Direct) Fire Protection*</th>
<th>Conservation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Max Day</td>
<td>Max Hour</td>
<td>Meters &amp; Services</td>
<td>Billing &amp; Collecting</td>
</tr>
<tr>
<td>Single Family</td>
<td>$3,082,924</td>
<td>$581,837</td>
<td>$568,583</td>
<td>$1,339,084</td>
<td>$1,597,588</td>
</tr>
<tr>
<td>Multi Family</td>
<td>910,077</td>
<td>153,417</td>
<td>163,992</td>
<td>165,375</td>
<td>57,283</td>
</tr>
<tr>
<td>Commercial</td>
<td>655,919</td>
<td>253,975</td>
<td>148,321</td>
<td>98,336</td>
<td>70,667</td>
</tr>
<tr>
<td>Government</td>
<td>131,717</td>
<td>79,490</td>
<td>35,770</td>
<td>30,997</td>
<td>9,565</td>
</tr>
<tr>
<td>Irrigation</td>
<td>196,662</td>
<td>192,200</td>
<td>68,852</td>
<td>40,164</td>
<td>22,242</td>
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<tr>
<td>Private Fire</td>
<td>0</td>
<td>73,565</td>
<td>261,552</td>
<td>0</td>
<td>166,874</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,977,299</strong></td>
<td><strong>$1,334,485</strong></td>
<td><strong>$1,247,070</strong></td>
<td><strong>$1,673,955</strong></td>
<td><strong>$1,924,208</strong></td>
</tr>
</tbody>
</table>
DRAFT Cost of Service Comparison

<table>
<thead>
<tr>
<th>Customer Class</th>
<th>Allocated Cost of Service</th>
<th>FY 2014/15 Revenue</th>
<th>Comparison</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Family</td>
<td>$9,278,279</td>
<td>$9,134,460</td>
<td>1.6%</td>
</tr>
<tr>
<td>Multi Family</td>
<td>$1,773,169</td>
<td>$2,132,066</td>
<td>-16.8%</td>
</tr>
<tr>
<td>Commercial</td>
<td>$1,489,706</td>
<td>$2,460,002</td>
<td>-2.3% *</td>
</tr>
<tr>
<td>Government</td>
<td>$335,623</td>
<td>na</td>
<td></td>
</tr>
<tr>
<td>Irrigation</td>
<td>$577,433</td>
<td>na</td>
<td></td>
</tr>
<tr>
<td>Private Fire</td>
<td>$501,991</td>
<td>$126,557</td>
<td>296.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$13,956,200</strong></td>
<td><strong>$13,853,084</strong></td>
<td><strong>0.7%</strong></td>
</tr>
</tbody>
</table>

* Compared to sum of Commercial, Government & Irrigation

Discussion

1. Comparison of Government and Irrigation not available.

Preliminary Design Questions

- Splitting Commercial Class
  - Commercial
  - Government
  - Irrigation
- Establishing tiered rates for Commercial customers
- Fixed vs. Volumetric Revenue
  - Current split = 33.9% Fixed
- Reflect difference in Cost of Service through Meter Charge rather than Volumetric Charge.
Additional Board Meetings

- October 20\textsuperscript{th} – Rate Design Session
- November 3\textsuperscript{rd} – Final Presentation of Results
- January 5\textsuperscript{th} – Rate Adoption
MEMO TO THE BOARD OF DIRECTORS

Subject: Agenda Item No. 7.4 Presentation from City of Capitola Staff Regarding Land Use Planning

At the September 1, 2015 meeting, the Board requested staff arrange for representatives from the City of Capitola and Santa Cruz County to present at a District Board meeting to educate us on their land use planning approach. The overall objective is to improve coordination between the land use planning agencies and the District. A staff member from the City of Capitola will present at the District’s September 15 meeting. Staff is trying to arrange for a date in October for a County representative to present.

POSSIBLE BOARD ACTIONS

1. By MOTION, provide staff direction regarding this topic.

2. Take no action.

By ___________________________________

Ron Duncan
Interim General Manager
MEMO TO THE BOARD OF DIRECTORS

Subject: Agenda Item No. 7.5  Request for Board Approval of the Cooperative Water Transfer and Purchase Agreement with the City of Santa Cruz, or to Provide Direction to Staff Regarding Modifications

Attachment 1: Cooperative Water Transfer and Purchase Agreement and Resource Management Pilot Project Between City of Santa Cruz and Soquel Creek Water District

Purpose
The purpose of this memo is to request the Board’s approval of the Cooperative Water Transfer and Purchase Agreement between the City of Santa Cruz and Soquel Creek Water District (Attachment 1), or to provide direction to staff regarding modifications to the agreement. Staff and legal counsels from both agencies have worked together to define the agreement. Two District Board members (President Daniels and Director Jaffe) also provided input and guidance during the drafting of the agreement.

The Santa Cruz City Council unanimously approved the attached agreement on September 8, 2015. This link shows the memo (Item 13) that was presented to the Santa Cruz City Council:

The objective of this agreement has evolved from being just a transaction for the District to purchase water for helping the aquifers to a resource maximization effort designed to evaluate how an in lieu recharge program could potentially be scaled up in the future to address the City’s needs for supplemental water during droughts. The experience and data gained during this pilot effort could be used to inform any potential long term agreement.

Agreement Terms
The agreement provides that the City may sell water to the District from its North Coast (i.e. Liddell Springs and Majors Creek) pre-1914 water rights sources. An estimated 300 acre-feet could be available to the District during times when the City has sufficient excess water. The water would flow through one of the three metered interties at the following locations: the District’s O’Neill Ranch well site, Bain Street and Jade Street.

Staff has been informed that this agreement would trigger the environmental review process per the California Environmental Quality Act (CEQA). Thus, in addition to recommending acceptance of the agreement, staff is asking for Board
approval to initiate the CEQA process. The CEQA process needs to be completed prior to purchasing water from the City. However, if the agreement is approved tonight or in the very near future, staff anticipates the CEQA process can be completed in time for the District to purchase water this coming winter and spring if it is available. Per the agreement the cost of the CEQA process is proposed to be shared equally between the City and the District.

The actual price of the water is not specified in the agreement, but the agreement stipulates that the cost will be equal to the City’s Fiscal Year (FY) 2013 actual average annual cost of producing water plus the District’s FY 2013 actual average annual avoided cost from not producing water. District staff understands this to be essentially the marginal cost of water for the City and the District. The approximate total cost is anticipated not to exceed $1,000 per million gallons (MG) or $325 per acre-foot (AF).

**Budget**
The District’s FY 2015/16 budget contains $275,000 for the purchase of water from the City. Staff would use some of this funding source to support the District’s share of the CEQA review, water-quality testing, and use the remaining funding for purchasing the water.

This memo requests that the Board either authorize the President and District Counsel to sign the agreement, or provide modifications to the agreement to present to the City of Santa Cruz for consideration. Staff recommends that if the contract is signed the purchase of the water be contingent on the cost of the water not exceeding $1,000 per MG (or $325 AF).

**POSSIBLE BOARD ACTIONS**
1. By MOTION, direct the Board President and Legal Counsel to sign the Cooperative Agreement and proceed with the actions as described in the agreement at the water purchase cost not to exceed $1,000 per MG.

2. By MOTION, authorize staff to proceed with the CEQA review.

3. By MOTION, direct staff to make modifications to the agreement and work with City staff to revise the agreement.

4. Take no action.

By ____________________________
Ron Duncan
Interim General Manager
COOPERATIVE WATER TRANSFER AND PURCHASE AGREEMENT
AND RESOURCE MANAGEMENT PILOT PROJECT
BETWEEN CITY OF SANTA CRUZ AND SOQUEL CREEK WATER DISTRICT

The parties to this Agreement are the CITY OF SANTA CRUZ, hereafter referred to as “CITY”, and the
SOQUEL CREEK WATER DISTRICT”, hereafter referred to as “DISTRICT”.

RECITALS

A. The CITY of Santa Cruz is charter city which owns and operates a municipal water system in the
City of Santa Cruz and in portions of County of Santa Cruz adjoining the District water system.
B. The DISTRICT is a special district which operates a water system, adjacent to the eastern service
boundary of the CITY, and provides water service to a significant portion of mid-Santa Cruz
County.
C. A shared groundwater basin that the DISTRICT relies upon for a significant portion of its water
supply, and from which the CITY obtains a small portion of its water supply, has been in a state
of overdraft since the 1980s and is at risk of additional seawater intrusion.
D. The DISTRICT and the CITY cooperatively manage groundwater in the over-drafted basin and
would benefit from this agreement.
E. The CITY and the DISTRICT have established three metered interties located at the DISTRICT’s
O’Neill Ranch well site, at Jade Street and at Bain Street.
F. During the winter and spring, the CITY may have available surface water from its pre-1914 North
Coast water rights that could be treated and delivered to the DISTRICT for purchase.
G. Purchasing and using this treated surface water to meet some part of the DISTRICT’s demand
would enable the DISTRICT to reduce its groundwater pumping, reduce the potential for
accelerating seawater intrusion, and contribute to the beginnings of a longer term process to
ameliorate the overdraft condition of the groundwater basin that impacts both entities and
other pumpers of groundwater from the Soquel-Aptos basin.
H. The period during which this agreement operates can be viewed as an opportunity to begin to
assess the effects of reduced pumping of the basin by the DISTRICT on the shared groundwater
basin. During this pilot project, the CITY and the DISTRICT intend to use this opportunity to
collect information related to: 1) the physical operating system issues, 2) system water quality
3) response of groundwater levels from in-lieu recharge, and 4) the potential opportunity of
developing a longer term agreement in which the groundwater basin would be used for a
combined in lieu and aquifer storage and recovery program that would help resolve the basin
overdraft that would protect CITY and DISTRICT wells from addition seawater intrusion and
provide needed drought storage for the CITY.
I. The CITY and DISTRICT recognize that a fair and appropriate agreement can benefit both parties,
the community, and provide better management of locally available water resources.

August 26, 2015
NOW, THEREFORE, IT IS HEREBY AGREED:

1. AGREEMENT TERM:

Except as provided in Paragraph 11 hereafter, the term of this Agreement shall be for the period commencing at the completion of the CEQA process or November 1, 2015, whichever date is later and ending approximately five years later on December 31, 2020. This Agreement shall not extend beyond said date unless the governing bodies of both the CITY and the DISTRICT so agree in writing.

2. TERMS AND CONDITIONS FOR PROVIDING WATER:

Contingent upon the CITY securing all necessary permits and completion of the environmental review process in accordance with Paragraphs 4 and 5 below, water supplied by the CITY will be made available to the DISTRICT for purchase within the scope of the CITY’s valid pre-1914 appropriative water rights and changes thereto in compliance with the law. The quantity and availability of water supplied by the CITY under the terms of this agreement shall be based on the following conditions and at the sole discretion of the Director of the Water Department of the CITY. In determining whether supply can be provided, the CITY may take into account any or all of the following factors:

a. The CITY has not declared, and is not operating under, any mandatory water curtailment stage of its 2009 Water Shortage Contingency Plan, as it may be amended, updated, or replaced by the CITY from time to time.\(^1\)

b. Loch Lomond Reservoir is full and is spilling, or if not spilling is projected to be full by April 1 of the water year during which water will be provided to the DISTRICT. The calculation of the potential for the Loch Lomond Reservoir to fill shall be based on the City’s short term streamflow modeling tools used to conduct the City’s annual water supply forecast, as those tools or other measures to forecast water supply may be amended, updated, or replaced from time to time by CITY.

c. The CITY is providing flow for aquatic resources that meet regulatory requirements.

d. On a monthly basis, the volume of water delivered to the DISTRICT shall be less than or equal to the amount diverted from the CITY’s Liddell Springs and/or Majors Creek supplies as reported to the state of California.

e. The daily volume of water supplied shall not exceed the hydraulic capacity of the interties between the CITY’s system and the DISTRICT’s system located at the District’s O’Neill Ranch well site and at Jade Street and Bain Street. The hydraulic capacity of these interties is estimated to be 2 million gallons per day (mgd) and is a function of the pressure difference between the CITY and DISTRICT water systems at that point.

f. The CITY has not determined, in its discretion, that the supply of water to DISTRICT must be suspended or discontinued due to unusual or unanticipated circumstances, which suspension or

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\(^1\) Mandatory curtailments begin with Stage 2 of the 2009 plan.
discontinuation shall not be implemented without providing at least 3 days’ advance written notice, except in the case of an emergency, in which event the City shall endeavor to provide DISTRICT notice as soon as reasonably possible after the emergency determination has been made.

3. PRICE

The CITY agrees to sell to the DISTRICT treated water delivered to the CITY-DISTRICT interties located on the DISTRICT’s O’Neill Ranch well site and at Jade Street and Bain Street under the terms and conditions described hereof at a price that is equal to:

- the Santa Cruz Water Department’s FY 2013 actual average annual cost of producing water plus
- the Soquel Creek Water District’s FY 2013 actual average annual avoided cost of production for a total of (insert figure) per million gallons, or a pro rata amount thereof based on actual volume provided.

The CITY shall bill the DISTRICT on a monthly basis for water delivered to the DISTRICT based on the meter installed at the above specified intertie connections between the CITY and the DISTRICT.

4. REGULATORY COMPLIANCE – CEQA

The CITY shall be the designated lead agency for the purposes of California Environmental Quality Act (CEQA) compliance. Cost of CEQA compliance, including preparation of an initial study and any negative declaration, mitigated negative declaration or environmental impact report, and implementation of mitigation measures identified therein and agreed to by the CITY will be equally split between the parties, with the District’s share shall be billed on a quarterly basis for the duration of this agreement.

CEQA compliance shall address the agreement herein to implement pilot testing of the transfer of water under certain conditions from the CITY to the DISTRICT commencing approximately November 1, 2015 and ending approximately five years later on December 31, 2020. Given that the agreement may potentially be extended beyond said date if both the CITY and the DISTRICT so agree in writing, CEQA shall also address the long-term transfer of water that may occur under such an extended agreement.

5. REGULATORY COMPLIANCE -- PERMITTING

The CITY shall be responsible for obtaining any other permits or approvals required to support providing water to the district under this agreement, and shall be responsible for compliance with all laws, as necessary to make water available for purchase or to transfer pursuant to this Agreement.

6. REGULATORY COMPLIANCE – TREATED WATER DELIVERIES

Delivered water shall be in compliance with all drinking water regulatory requirements at the intertie point of delivery. Once the water has been delivered the DISTRICT shall be responsible in all respects for that water, and its delivery and use, including without limitation compliance with any distribution system requirements, and any relevant water quality regulations.
7. **OPERATIONS PLAN –**

Prior to initiating the proposed water transfer, the CITY and the DISTRICT agree to jointly prepare and then implement an Operations Plan as the basis for joint operation. The CITY and the DISTRICT may amend the Operations Plan by written joint consent without needing to otherwise amend this agreement.

8. **NOTICATION OF STARTING AND STOPPING WATER DELIVERIES**

The water to be delivered hereunder shall be delivered to the DISTRICT on an interruptible basis, depending upon the availability of water and the terms and conditions described in paragraph 2 of this agreement. A determination that the delivery of water to the DISTRICT must be interrupted shall be at the sole discretion of the CITY Water Director, which determination shall be conclusive upon the DISTRICT. The CITY shall give the DISTRICT notice of interruption or cessation of the transfer of water in accordance with Paragraph 2(g), above.

9. **DATA COLLECTION, MONITORING, AND ANALYSIS**

The CITY and the DISTRICT shall jointly share the cost to develop, and implement, a data collection, monitoring, and analysis program to further characterize the benefits of the proposed water transfer and identify any potential issues. This program shall include, but not be limited to, monitoring and analyzing groundwater levels from existing wells in the vicinity of wells that the DISTRICT takes offline due to the available of water from an alternate water source, and distribution system water quality to assess any impacts from surface water being distributed through pipes that have only been used solely for groundwater distribution in the past. The plan shall be developed and implemented by the CITY and DISTRICT prior to commencing any sale of water.

10. **NOTIFICATIONS AND RECORD KEEPING**

For the purposes of this agreement, the parties shall abide by the record keeping and notification provisions in the Operations Plan included as Attachment B to this agreement.

11. **NATURE OF AGREEMENT**

It is understood and acknowledged by the DISTRICT and the CITY that this Agreement is only for the term specified herein, that no obligations are imposed on the parties beyond the term hereof, that the water rights of the CITY are not impacted, and that the water during the term hereof is solely dependent on the availability of surplus water as stated in this agreement.

This agreement makes no assumption about the availability or quantity of water to be delivered back to the CITY for use as a drought supply.

August 26, 2015
11. EFFECTIVE DATE:

This Agreement shall become effective only upon its approval by the governing bodies of each party hereto.

12. TERMINATION ON THIRTY-DAY NOTICE

This Agreement may be terminated by either party hereto upon the furnishing to the other party by United States Mail, first class, a thirty (30) day notice of intent to terminate or with an email notification that is acknowledged by the receiving party provided, however that DISTRICT’S obligations to pay for water delivered and indemnify, defend and hold CITY harmless pursuant to paragraph 13, below, shall survive termination.

13. RELEASE AND INDEMNITY

DISTRICT agrees to indemnify, defend and hold harmless CITY, and any agency or instrumentality thereof, and its elected and appointed officials, officers, employees and agents from and against all liabilities, claims, actions, causes of action, proceedings, suits, damages, judgments, liens, levies, costs and expenses of whatever nature, including reasonable attorneys’ fees and disbursements (collectively “Claims”) arising out of any actions taken by the City in the implementation of this agreement, or any environmental review conducted under the California Environmental Quality Act (CEQA) in connection with this agreement.

CITY OF SANTA CRUZ

Dated: ________________

By: _________________________________

City Manager of City of Santa Cruz

SOQUEL CREEK WATER DISTRICT

Dated: ________________

By: _________________________________

President of the Board of Directors

APPROVED AS TO FORM:

______________________________________

CITY Attorney

______________________________________

DISTRICT Counsel

August 26, 2015
MEMO TO THE BOARD OF DIRECTORS

Subject: Agenda Item No. 7.6 Headquarters Land Acquisition for a Future Employee Parking Lot/Corporation Yard Extension Project – Adopt Negative Declaration, File Notice of Determination, and Execute Vacant Land Purchase Agreement (APN 030-241-22), CWO 15-101

Attachments: 1) Resolution 15-20 Adopting the Initial Study/Negative Declaration
2) Notice of Determination
3) Purchase Agreement

On August 12, 2015, the District released an Initial Study for the Headquarters Land Acquisition for a Future Employee Parking Lot/Corporation Yard Extension Project. The public comment period was opened and the public review for the Initial Study was closed on September 14th at 5:00 pm. The project was legally noticed in the Santa Cruz Sentinel, through the California State Clearing House (SCH # 2015082032), District Administrative Office, and the District’s website at:


A public hearing was also held at the September 1, 2015 Board Meeting. No comments about the project have been received by the District or the State Clearing House as of the writing of this memo.

Hamilton Swift & Associates, Inc. prepared the Initial Study for the proposed property acquisition. The Initial Study concludes that the proposed project could not have a significant effect on the environment.

Description of Project

The intended purpose of the land acquisition is to expand the Soquel Creek Water District’s parking and corporation yard capacity by eventually constructing an internally accessed parking area that will be available for employee parking, fleet vehicles and equipment storage. The purchase is underpinned by the Soquel Creek Water District Draft Master Plan Report, by Noll & Tam Architects, released in March of 2015. The report identified the District’s current needs, vision, and objectives for its existing 5180 Soquel Drive headquarters. One of the key objectives detailed within the Master Plan is the District’s need for the acquisition of an adjacent vacant lot located directly west of the existing facility.
Soquel Creek Water District is the Lead Agency for the project. The property purchase is intended to be completed after the environmental review is certified. No specific timetable has been established for the eventual planning, permitting and construction of the parking lot. This is not anticipated to be done for several years, and would be done in conjunction with a future update of the District's facilities master plan.

The new parking lot would not be a public lot, and access into the proposed parking lot expansion area is anticipated to be solely through the existing Soquel Creek Water District corporate yard. A preliminary conceptual plan indicates the lot could be designed for approximately 29 parking spaces, including 8 covered spaces.

The District is proposing the purchase of APN: 030-241-22 with the expected eventual construction of a 29-vehicle parking lot, with eight parking spaces to be covered by a 1,450 square foot awning. The covered parking area is expected to support an alternative function as a location for long-term, stationary equipment storage. The project concept sketch indicates no access from Soquel Drive. Vehicular access will be solely routed from the existing corporation yard parking lot located in the rear of the 5180 Soquel Drive District headquarters through the existing internal driveway network.

The concept sketch shows 10-foot setbacks along the north, west, and south borders of the property which would accommodate landscape screening. The eight-vehicle covered parking area is shown directly on the eastern property line with the consideration given to preserving nearby existing redwood trees.

Legal Requirements

Following are pertinent parts of Section 15074 of the State CEQA Guidelines (in the California Code of Regulations), which describe the process for adopting a Negative Declaration.

§ 15074. Consideration and Adoption of a Negative Declaration or Mitigated Negative Declaration.

(b) Prior to approving a project, the decision making body of the lead agency shall consider the proposed negative declaration or mitigated negative declaration together with any comments received during the public review process. The decision making body shall adopt the proposed negative declaration or mitigated negative declaration only if it finds on the basis of the whole record before it (including the initial study and any comments received), that there is no substantial evidence that the project will have a significant effect on the environment and that the negative declaration or mitigated negative declaration reflects the lead agency's independent judgment and analysis.
(c) When adopting a negative declaration or mitigated negative declaration, the lead agency shall specify the location and custodian of the documents or other material which constitute the record of proceedings upon which its decision is based.

(d) When adopting a mitigated negative declaration, the lead agency shall also adopt a program for reporting on or monitoring the changes which it has either required in the project or made a condition of approval to mitigate or avoid significant environmental effects. (This is not required in this instance.)

A resolution consistent with the legal requirements for adopting a negative declaration is attached for the Board’s consideration.

POSSIBLE BOARD ACTIONS:

1. By MOTION, adopt Resolution No. 15-20 adopting the Headquarters Land Acquisition for a Future Employee Parking Lot/Corporation Yard Extension Project Initial Study/ Negative Declaration located adjacent to 5180 Soquel Drive in Soquel, APN 030-241-22, CWO 15-101 and;

2. By MOTION, authorize deposit of $450,000 into escrow account 01180-174648 with Stewart Title Company and;

3. By MOTION, authorize the Interim General Manager to sign any and all documents to close escrow for APN 030-241-22

By___________________________________
Taj A. Dufour, P.E.
Engineering Manager/Chief Engineer
WHEREAS, the Board of Directors of the Soquel Creek Water District finds on the basis of the whole record before it that there is no substantial evidence that the headquarters land acquisition for a future employee parking lot/corporation yard extension project will have a significant effect on the environment and that the negative declaration reflects the Soquel Creek Water District’s independent judgment and analysis; and

WHEREAS, the documents or other material which constitute the record of proceedings upon which this decision is based are located at the District’s office at 5180 Soquel Dr., Soquel, California; and

WHEREAS, the custodian of these documents or other material is the Executive Assistant/Board Clerk for the Soquel Creek Water District.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Soquel Creek Water District do hereby adopt the initial study/ negative declaration for the headquarters land acquisition for a future employee parking lot/corporation yard extension project located adjacent to 5180 Soquel Drive in Soquel, APN 030-241-22.

PASSED AND ADOPTED by the Soquel Creek Water District Board of Directors at its regular meeting held on the 15th day of September, 2015, by the following vote:

AYES: 
NOES:  
ABSENT: 
ABSTAIN: 

APPROVE:

Dr. Bruce Daniels, President

ATTEST:  

Karen Reese, Board Clerk
Notice of Determination

To: Office of Planning and Research
U.S. Mail: Street Address:
P.O. Box 3044 1400 Tenth St., Rm 113
Sacramento, CA 95812-3044 Sacramento, CA 95814
County Clerk
County of: Santa Cruz County Clerk of the Board
Address: 701 Ocean Street, Room 500
Santa Cruz, CA 95060

From: Public Agency: Soquel Creek Water District
Address: 5180 Soquel Drive
Soquel, CA 95073
Contact:Taj Dufour, Engineering Manager
Phone:831-475-8500

SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

State Clearinghouse Number (if submitted to State Clearinghouse): 2015082032
Project Title: Land Acquisition for a Future Employee Parking Lot/Corporation Yard Extension Project
Project Applicant: Soquel Creek Water District
Project Location (include county): 5180 Soquel Drive, Soquel, Santa Cruz County
Project Description:
Expand the Soquel Creek Water District’s parking and corporation yard capacity by eventually constructing an internally accessed parking area that will be available for employee parking, fleet vehicles and equipment storage. The purchase is underpinned by the Soquel Creek Water District Draft Master Plan Report, by Noll & Tam Architects, released in March of 2015. The report identified the District’s current needs, vision, and objectives for its existing 5180 Soquel Drive headquarters. One of the key objectives detailed within the Master Plan is the District’s need for the acquisition of an adjacent vacant lot located directly west of the existing facility.

This is to advise that the Soquel Creek Water District (X Lead Agency or □ Responsible Agency) has approved the above described project on September 15, 2015 and has made the following determinations regarding the above described project.

1. The project [ □ will X will not] have a significant effect on the environment.
2. □ An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.
   X A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [ □ were X were not] made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan [ □ was X was not] adopted for this project.
5. A statement of Overriding Considerations [ □ was X was not] adopted for this project.
6. Findings [ □ were X were not] made pursuant to the provisions of CEQA.

This is to certify that the final EIR with comments and responses and record of project approval, or the negative Declaration, is available to the General Public at:
District office at 5180 Soquel Drive, Soquel, CA 95073 (website: http://www.soquelcreekwater.org)

Signature (Public Agency): [Signature] Title: Engineering Manager
Date: September 16, 2015 Date Received for filing at OPR: ____________________
VACANT LAND PURCHASE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS
(C.A.R. Form VLPA, Revised 11/14)

Date Prepared: March 9, 2015

1. OFFER:
A. THIS IS AN OFFER FROM Soquel Creek Water District, a County Water District ("Buyer").
B. THE REAL PROPERTY to be acquired is Vacant property west of 5180 Soquel Drive, situated in Soquel, Santa Cruz County, California, (City), (Zip Code), Assessor’s Parcel No. 31-241-022 ("Property").
C. THE PURCHASE PRICE offered is Four Hundred Forty Thousand Dollars ($440,000.00)

D. CLOSE OF ESCROW shall occur on (date) or 100 Days After Acceptance.

E. Buyer and Seller are referred to herein as the "Parties." Brokers are not Parties to this Agreement.

2. AGENCY:
A. DISCLOSURE: The Parties each acknowledge receipt of a "Disclosure Regarding Real Estate Agency Relationships" (C.A.R. Form AD).
B. CONFIRMATION: The following agency relationships are hereby confirmed for this transaction:
   Listing Agent N/A (Print Firm Name) is the agent of (check one):
   □ the Seller exclusively; or □ both Buyer and Seller.
   Selling Agent N/A (Print Firm Name) if not the same as the (check one): □ the Buyer exclusively; or □ the Seller exclusively; or □ both Buyer and Seller.
C. POTENTIALLY COMPETING BUYERS AND SELLERS: The Parties each acknowledge receipt of a "Possible Representation of More than One Buyer or Seller - Disclosure and Consent" (C.A.R. Form PRBS).

3. FINANCE TERMS: Buyer represents that funds will be good when deposited with Escrow Holder.
A. INITIAL DEPOSIT: Deposit shall be in the amount of $10,000.00
(1) Buyer Direct Deposit: Buyer shall deliver deposit directly to Escrow Holder by electronic funds transfer, [ ] cashier's check, [ ] personal check, [ ] other check or electronic funds within 3 business days after Acceptance (or within 7 business days after Acceptance).
(2) [X] Buyer Deposit with Agent: Buyer has given the deposit by personal check (or ) to the agent submitting the offer (or ), made payable to . The deposit shall be held uncashed until Acceptance and then deposited with Escrow Holder within 3 business days after Acceptance (or ).
Deposit checks given to agent shall be an original signed check and not a copy.
(Note: Initial and increased deposits checks received by agent shall be recorded in Broker's trust fund log.)
B. INCREASED DEPOSIT: Buyer shall deposit with Escrow Holder an increased deposit in the amount of $ _______ Days After Acceptance (or N/A)
If the Parties agree to liquidated damages in this Agreement, they also agree to incorporate the increased deposit into the liquidated damages amount in a separate liquidated damages clause (C.A.R. Form R/D) at the time the increased deposit is delivered to Escrow Holder.
C. [ ] ALL CASH OFFER: No loan is needed to purchase the Property. Written verification of sufficient funds to close this transaction IS ATTACHED to this offer or [ ] Buyer shall, within 3 (or _____) Days After Acceptance, Deliver to Seller such verification.

D. LOAN(S):
(1) FIRST LOAN: in the amount of $ _______
This loan will be conventional financing or [ ] FHA, [ ] VA, [ ] Seller financing (C.A.R. Form SFA).
[ ] assumed financing (C.A.R. Form AFA), [ ] subject to financing [ ] Other _______. This loan shall be at a fixed rate not to exceed _______% or, [ ] an adjustable rate loan with initial rate not to exceed _______% and adjusted every _______ years.
Regardless of the type of loan, Buyer shall pay points not to exceed _______% of the loan amount.

(2) [ ] SECOND LOAN in the amount of $ _______
This loan will be conventional financing or [ ] Seller financing (C.A.R. Form SFA), [ ] assumed financing (C.A.R. Form AFA), [ ] subject to financing [ ] Other _______. This loan shall be at a fixed rate not to exceed _______% or, [ ] an adjustable rate loan with initial rate not to exceed _______%.
Regardless of the type of loan, Buyer shall pay points not to exceed _______% of the loan amount.

(3) FHA/VA: For any FHA or VA loan specified in 3D(1), Buyer has _______ Days After Acceptance to Deliver to Seller written notice (C.A.R. Form FVA) of any lender-required repairs or costs that Buyer requests Seller to pay for or otherwise correct. Seller has no obligation to pay or satisfy lender requirements unless agreed in writing. A FHA/VA amendatory clause (C.A.R. Form FVAC) shall be a part of this transaction.

E. ADDITIONAL FINANCING TERMS: Notwithstanding anything to the contrary herein, Buyer is not required to provide a verification of funds, down payment or closing costs.

Buyer's Initials ____________________________  Seller's Initials ____________________________
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VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 1 OF 11)

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Property Address: Vacant property west of 5180 Soquel Drive, Soquel.

Date: March 9, 2015

F. BALANCE OF DOWN PAYMENT OR PURCHASE PRICE in the amount of $430,000.00 to be deposited with Escrow Holder pursuant to Escrow Holder instructions.

G. PURCHASE PRICE (TOTAL): $440,000.00

H. VERIFICATION OF DOWN PAYMENT AND CLOSING COSTS: Buyer (or Buyer's lender or loan broker pursuant to paragraph 3(j)(1)) shall, within 3 (or ___) Days After Acceptance, Deliver to Seller written verification of Buyer's down payment and closing costs. [Verification attached.]

I. APPRAISAL CONTINGENCY AND REMOVAL: This Agreement is (or ___ is NOT) contingent upon a written appraisal of the Property by a licensed or certified appraiser at no less than the purchase price. Buyer shall, as specified in paragraph 19B(3), in writing, remove the appraisal contingency or cancel this Agreement within 17 or (or __) Days After Acceptance.

J. LOAN TERMS:
(1) LOAN APPLICATIONS: Within 3 (or ___) Days After Acceptance, Buyer shall Deliver to Seller a letter from Buyer's lender or loan broker stating that, based on a review of Buyer's written application and credit report, Buyer is prequalified or preapproved for any NEW loan specified in paragraph 3D. If any loan specified in paragraph 3D is an adjustable rate loan, the prequalification or preapproval letter shall be based on the qualifying rate, not the initial loan rate. [Letter attached.]

(2) LOAN CONTINGENCY: Buyer shall act diligently and in good faith to obtain the designated loan(s). Buyer's qualification for the loan(s) specified above is a contingency of this Agreement unless otherwise agreed in writing. If there is no appraisal contingency or the appraisal contingency has been waived or removed, then failure of the Property to appraise at the purchase price does not entitle Buyer to exercise the cancellation right pursuant to the loan contingency if Buyer is otherwise qualified for the specified loan. Buyer's contractual obligations regarding deposit, balance of down payment and closing costs are not contingencies of this Agreement.

K. LOAN CONTINGENCY REMOVAL: Within 21 (or ___) Days After Acceptance, Buyer shall, as specified in paragraph 19, in writing, remove the loan contingency or cancel this Agreement. If there is an appraisal contingency, removal of the loan contingency shall not be deemed removal of the appraisal contingency.

(3) NO LOAN CONTINGENCY: Obtaining any loan specified above is NOT a contingency of this Agreement. If Buyer does not obtain the loan and as a result Buyer does not purchase the Property, Seller may be entitled to Buyer's deposit or other legal remedies.

(5) LENDER LIMITS ON BUYER CREDITS: Any credit to Buyer, from any source, for closing or other costs that is agreed to by the Parties ("Contractual Credit") shall be disclosed to Buyer's lender. If the total credit allowed by Buyer's lender ("Lender Allowable Credit") is less than the Contractual Credit, then (i) the Contractual Credit shall be reduced to the Lender Allowable Credit, and (ii) in the absence of a separate written agreement between the Parties, there shall be no automatic adjustment to the purchase price to make up for the difference between the Contractual Credit and the Lender Allowable Credit.

K. BUYER FINANCED: Seller is relying on Buyer's representation of the type of financing specified (including but not limited to, as applicable, all cash, amount of down payment, or contingent or non-contingent loan). Seller has agreed to a specific closing date, purchase price and to sell to Buyer in reliance on Buyer's covenant concerning financing. Buyer shall pursue the financing specified in this Agreement. Seller has no obligation to cooperate with Buyer's efforts to obtain any financing other than that specified in the Agreement and the availability of any such alternate financing does not excuse Buyer from the obligation to purchase the Property and close escrow as specified in this Agreement.

L. SELLER FINANCING: The following terms (or ___ the terms specified in the attached Seller Financing Addendum) (C.A.R. Form SFA) apply ONLY to financing extended by Seller under this Agreement.

(1) BUYER'S CREDIT-WORTHINESS: Buyer authorizes Seller and/or Brokers to obtain, at Buyer's expense, a copy of Buyer's credit report. Within 7 (or ___) Days After Acceptance, Buyer shall provide any supporting documentation reasonably requested by Seller.

(2) TERMS: Buyer's promissory note, deed of trust and other documents as appropriate shall incorporate and implement the following additional terms: (i) the maximum interest rate specified in paragraph 3D shall be the actual fixed interest rate for Seller financing; (ii) note and deed of trust shall contain a REQUEST FOR NOTICE OF DEFAULT on senior loans; (iii) Buyer shall sign and pay for a REQUEST FOR NOTICE OF DELINQUENCY prior to Close of Escrow and at any future time if requested by Seller; (iv) note and deed of trust shall contain an acceleration clause making the loan due, when permitted by law and at Seller's option, upon the sale or transfer of the Property or any interest in it; (v) note shall contain a late charge of 6% of the installment due or ___ if the installment is not received within 10 days of the date due; (vi) title insurance coverage in the form of a joint protection policy shall be provided insuring Seller's deed of trust interest in the Property (any increased cost over owner's policy shall be paid by Buyer); and (vii) tax service shall be obtained and paid for by Buyer to notify Seller if property taxes have not been paid.

(3) ADDED, DELETED OR SUBSTITUTED BUYERS: The addition, deletion or substitution of any person or entity under this Agreement or to title prior to Close of Escrow shall require Seller's written consent. Seller may grant or withhold consent in Seller's sole discretion. Any additional or substituted person or entity shall, if requested by Seller, submit to Seller the same documentation as required for the original named Buyer. Seller and/or Brokers may obtain a credit report, at Buyer's expense, on any such person or entity.

M. ASSUMED OR "SUBJECT TO" FINANCING: Seller represents that Seller is not delinquent on any payments due on any loans. Buyer shall, within the time specified in paragraph 19, provide copies of all applicable notes and deeds of trust, loan balances and current interest rates to Buyer. Buyer shall then, as specified in paragraph 19B(3), remove this contingency or cancel this Agreement. Differences between estimated and actual loan balances shall be adjusted at Close of Escrow by cash down payment. Impound accounts, if any, shall be assigned and charged to Buyer and credited to Seller. Seller is advised that Buyer's assumption of an existing loan may not release Seller from liability on that loan. If this is an assumption of a VA Loan, the sale is contingent upon Seller being provided a release of liability and substitution of eligibility, unless otherwise agreed in writing. If the Property is acquired subject to an existing loan, Buyer and Seller are advised to consult with legal counsel regarding the ability of an existing lender to call the loan due, and the consequences thereof.

Buyer's Initials ( ) ( )

Seller's Initials ( ) ( )

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VACANT LAND PURCHASE AGREEMENT (VLP A PAGE 2 OF 11)
Property Address: Vacant property west of 5180 Soquel Drive, Soquel, Date: March 9, 2015

4. SALE OF BUYER'S PROPERTY:
   A. This Agreement and Buyer's ability to obtain financing are NOT contingent upon the sale of any property owned by Buyer.
   OR B. ☐ This Agreement and Buyer's ability to obtain financing are contingent upon the sale of any property owned by Buyer as specified in the attached Addendum (C.A.R. Form COP)

5. ☐ MANUFACTURED HOME PURCHASE: The purchase of the Property is contingent upon Buyer acquiring a personal property manufactured home to be placed on the Property after Close Of Escrow. Buyer ☐ has ☐ has not entered into a contract for the purchase of a personal property manufactured home. Within the time specified in paragraph 19, Buyer shall remove this contingency or cancel this Agreement, (OR, ☐ this contingency shall remain in effect until the Close Of Escrow of the Property).

6. ☐ CONSTRUCTION LOAN FINANCING: The purchase of the Property is contingent upon Buyer obtaining a construction loan. A draw from the construction loan ☐ will ☐ will not be used to finance the Property. Within the time specified in paragraph 19, Buyer shall remove this contingency or cancel this Agreement (or ☐ this contingency shall remain in effect until Close Of Escrow of the Property).

7. ADDENDA AND ADVISORIES:
   A. ADDENDA:
      ☐ Back Up Offer Addendum (C.A.R. Form BUO)
      ☐ Court Confirmation Addendum (C.A.R. Form CCA)
      ☐ Septic, Well and Property Monument Addendum (C.A.R. Form SWPA)
      ☐ Short Sale Addendum (C.A.R. Form SSA)
   (C.A.R. Form ADM)
   ☐ Other

   B. BUYER AND SELLER ADVISORIES:
      ☐ Buyer's Inspection Advisory (C.A.R. Form BIA)
      ☐ Probate Advisory (C.A.R. Form PAK)
      ☐ Statewide Buyer and Seller Advisory (C.A.R. Form SBSA)
      ☐ Trust Advisory (C.A.R. Form TA)
      ☐ REO Advisory (C.A.R. Form REO)
   (C.A.R. Form SSIA)
   ☐ Other

8. OTHER TERMS: This purchase is made as a result of Buyer's threat of condemnation.

9. ALLOCATION OF COSTS
   A. INSPECTIONS, REPORTS AND CERTIFICATES: Unless otherwise agreed, in writing, this paragraph only determines who is to pay for the inspection, test, certificate or service ("Report") mentioned; it does not determine who is to pay for any work recommended or identified in the Report.
   (1) ☐ Buyer ☐ Seller shall pay for a natural hazard zone disclosure report, including tax ☐ environmental ☐ Other: prepared by TBD
   (2) ☐ Buyer ☐ Seller shall pay for the following Report prepared by
   (3) ☐ Buyer ☐ Seller shall pay for the following Report prepared by

B. ESCROW AND TITLE:
   (1) ☐ Buyer ☐ Seller shall pay escrow fee
   (b) Escrow Holder shall be Stewart Title of California Inc 809 Bay Ave Ste D, Capitola, CA 95010 (831) 476-5000
   (c) The Parties shall, within 5 (or _____) Days After receipt, sign and return Escrow Holder’s general provisions.
   (2) ☐ Buyer ☐ Seller shall pay for owner's title insurance policy specified in paragraph 18E
   (b) Owner's title policy to be issued by
   (Buyer shall pay for any title insurance policy insuring Buyer's lender, unless otherwise agreed in writing.)

C. OTHER COSTS:
   (1) ☐ Buyer ☐ Seller shall pay County transfer tax or fee
   (2) ☐ Buyer ☐ Seller shall pay City transfer tax or fee
   (3) ☐ Buyer ☐ Seller shall pay Homeowners' Association ("HOA") transfer fee
   (4) ☐ Seller shall pay HOA fees for preparing all documents required to be delivered by Civil Code §4525.
   (5) ☐ Buyer ☐ Seller shall pay HOA fees for preparing all documents other than those required by Civil Code §4525.
   (6) ☐ Buyer ☐ Seller shall pay for any private transfer fee
   (7) ☐ Buyer ☐ Seller shall pay for
   (8) ☐ Buyer ☐ Seller shall pay for

10. CLOSING AND POSSESSION: Possession shall be delivered to Buyer: (i) at 6 PM on (AM/PM) on the date of Close Of Escrow; (ii) ☐ no later than calendar days After Close Of Escrow; or (iii) ☐ at AM/PM on The Property shall be unoccupied, unless otherwise agreed in writing. Seller shall provide keys and/or means to operate all Property locks. If Property is located in a common interest subdivision, Buyer may be required to pay a deposit to the Homeowners Association ("HOA") to obtain keys to accessible HOA facilities.

11. ITEMS INCLUDED IN AND EXCLUDED FROM SALE:
   A. NOTE TO BUYER AND SELLER: Items listed as included or excluded in the MLS, flyers or marketing materials are not included in the purchase price or excluded from the sale unless specified in 11B or C.

Buyer's Initials ( _____ ) ( _____ )

Seller's Initials ( H ) ( _____ )

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VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 3 OF 11)
Produced with xelForm® by xplogue 18670 Fifteen Mile Road, Fraser, Michigan 48026 www.xelForm.comSequel Creek
Property Address: Vacant property west of 5180 Sequel Drive, Sequel,

Date: March 9, 2015

B. ITEMS INCLUDED IN SALE:
   (1) All EXISTING fixtures and fittings that are attached to the Property;
   (2) The following items:
   (3) Seller represents that all items included in the purchase price, unless otherwise specified, are owned by Seller.
   (4) All items included shall be transferred free of liens and without Seller warranty.

C. ITEMS EXCLUDED FROM SALE:

12. STATUTORY DISCLOSURES AND CANCELLATION RIGHTS:
   A. NATURAL AND ENVIRONMENTAL HAZARD DISCLOSURES AND OTHER BOOKLETS: Within the time specified in paragraph 19A, Seller shall, if required by Law: (i) Deliver to Buyer earthquake guide(s) (and questionnaire), environmental hazards booklet; (ii) disclose if the Property is located in a Special Flood Hazard Area; Potential Flooding (Inundation) Area; Very High Fire Hazard Zone; State Fire Responsibility Area; Earthquake Fault Zone; and Seismic Hazard Zone; and (iii) disclose any other zone as required by Law and provide any other information required for those zones.

   B. WITHHOLDING TAXES: Within the time specified in paragraph 19A, to avoid required withholding, Seller shall Deliver to Buyer or qualified substitute, an affidavit sufficient to comply with federal (FIRPTA) and California withholding Law (C.A.R. Form AS or QS).

   C. MEGAN'S LAW DATABASE DISCLOSURE: Notice: Pursuant to Section 290.46 of the Penal Code, information about specified registered sex offenders is made available to the public via an Internet Web site maintained by the Department of Justice at www.meganslaw.ca.gov. Depending on an offender's criminal history, this information will include either the address at which the offender resides or the community of residence and ZIP Code in which he or she resides. (Neither Seller nor Brokers are required to check this website. If Buyer wants further information, Broker recommends that Buyer obtain information from this website during Buyer's inspection contingency period. Brokers do not have expertise in this area.)

   D. NOTICE REGARDING GAS AND HAZARDOUS LIQUID TRANSMISSION PIPELINES: This notice is being provided simply to inform you that information about the general location of gas and hazardous liquid transmission pipelines is available to the public via the National Pipeline Mapping System (NPMS) Internet Web site maintained by the United States Department of Transportation at http://www.npms.phmsa.dot.gov. To seek further information about possible transmission pipelines near the Property, you may contact your local gas utility or other pipeline operators in the area. Contact information for pipeline operators is searchable by ZIP Code and county on the NPMS Internet Web site.

   E. CONDOMINIUM/PLANNED DEVELOPMENT DISCLOSURES:
      (1) Seller has: 7 or ___ Days After Acceptance to disclose to Buyer whether the Property is a condominium, or is located in a planned development or other common interest subdivision (C.A.R. Form SPQ or SSD).
      (2) If the Property is a condominium or is located in a planned development or other common interest subdivision, Seller has 3 or ___ Days After Acceptance to request from the HOA (C.A.R. Form HOA): (i) Copies of any documents required by Law; (ii) disclosure of any pending or anticipated claim or litigation by or against the HOA; (iii) a statement containing the location and number of designated parking and storage spaces; (iv) Copies of the most recent 12 months of HOA minutes for regular and special meetings; and (v) the names and contact information of all HOAs governing the Property (collectively, "CI Disclosures"). Seller shall itemize and Deliver to Buyer all CI Disclosures received from the HOA and CI Disclosures in Seller's possession. Buyer's approval of CI Disclosures is a contingency of this Agreement as specified in paragraph 19B(3). The Party specified in paragraph 9, as directed by escrow, shall deposit funds into escrow or direct to HOA or management company to pay for any of the above.

   13. SELLER DOCUMENTATION AND ADDITIONAL DISCLOSURE:
      A. Within the time specified in paragraph 19, if Seller has actual knowledge, Seller shall provide to Buyer, in writing, the following information:
         (1) LEGAL PROCEEDINGS: Any lawsuits by or against Seller, threatening or affecting the Property, including any lawsuits alleging a defect in or deficiency in the Property or common areas, or any known notices of abatement or citations filed or issued against the Property.
         (2) AGRICULTURAL USE: Whether the Property is subject to restrictions for agricultural use pursuant to the Williamson Act (Government Code §§51200-51295).
         (3) DEED RESTRICTIONS: Any deed restrictions or obligations.
         (4) FARM USE: Whether the Property is in, or adjacent to, an area with Right to Farm rights (Civil Code §3482.5 and §3482.6).
         (5) ENDANGERED SPECIES: Presence of endangered, threatened, 'candidate' species, or wetlands on the Property.
         (6) ENVIRONMENTAL HAZARDS: Any substances, materials, or products that may be an environmental hazard including, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, and contaminated soil or water on the Property.
         (7) COMMON WALLS: Any features of the Property shared in common with adjoining landowners, such as walls, fences, roads, and driveways, and agricultural and domestic wells whose use or responsibility for maintenance may have an effect on the Property.
         (8) LANDlocked: The absence of legal or physical access to the Property.
         (9) EASEMENTS/ENCROACHMENTS: Any encroachments, easements or similar matters that may affect the Property.
         (10) SOIL FILL: Any fill (compacted or otherwise), or abandoned mining operations on the Property.
         (11) SOIL PROBLEMS: Any slippage, sliding, flooding, drainage, grading, or other soil problems.
         (12) EARTQuAKE DAMAGE: Major damage to the Property or any of the structures from fire, earthquake, floods, or landslides.
         (13) ZONING ISSUES: Any zoning violations, non-conforming uses, or violations of "setback" requirements.
         (14) NEIGHBORHOOD PROBLEMS: Any neighborhood noise problems, or other nuisances.

   B. RENTAL AND SERVICE AGREEMENTS:
      Within the time specified in paragraph 19, Seller shall make available to Buyer for inspection, all current leases, rental agreements, service contracts and other related agreements, licenses, and permits pertaining to the operation or use of the Property.

   C. TENANT ESTOPPEL CERTIFICATES:
      Within the time specified in paragraph 19, Seller shall deliver to Buyer tenant estoppel certificates (C.A.R. Form TEC) completed by Seller or Seller's agent, and signed by tenants, acknowledging: (i) that tenants' rental or lease agreements are unmodified and in full force and effect (or if modified, stating all such modifications); (ii) that no lessor defaults exist; and (iii) stating the amount of any prepaid rent or security deposit.

Buyer's initials ( )

Seller's initials ( )

VLPRA REVISED 11/14 (PAGE 4 OF 11)

VACANT LAND PURCHASE AGREEMENT (VLPRA PAGE 4 OF 11)
Property Address: Vacant property west of 5180 Squeal Drive, Squeal.

D. MELLO-ROOS TAX: 1915 BOND ACT: Within the time specified in paragraph 19, Seller shall: (i) make a good faith effort to obtain a notice from any local agencies that levy a special tax or assessment on the Property (or, if allowed, substantially equivalent notice), pursuant to the Mello-Roos Community Facilities Act, and Improvement Bond Act of 1915, and (ii) promptly deliver to Buyer any such notice obtained.

E. Seller shall, within the time specified in paragraph 19, complete and provide Buyer with a Seller Vacant Land Questionnaire (C.A.R. Form VLG).

14. SUBSEQUENT DISCLOSURES: In the event Seller, prior to Close Of Escrow, becomes aware of adverse conditions materially affecting the Property, or any material inaccuracy in disclosures, information or representations previously provided to Buyer of which Buyer is otherwise unaware, Seller shall promptly provide a subsequent or amended disclosure or notice, in writing, covering those items. However, a subsequent or amended disclosure shall not be required for conditions and material inaccuracies disclosed in reports ordered and paid for by Buyer.

15. CHANGES DURING ESCROW:
A. Prior to Close Of Escrow, Seller may engage in the following acts, ("Proposed Changes"), subject to Buyer's rights in paragraph 19: (i) rent or lease any part of the premises; (ii) alter, modify or extend any existing rental or lease agreement; (iii) enter into, alter, modify or extend any service contracts; or (iv) change the status of the condition of the Property.

B. At least 7 (or [__]) Days prior to any Proposed Changes, Seller shall give written notice to Buyer of such Proposed Changes.

16. CONDITION OF PROPERTY: Unless otherwise agreed in writing: (i) the Property is sold "AS-IS" in its present physical condition as of the date of Acceptance and (b) subject to Buyer's investigation rights; (ii) the Property, including pool, spa, landscaping and grounds, is to be maintained in substantially the same condition as on the date of Acceptance; and (iii) all defects and personal property not included in the sale shall be removed by Close Of Escrow.

A. Seller shall, within the time specified in paragraph 19A, DISCLOSE KNOWN MATERIAL FACTS AND DEFECTS affecting the Property, including known insurance claims within the past five years, and make any and all other disclosures required by law.

B. Buyer has the right to conduct Buyer Investigations of the property and, as specified in paragraph 19B, based upon information discovered in those investigations: (i) cancel this Agreement; or (ii) request that Seller make Repairs or take other action.

C. Buyer is strongly advised to conduct investigations of the entire Property in order to determine its present condition. Buyer may not be aware of all defects affecting the Property or other factors that Buyer considers important. Property improvements may not be built according to code, in compliance with current Law, or have had permits issued.

17. BUYER'S INVESTIGATION OF PROPERTY AND MATTERS AFFECTING PROPERTY:
A. Buyer's acceptance of the condition of, and any other matter affecting the Property, is a contingency of this Agreement as specified in this paragraph and paragraph 19B. Within the time specified in paragraph 19B(1), Buyer shall have the right, at Buyer's expense unless otherwise agreed, to conduct inspections, investigations, tests, surveys and other studies ("Buyer Investigations"), including, but not limited to, the right to: (i) inspect for lead-based paint and other lead-based paint hazards; (ii) inspect for wood destroying pests and organisms; (iii) review the registered sex offender database; (iv) confirm the insurability of Buyer and the Property; and (v) satisfy Buyer as to any matter specified in the attached Buyer's Inspection Advisory (C.A.R. Form BIA). Without Seller's prior written consent, Buyer shall neither make nor cause to be made: (i) invasive or destructive Buyer Investigations; or (ii) inspections by any governmental building or zoning inspector or government employee, unless required by Law.

B. Seller shall make the Property available for all Buyer Investigations. Buyer shall: (i) as specified in paragraph 19B, complete Buyer Investigations and, either remove the contingency or cancel this Agreement, and (ii) give Seller, at no cost, complete copies of all investigation reports obtained by Buyer, which obligation shall survive the termination of this Agreement.

C. Buyer indemnity and Seller protection for entry upon property: Buyer shall: (i) keep the Property free and clear of liens; (ii) repair all damage arising from Buyer Investigations and, and (iii) indemnify and hold Seller harmless from all resulting liability, claims, demands, damages and costs of Buyer's Investigations. Buyer shall carry, or Buyer shall require anyone acting on Buyer's behalf to carry, policies of liability, workers' compensation and other applicable insurance, defending and protecting Seller from liability for any injuries to persons or property occurring during any Buyer Investigations or work done on the Property at Buyer's direction prior to Close Of Escrow. Seller is advised that certain protections may be afforded Seller by recording a "Notice of Non-responsibility" (C.A.R. Form NN) for Buyer Investigations and work done on the Property at Buyer's direction. Buyer's obligations under this paragraph shall survive the termination or cancellation of this Agreement and Close Of Escrow.

D. BUYER IS STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY AND ALL MATTERS AFFECTING THE VALUE OR DESIRABILITY OF THE PROPERTY, INCLUDING BUT NOT LIMITED TO, THE ITEMS SPECIFIED BELOW. IF BUYER DOES NOT EXERCISE THESE RIGHTS, BUYER IS ACTING AGAINST THE ADVICE OF BROKERS. BUYER UNDERSTANDS THAT ALTHOUGH CONDITIONS ARE OFTEN DIFFICULT TO LOCATE AND DISCOVER, ALL REAL PROPERTY CONTAINS CONDITIONS THAT ARE NOT REASONABLY APPARENT AND THAT MAY AFFECT THE VALUE OR DESIRABILITY OF THE PROPERTY. BUYER AND SELLER ARE AWARE THAT BROKERS DO NOT GUARANTEE, AND IN NO WAY ASSUME RESPONSIBILITY FOR, THE CONDITION OF THE PROPERTY. BROKERS HAVE NOT AND WILL NOT VERIFY ANY OF THE ITEMS IN THIS PARAGRAPH UNLESS OTHERWISE AGREED IN WRITING.

E. SIZE, LINES, ACCESS AND BOUNDARIES: Lot size, property lines, legal or physical access and boundaries including features of the Property shared in common with adjoining landowners, such as walls, fences, roads and driveways, whose use or responsibility for maintenance may have an effect on the Property and any encroachments, easements or similar matters that may affect the Property. (Fences, hedges, walls and other natural or constructed barriers or markers do not necessarily identify true Property boundaries. Property lines may be verified by survey.) (Unless otherwise specified in writing, any numerical statements by Brokers regarding lot size are APPROXIMATIONS ONLY, which have not been and will not be verified, and should not be relied upon by Buyer.)

F. ZONING AND LAND USE: Past, present, or proposed laws, ordinances, referendums, initiatives, votes, applications and permits affecting the current use of the Property, future development, zoning, building, size, governmental permits and inspections. Any zoning violations, non-conforming uses, or violations of "setback" requirements. (Buyer should also investigate whether these matters affect Buyer's intended use of the Property.)
VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 6 OF 11)

Produced with zpf0rm® by zolox® 15070 Fifteen Mile Road, Fraser, Michigan 48026  www.zolox.com

Property Address: Vacant property west of 5180 Sequo Drive, Sequoia,  

G. UTILITIES AND SERVICES: Availability, costs, restrictions and location of utilities and services, including but not limited to, sewage, sanitation, septic and leach lines, water, electricity, gas, telephone, cable, TV and drainage.

H. ENVIRONMENTAL HAZARDS: Potential environmental hazards, including, but not limited to, asbestos, lead-based paint and other lead contamination, radon, methane, other gases, fuel, oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, and other substances, including mold (airborne, toxic or otherwise), fungus or similar contaminant, materials, products or conditions.

I. GEOLOGIC CONDITIONS: Geologic/geomorphic conditions, soil and terrain stability, suitability and drainage including any slippage, sliding, floating, drainage, grading, fill (compacted or otherwise), or other soil problems.

J. NATURAL HAZARD ZONE: Special Flood Hazard Areas, Potential Flooding (Inundation) Areas, Very High Flood Hazard Zones, State Fire Responsibility Areas, Earthquake Fault Zones, Seismic Hazard Zones, or any other zone for which disclosure is required by Law.

K. PROPERTY DAMAGE: Major damage to the Property or any of the structures or non-structural systems and components and any personal property included in the sale from fire, earthquake, floods, landslides or other causes.

L. NEIGHBORHOOD, AREA AND PROPERTY CONDITIONS: Neighborhood or area conditions, including Agricultural Use Restrictions pursuant to the Williamson Act (Government Code §§51200-51295), Right To Farm Laws (Civil Code §§3482.5 and §3482.6), schools, proximity and adequacy of law enforcement, crime statistics, the proximity of registered felons or offenders, fire protection, other government services, availability, adequacy and cost of any speed, wireless internet connections or other telecommunications or other technology services and installations, proximity to commercial, industrial or agricultural activities, existing and proposed transportation, construction and development that may affect noise, view, or traffic, airport noise, noise or odor from any source, abandoned mining operations on the Property, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally protected sites or improvements, cemeteries, facilities and condition of common areas of common interest subdivisions, and possible lack of compliance with any governing documents or Homeowners’ Association requirements, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

M. COMMON INTEREST SUBDIVISIONS: OWNER ASSOCIATIONS: Facilities and condition of common areas (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others), Owners’ Association that has any authority over the subject property, CC&Rs, or other deed restrictions or obligations, and possible lack of compliance with any Owners’ Association requirements.

N. SPECIAL TAX: Any local agencies that levy a special tax on the Property pursuant to the Mello-Roos Community Facilities Act or Improvement Bond Act of 1915.

O. RENTAL PROPERTY RESTRICTIONS: Some cities and counties impose restrictions that limit the amount of rent that can be charged, the maximum number of occupants and the right of a landlord to terminate a tenancy.

P. MANUFACTURED HOME PLACEMENT: Conditions that may affect the ability to place and use a manufactured home on the Property.

18. TITLE AND VESTING:
A. Within the time specified in paragraph 19, Buyer shall be provided a current preliminary title report ("Preliminary Report"). The Preliminary Report is only an offer by the title insurer to issue a policy of title insurance and may not contain every item affecting title. Buyer’s review of the Preliminary Report and any other matters which may affect title are a contingency of this Agreement as specified in paragraph 19B. The company providing the Preliminary Report shall, prior to issuing a Preliminary Report, conduct a search of the General Index for all Sellers except banks or other institutional lenders selling properties they acquired through foreclosure (REOs), corporations, and government entities. Seller shall within 7 Days After Acceptance, give Escrow Holder a completed Statement of Information.

B. Title is taken in its present condition subject to all encumbrances, easements, covenants, conditions, restrictions, rights and other matters, whether of record or not, as of the date of Acceptance except for: (i) monetary liens of record (which Seller is obligated to pay off) unless Buyer is assuming those obligations or taking the Property subject to those obligations; and (ii) those matters which Seller has agreed to remove in writing.

C. Within the time specified in paragraph 19A, Seller has a duty to disclose to Buyer all matters known to Seller affecting title, whether of record or not.

D. At Close Of Escrow, Seller shall receive a grant deed conveying title (or, for stock cooperative or long-term lease, an assignment of stock certificate or of Seller’s leasehold interest), including oil, mineral and water rights if currently owned by Seller. Title shall vest as designated in Buyer’s supplemental escrow instructions. THE MANNER OF TAKING TITLE MAY HAVE SIGNIFICANT LEGAL AND TAX CONSEQUENCES. CONSULT AN APPROPRIATE PROFESSIONAL.

E. Buyer shall receive a "CLAIRVALTA Homeowner’s Policy of Title Insurance", if applicable to the type of property and buyer. A title company, at Buyer’s request, can provide information about the availability, desirability, coverage, and cost of various title insurance coverages and endorsements. If Buyer desires title coverage other than that required by this paragraph, Buyer shall instruct Escrow Holder in writing and shall pay any increase in cost.

19. TIME PERIODS; REMOVAL OF CONTINGENCIES; CANCELLATION RIGHTS: The following time periods may only be extended, altered, modified or changed by mutual written agreement. Any removal of contingencies or cancellation under this paragraph by either Buyer or Seller must be exercised in good faith and in writing (C.A.R. Form CR or CC).

A. SELLER HAS: 7 (or ___) Days After Acceptance to Deliver to Buyer all reports, disclosures and information for which Seller is responsible under paragraphs 3M, 7A, 8, 9, 12A, B, and E, 13, 16A and 16B. Buyer after first Delivering to Seller a Notice to Seller to Perform (C.A.R. Form NSP) may cancel this Agreement if Seller has not delivered the items within the time specified.

B. (1) BUYER HAS: 17 (or ___) Days After Acceptance, unless otherwise agreed in writing, to:
   (i) complete all Buyer Investigations; review all disclosures, reports, and other applicable information, which Buyer receives from Seller; and approve all matters affecting the Property; and (ii) Deliver to Seller Signed Copies of Statutory Disclosures and other disclosures Delivered by Seller in accordance with paragraphs 12A.

(2) ATTACHMENT 1A has been specified in paragraph 19B(1). Buyer may request that Seller make repairs or take any other action regarding the Property (C.A.R. Form RR). Seller has no obligation to agree to or respond to (C.A.R. Form RRRR) Buyer’s requests.

Buyer’s Initials ___________  Seller’s Initials ___________  

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(3) By the end of the time specified in paragraph 19B(1) (or as otherwise specified in this Agreement), Buyer shall Deliver to Seller a removal of the applicable contingency or cancellation (C.A.R. Form CR or CC) of this Agreement. However, if any report, disclosure or information for which Seller is responsible is not delivered within the time specified in paragraph 19A, then Buyer has 5 (or ___) Days after Delivery of any such items, or the time specified in paragraph 19B(1), whichever is later, to Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement.

(4) Continuation of Contingency: Even after the end of the time specified in paragraph 19B(1) and before Seller cancels, if at all, pursuant to paragraph 19C, Buyer retains the right, in writing, to either (i) remove remaining contingencies, or (ii) cancel this Agreement based on a remaining contingency. Once Buyer's written removal of all contingencies is Delivered to Seller, Seller may not cancel this Agreement pursuant to paragraph 19C(1).

C. SELLER RIGHT TO CANCEL:

(1) Seller right to Cancel; Buyer Contingencies: If, by the time specified in this Agreement, Buyer does not Deliver to Seller a removal of the applicable contingency or cancellation of this Agreement, then Seller, after first Delivering to Buyer a Notice to Buyer to Perform (C.A.R. Form NBP), may cancel this Agreement. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

(2) Seller right to Cancel; Buyer Contract Obligations: Seller, after first delivering to Buyer a NBP, may cancel this Agreement if, by the time specified in this Agreement, Buyer does not take the following actions: (i) deposit funds as required by paragraph 3A or 3B or if the funds deposited pursuant to paragraph 3A or 3B are not good when deposited; (ii) Deliver a notice of FHA or VA costs or items as required by paragraph 3D(2) (C.A.R. Form FVA); (iii) Deliver a letter as required by paragraph 3J(1); (iv) Deliver verification as required by paragraph 3C or 3H or if Seller reasonably disapproves of the verification provided by paragraphs 3C, 3H; (v) Deliver Statutory Disclosures as required by paragraph 12A; or (vi) Sign or initial a separate liquidated damages form for an increased deposit as required by paragraphs 26B and 27B; or (vii) Provide evidence of authority to sign in a representative capacity as specified in paragraph 19. In such event, Seller shall authorize the return of Buyer's deposit, except for fees incurred by Buyer.

D. NOTICE TO BUYER OR SELLER TO PERFORM: The NBP or NBP shall: (i) be in writing; (ii) be signed by the applicable Buyer or Seller; and (iii) give the other Party at least 2 or ___ Days After Delivery (or until the time specified in the applicable paragraph, whichever occurs last) to take the applicable action. A NBP or NSP may not be Delivered any earlier than 2 Days Prior to the expiration of the applicable time for the other Party to remove a contingency or cancel this Agreement or meet an obligation specified in paragraph 19.

E. EFFECT OF BUYER'S REMOVAL OF CONTINGENCIES: If Buyer removes, in writing, any contingency or cancellation rights, unless otherwise specified in writing, Buyer shall conclusively be deemed to have: (i) completed all Buyer Investigations, and review of reports and other applicable information and disclosures pertaining to that contingency or cancellation right; (ii) elected to proceed with the transaction; and (iii) assumed all liability, responsibility and expense for Repairs or corrections pertaining to that contingency or cancellation right, or for the inability to obtain financing.

F. CLOSE OF ESCROW: Before Buyer or Seller may cancel this Agreement for failure of the other Party to close escrow pursuant to this Agreement, Buyer or Seller must first Deliver to the other Party a demand to close escrow (C.A.R. Form DCE). The DCE shall: (i) be signed by the applicable Buyer or Seller; and (ii) give the other Party at least 3 (or ___) Days After Delivery to close escrow. A DCE may not be Delivered any earlier than 3 Days Prior to the scheduled close of escrow.

G. EFFECT OF CANCELLATION ON DEPOSITS: If Buyer or Seller gives written notice of cancellation pursuant to rights duly exercised under the terms of this Agreement, the Parties agree to Sign mutual instructions to cancel the sale and escrow and release deposits, if any, to the party entitled to the funds, less fees and costs incurred by that party. Fees and costs may be payable to service providers and vendors for services and products provided during escrow. Except as specified below, release of funds will require mutual signed release instructions from the Parties, judicial decision or arbitration award. If either Party fails to execute mutual instructions to cancel, one Party may make a written demand to Escrow Holder for the deposit (C.A.R. Form BDRO or SDRO), Escrow Holder, upon receipt, shall promptly deliver notice of the demand to the other Party. If, within 10 Days After Escrow Holder's notice, the other Party does not object to the deposit, except for fees incurred by Buyer, Buyer's initials ( )

VLPAD REVISED 11/14 (PAGE 7 OF 11)

VACANT LAND PURCHASE AGREEMENT (VLPAD PAGE 7 OF 11)

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Soquel Creek
23. PRORATIONS OF PROPERTY TAXES AND OTHER TAXES: Unless otherwise agreed in writing, the following items shall be PAID CURRENT and prorated between Buyer and Seller as of Close of Escrow: real property taxes and assessments, HOA assessments, rents, HOA regular, special, and emergency dues and assessments imposed prior to Close of Escrow, premiums on insurance assumed by Buyer, payments on bonds and assessments assumed by Buyer, and payments on Mello-Ros and other Special Assessment District bonds and assessments that are now a lien. The following items shall be assumed by Buyer WITHOUT CREDIT toward the purchase price: prorated payments on Mello-Ros and other Special Assessment District bonds and assessments and HOA special assessments that are now a lien but not yet due. Property will be reassessed upon change of ownership. Any supplemental tax bills shall be paid as follows: (i) for periods after Close of Escrow, by Buyer; and (ii) for periods prior to Close of Escrow, by Seller (see C.A.R. Form SPT or SBSA for further information). TAX BILLS ISSUED AFTER CLOSE OF ESCROW SHALL BE HANDLED DIRECTLY BETWEEN BUYER AND SELLER. Prorations shall be made based on a 30-day month.

24. BROKERS:
A. COMPENSATION: Seller or Buyer, or both, as applicable, agrees to pay compensation to Broker as specified in a separate written agreement between Broker and that Seller or Buyer. Compensation is payable upon Close of Escrow, or if escrow does not close, otherwise specified in the agreement between Broker and that Seller or Buyer.
B. SCOPE OF DUTY: Buyer and Seller acknowledge and agree that Broker: (i) Does not decide what price Buyer should pay or Seller should accept; (ii) Does not guarantee the condition of the Property; (iii) Does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) Does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) Shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) Shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) Shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) Shall not be responsible for determining square footage, representation of others or information contained in Investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) Shall not be responsible for determining the fair market value of the Property or any personal property included in the sale; (x) Shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (xi) Shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

25. REPRESENTATIVE CAPACITY: If one or more Parties is signing the Agreement in a representative capacity and not for him/herself as an individual then that Party shall so indicate in paragraph 37 or 38 and attach a Representative Capacity Signature Addendum (C.A.R. Form RCSD). Wherever the signature or initials of the representative identified in the RCSO appear on the Agreement or any related documents, it shall be deemed to be in a representative capacity for the entity described and not in an individual capacity, unless otherwise indicated. The Party acting in a representative capacity (i) represents that the entity for which that party is acting already exists and (ii) shall Deliver to the other Party and Escrow Holder, within 3 Days After Acceptance, evidence of authority to act in that capacity (such as but not limited to: applicable trust document, or portion thereof, letters testamentary, court order, power of attorney, resolution, or formation documents of the business entity).

26. JOINT ESCROW INSTRUCTIONS TO ESCROW HOLDER:
A. The following paragraphs, or applicable portions thereof, of this Agreement constitute the joint escrow instructions of Buyer and Seller to Escrow Holder, which Escrow Holder is to use along with any related counter offers and addenda, and any additional mutual instructions to close the escrow: paragraphs 1, 3, 4B, 5, 6, 7A, 8, 9, 12B, 13B, 16, 19D, 23, 24A, 25, 26, 32, 35, 36, 37, 38 and paragraph D of the section titled Real Estate Brokers on page 11. If a Copy of the separate compensation agreement(s) provided for in paragraph 24A, or paragraph D of the section titled Real Estate Brokers on page 10 is deposited with Escrow Holder by Broker, Escrow Holder shall accept such agreement(s) and pay cut from Buyers or Seller's funds, or both, as applicable, the Broker's compensation provided for in such agreement(s). The terms and conditions of this Agreement not set forth in the specified paragraphs are additional matters for the information of Escrow Holder, but about which Escrow Holder need not be concerned. Buyer and Seller will receive Escrow Holder's general provisions, if any, directly from Escrow Holder and will execute such provisions within the time specified in paragraph 9B(1)(c). To the extent the general provisions are inconsistent or conflict with this Agreement, the general provisions will control as to the duties and obligations of Escrow Holder only. Buyer and Seller will execute additional instructions, documents and forms provided by Escrow Holder that are reasonably necessary to close the escrow and, as directed by Escrow Holder, within 3 or (or _ ) Days, shall pay to Escrow Holder or HOA or HOA management company or others any fee required by paragraphs 9, 12 or elsewhere in this Agreement.
B. A Copy of this Agreement including any counter offer(s) and addenda shall be delivered to Escrow Holder within 3 Days After Acceptance (or _ business days after Acceptance ). Buyer and Seller authorize Escrow Holder to accept and rely on Copies and Signatures as defined in this Agreement, to open escrow and for other purposes of escrow. The validity of this Agreement as between Buyer and Seller is not affected by whether or when Escrow Holder Signs this Agreement. Escrow Holder shall provide Seller's Statement of Information to Title company when received from Seller. If Seller delivers an affidavit to Escrow Holder to satisfy Seller's FIRPTA obligation under paragraph 12B, Escrow Holder shall deliver to Buyer a Qualified Substitute statement that complies with federal Law.
C. Brokers are a party to the escrow for the sole purpose of compensation pursuant to paragraph 24A and paragraph D of the section titled Real Estate Brokers on page 11. Buyer and Seller irrevocably assign to Brokers compensation specified in paragraph 24A, and irrevocably instruct Escrow Holder to disburse those funds to Brokers at Close of Escrow or pursuant to any other mutually executed cancellation agreement. Compensation instructions can be amended or revoked only with the written consent of Brokers. Buyer and Seller shall release and hold harmless Escrow Holder from any liability resulting from Escrow Holder's payment to Broker(s) of compensation pursuant to this Agreement.
D. Upon receipt, Escrow Holder shall provide Seller and Seller's Broker verification of Buyer's deposit of funds pursuant to paragraph 3A and 3B. Once Escrow Holder becomes aware of any of the following, Escrow Holder shall immediately notify all Brokers: (i) If Buyer's initial or any additional deposit is not made pursuant to this Agreement, or is not good at time of deposit with Escrow Holder; or (ii) if Buyer and Seller instruct Escrow Holder to cancel escrow.
ATTACHMENT 3 - ITEM 7.6

Property Address: Vacant property west of 5180 Soquel Drive, Soquel.

Date: March 9, 2015

E. A Copy of any amendment that affects any paragraph of this Agreement for which Escrow Holder is responsible shall be delivered to Escrow Holder within 3 Days after mutual execution of the amendment.

27. REMEDIES FOR BUYER'S BREACH OF CONTRACT:

A. Any clause added by the Parties specifying a remedy (such as release or forfeiture of deposit or making a deposit non-refundable) for failure of Buyer to complete the purchase in violation of this Agreement shall be deemed invalid unless the clause independently satisfies the statutory liquidated damages requirements set forth in the Civil Code.

B. LIQUIDATED DAMAGES: If Buyer fails to complete this purchase because of Buyer's default, Seller shall retain, as liquidated damages, the deposit actually paid. Buyer and Seller agree that this amount is a reasonable sum given that it is impractical or extremely difficult to establish the amount of damages that would actually be suffered by Seller in the event Buyer were to breach this Agreement. Release of funds will require mutual, signed release instructions from both Buyer and Seller, judicial decision or arbitration award. AT TIME OF ANY INCREASED DEPOSIT BUYER AND SELLER SHALL SIGN A SEPARATE LIQUIDATED DAMAGES PROVISION INCORPORATING THE INCREASED DEPOSIT AS LIQUIDATED DAMAGES (C.A.R.FORM RID).

Buyer's Initials ____________ / ____________________________
Seller's Initials ____________ / ____________________________

28. DISPUTE RESOLUTION:

A. MEDIATION: The Parties agree to mediate any dispute or claim arising between them out of this Agreement, or any resulting transaction, before resorting to arbitration or court action through the C.A.R. Consumer Mediation Center (www.consumermediation.org) or through any other mediation provider or service mutually agreed to by the Parties. The Parties also agree to mediate any disputes or claims with Broker(s), who, in writing, agree to such mediation prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. Mediation fees, if any, shall be divided equally among the Parties involved. If, in any dispute or claim to which this paragraph applies, any Party (i) commences an action without first attempting to resolve the matter through mediation, or (ii) before commencement of an action, refuses to mediate after a request has been made, then that Party shall not be entitled to recover attorney fees, even if they would otherwise be available to that Party in any such action. THIS MEDIATION PROVISION APPLIES WHETHER OR NOT THE ARBITRATION PROVISION IS INITIATED. Exclusions from this mediation agreement are specified in paragraph 28C.

B. ARBITRATION OF DISPUTES: The Parties agree that any dispute or claim in Law or equity arising between them out of this Agreement or any resulting transaction, which is not settled through mediation, shall be decided by neutral, binding arbitration. The Parties also agree to arbitrate any disputes or claims with Broker(s), who, in writing, agree to such arbitration prior to, or within a reasonable time after, the dispute or claim is presented to the Broker. The arbitrator shall be a retired judge or justice, or an attorney with at least 5 years of residential real estate Law experience, unless the parties mutually agree to a different arbitrator. The Parties shall have the right to discovery in accordance with Code of Civil Procedure §1283.05. In all other respects, the arbitration shall be conducted in accordance with Title 9 of Part 3 of the Code of Civil Procedure. Judgment upon the award of the arbitrator(s) may be entered into any court having jurisdiction. Enforcement of this agreement to arbitrate shall be governed by the Federal Arbitration Act. Exclusions from this arbitration agreement are specified in paragraph 28C.

"NOTICE: BY INITIATING IN THE SPACE BELOW YOU ARE AGREING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIATING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPelled TO ARBITRATE UNDER THE AUTHORITY OF THE CALIFORNIA CODE OF CIVIL PROCEDURE. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY."

"WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

Buyer's Initials ____________ / ____________________________
Seller's Initials ____________ / ____________________________

C. ADDITIONAL MEDIATION AND ARBITRATION TERMS:

(1) EXCLUSIONS: The following matters are excluded from mediation and arbitration: (i) a judicial or non-judicial foreclosure or other action or proceeding to enforce a deed of trust, mortgage or installment land sale contract as defined in Civil Code §2985; (ii) an unlawful detainer action; and (iii) any matter that is within the jurisdiction of a probate, small claims or bankruptcy court.

(2) PRESERVATION OF ACTIONS: The following shall not constitute a waiver or violation of the mediation and arbitration provisions: (i) The filing of a court action to enable the recording of a notice of pending action, for order of attachment, receivership, injunction, or other provisional remedies; or (ii) the filing of a mechanic's lien.

(3) BROKERS: Brokers shall not be obligated nor compelled to mediate or arbitrate unless they agree to do so in writing. Any Broker(s) participating in mediation or arbitration shall not be deemed a party to the Agreement.

29. SELECTION OF SERVICE PROVIDERS: Brokers do not guarantee the performance of any vendors, service or product providers ("Providers"), whether referred by Broker or selected by Buyer, Seller or other person. Buyer and Seller may select ANY Providers of their own choosing.

Buyer's Initials (___________) / ____________________________
Seller's Initials (___________) / ____________________________

VLPA REVISED 11/14 (PAGE 9 OF 11)

VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 9 OF 11)

Produced with ziptForm® by Zip.legal 18370 Fifteen Mile Road, Fraser, Michigan 48026 www.zip.legal.com

Nasqul Creek
Property Address: Vacant property west of 5180 Sequel Drive, Sequel.

Date: March 9, 2015

30. MULTIPLE LISTING SERVICE ("MLS"): Brokers are authorized to report to the MLS a pending sale and, upon Close Of Escrow, the sales price and other terms of this transaction shall be provided to the MLS to be published and disseminated to persons and entities authorized to use the information on terms approved by the MLS.

31. ATTORNEY FEES: In any action, proceeding, or arbitration between Buyer and Seller arising out of this Agreement, the prevailing Buyer or Seller shall be entitled to reasonable attorneys fees and costs from the non-prevailing Buyer or Seller, except as provided in paragraph 2A.

32. ASSIGNMENT: Buyer shall not assign all or any part of Buyer’s interest in this Agreement without first having obtained the written consent of Seller. Such consent shall not be unreasonably withheld unless otherwise agreed in writing. Any total or partial assignment shall not relieve Buyer of Buyer’s obligations pursuant to this Agreement unless otherwise agreed in writing by Seller (C.A.R. Form QAQAA).

33. EQUAL HOUSING OPPORTUNITY: The Property is sold in compliance with federal, state and local anti-discrimination Laws.

34. TERMS AND CONDITIONS OF OFFER: This is an offer to purchase the Property on the above terms and conditions. The liquidated damages paragraph or the arbitration of disputes paragraph is incorporated in this Agreement if initialed by all Parties or if incorporated by mutual agreement in a counteroffer or addendum. If at least one but not all Parties initial, a counter offer is incorporated into this Agreement after acceptance is given. Seller has the right to continue to offer the Property for sale and to accept any other offer at any time prior to notification of Acceptance. Buyer has read and acknowledges receipt of a Copy of the offer and agrees to the confirmation of agency relationships. This offer is accepted and Buyer subsequently defaults. Buyer may be responsible for payment of Broker’s compensation. This Agreement and any supplement, addendum or modification, including any Copy, may be signed in two or more counterparts, each of which shall constitute one and the same writing.

35. TIME OF ESSENCE; ENTIRE CONTRACT; CHANGES: Time is of the essence. All understandings between the Parties are incorporated in this Agreement. Its terms are binding on the Parties as a final, complete and exclusive expression of their agreement. The terms and conditions of this Agreement shall govern in the event of any conflict between this Agreement and any other written or oral agreement. If any provision of this Agreement is held to be invalid, unenforceable or inapplicable, the remaining provisions shall nevertheless be given full force and effect. Except as otherwise specified, this Agreement shall be interpreted and disputes shall be resolved in accordance with the Laws of the State of California. Neither this Agreement nor any provision in it may be extended, amended, modified, altered or changed, except in writing signed by Buyer and Seller.

36. DEFINITIONS: As used in this Agreement:
   A. “Acceptance” means the time the offer or final counter offer is accepted in writing by a Party and is delivered to and personally received by the other Party or that Party’s authorized agent in accordance with the terms of this offer or a final counter offer.
   B. “Agreement” means this document and any incorporated addenda, counter offers and written terms signed by all Parties collectively forming the binding agreement between the Parties. All terms and conditions of any addenda checked and signed are incorporated into this Agreement.
   C. “C.A.R. Form” means the most current version of the specific form referenced or another comparable form agreed to by the parties.
   D. “Close Of Escrow” means the date the grant deed, or other evidence of transfer of title, is recorded.
   E. “Copy” means copy by any means including photocopy, NCR, facsimile and electronic.
   F. “Days” means calendar days. However, after Acceptance, the last Day for performance of any act required by this Agreement (including Close Of Escrow) shall not include any Saturday, Sunday, or legal holiday and shall instead be the next Day.
   G. “Days After” means the specified number of calendar days after the occurrence of the event specified, not counting the calendar date on which the specified event occurs, and ending at 11:59 PM on the final day.
   H. “Days Prior” means the specified number of calendar days before the occurrence of the event specified, not counting the calendar date on which the specified event is scheduled to occur.
   I. “Delivered”, “Delivering” or “Delivery”, unless otherwise specified in writing, means and shall be effective upon personal receipt by Buyer or Seller or the individual Real Estate Licensee for that principal as specified in the section titled Real Estate Brokers on page 11, regardless of the method used (i.e., messenger, mail, email, fax, other).
   J. “Electronic Copy” or “Electronic Signature” means, as applicable, an electronic copy or signature complying with California Law. Buyer and Seller agree that electronic means will not be used by either Party to modify or alter the content or integrity of this Agreement without the knowledge and consent of the other Party.
   K. “Law” means any law, code, statute, ordinance, regulation, rule or order, which is adopted by a controlling city, county, state or federal legislative, judicial or executive body or agency.
   L. “Repairs” means any repairs (including pest control), alterations, replacements, modifications or retrofitting of the Property provided for under this Agreement.
   M. “Signed” means either a handwritten or electronic signature on an original document, Copy or any counterpart.

37. EXPIRATION OF OFFER: This offer shall be deemed revoked and the deposit, if any, shall be returned to Buyer unless the offer is signed by Seller and a Copy of the Signed offer is personally received by Buyer, or by March 15, 2015 who is authorized to receive it, by 5:00 PM on the third Day after this offer is signed by Buyer (or by _____ AM/ PM, on _____ date).

X One or more Buyers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD) for additional terms.

Date ________ BUYER

(Print name) Sequel Creek Water District, a County Water District

Date ________ BUYER

(Print name) Sequel Creek Water District, a County Water District

Additional Signature Addendum attached (C.A.R. Form ASA).

Buyer’s Initials ( ) ( ) Seller’s Initials ( ) ( )

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VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 10 OF 11)

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Soquel Creek
ATTACHMENT 3 - ITEM 7.6

Property Address: Vacant property west of 5180 Sequel Drive, Sequel

Date: March 9, 2015

38. ACCEPTANCE OF OFFER: Seller warrants that Seller is the owner of the Property, or has the authority to execute this Agreement. Seller accepts the above offer and agrees to sell the Property on the above terms and conditions, and agrees to the above confirmation of agency relationships. Seller has read and acknowledges receipt of a Copy of this Agreement, and authorizes Broker to Deliver a Signed Copy to Buyer.

☐ (if checked) SELLER'S ACCEPTANCE IS SUBJECT TO ATTACHED COUNTER OFFER (C.A.R. Form CO or SMCO) DATED:

☐ One or more Sellers is signing the Agreement in a representative capacity and not for him/herself as an individual. See attached Representative Capacity Signature Disclosure (C.A.R. Form RCSD) for additional terms.

Date

(Seller)

(Print name) Hamid Ezatyar, Trustee of the Buyer Trust dated May 30, 2009

Date

(Seller)

(Print name)

☐ Additional Signature Addendum attached (C.A.R. Form ASA).

☐ (Do not initial if making a counter offer.) CONFIRMATION OF ACCEPTANCE: A Copy of Signed Acceptance was personally received by Buyer or Buyer's authorized agent on (date)

☐ AM / ☐ PM. A binding Agreement is created when a Copy of Signed Acceptance is personally received by Buyer or Buyer's authorized agent whether or not confirmed in this document. Completion of this confirmation is not legally required in order to create a binding Agreement; it is solely intended to evidence the date that Confirmation of Acceptance has occurred.

REAL ESTATE BROKERS:

A. Real Estate Brokers are not parties to the Agreement between Buyer and Seller.

B. Agency relationships are confirmed as stated in paragraph 2.

C. If specified in paragraph 3A(2), Agent who submitted the offer for Buyer acknowledges receipt of deposit.

D. COOPERATING BROKER COMPENSATION: Listing Broker agrees to pay Cooperating Broker (Selling Firm) and Cooperating Broker agrees to accept, out of Listing Broker's proceeds in escrow, the amount specified in the MLS, provided Cooperating Broker is a Participant of the MLS in which the Property is offered for sale or a reciprocal MLS. If Listing Broker and Cooperating Broker are not both Participants of the MLS, or a reciprocal MLS, in which the Property is offered for sale, then compensation must be specified in a separate written agreement (C.A.R. Form CBC). Declaration of License and Tax (C.A.R. Form DLT) may be used to document that tax reporting will be required or that an exemption exists.

Real Estate Broker (Selling Firm) N/A

CalBRE Lic. #

By

CalBRE Lic. #

By

Address

City State Zip

Telephone Fax E-mail

Real Estate Broker (Listing Firm) N/A

CalBRE Lic. #

By

CalBRE Lic. #

By

Address

City State Zip

Telephone Fax E-mail

ESCROW HOLDER ACKNOWLEDGMENT:

Escrow Holder acknowledges receipt of a Copy of this Agreement. (if checked, ☐ a deposit in the amount of $ ), counter offer numbers , Seller's Statement of Information and , and agrees to act as Escrow Holder subject to paragraph 20 of this Agreement, any supplemental escrow instructions and the terms of Escrow Holder's general provisions.

Escrow Holder is advised that the date of Confirmation of Acceptance of the Agreement as between Buyer and Seller is

Escrow Holder

By

Date

Address

Phone/Fax/E-mail

Escrow Holder has the following license number #

☐ Department of Business Oversight, ☐ Department of Insurance, ☐ Bureau of Real Estate.

PRESENTATION OF OFFER: (☐ ) Listing Broker presented this offer to Seller on (date).

REJECTION OF OFFER: (☐ ) No counter offer is being made. This offer was rejected by Seller on (date).

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VACANT LAND PURCHASE AGREEMENT (VLPA PAGE 11 OF 11)

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Sequel Creek
MEMO TO THE BOARD OF DIRECTORS

Subject: Agenda Item No. 7.7 Hexavalent Chromium Equipment Procurement Bid Award and CEQA Notice of Determination

Attachments: 1) Resolution 15-21 Bid Award to IonexSG
               2) Bid Evaluation
               3) Notice of Determination
               4) Letter from Envirogen Technologies

On July 17, 2015, the District released bid documents to three pre-qualified ion exchange equipment vendors: Envirogen Technologies (Envirogen), Evoqua Water Technologies (Evoqua), and IonexSG. On August 27, 2015 bids were submitted by Evoqua and IonexSG, LLC, and Envirogen elected not to bid. Attachment 4 is a letter from Envirogen addressing their decision not to bid.

The equipment procurement contract will ultimately be assigned to the General Contractor when the complete project is awarded in June of next year. Between now and then, the District will contract with the selected equipment provider to allow the submittal and equipment fabrication process to begin. Following completion of the treatment facility, the equipment vendor will operate and maintain the facility for 1 year to prove the performance as well as provide training to District Staff.

Corona Environmental Consulting and ACE Engineering with support from Black and Veatch, conducted the bid analysis. The bid evaluation (Attachment 2) excludes individual bid packets from each vendor, however very detailed bids, including drawings and piping and instrumentation diagrams (173 pages combined) were evaluated. Minor irregularities were found with IonexSG’s bid, and Staff is recommending the Board waive the irregularities and award the Contract as outlined in Table 1 of Attachment 2 in the amount of $1,644,564. Table 2 of the bid analysis compares life cycle costs including both capital and operations and maintenance over 10 years. IonexSG’s proposal is significantly less than Evoqua’s however, IonexSG is willing to stand behind their bid. IonexSG submitted an acceptable bid bond.

A public hearing was held at the September 1, 2015 Board Meeting to adopt the Initial Study/Mitigated Negative Declaration and monitoring, mitigation and reporting plan (MMRP) for the subject project. Now that the project is being considered for approval, a Notice of Determination (Attachment 3) must be filed with the County Clerk and Governor’s Office of Planning and Research.
POSSIBLE BOARD ACTIONS:

1. By MOTION, review the bid analysis, waive bid irregularities listed in the bid analysis, and accept the lowest qualified bidder, IonexSG, for the Hexavalent Chromium Equipment Procurement Contract, CWO 11-140.

2. By MOTION, adopt Resolution No. 15-21 for award of contract to IonexSG for the Hexavalent Chromium Equipment Procurement Contract, CWO 11-140.

3. By MOTION, authorize the Interim General Manager to sign a purchase order to IonexSG in the amount of $1,644,564.

By _____________________________

Taj A. Dufour, P.E.
Engineering Manager/Chief Engineer
RESOLUTION NO. 15-21

BEFORE THE BOARD OF DIRECTORS OF THE
SOQUEL CREEK WATER DISTRICT

RESOLUTION OF AWARD OF CONTRACT FOR THE
HEXAVALENT CHROMIUM EQUIPMENT PROCUREMENT
CONTRACT
CWO 11-140

WHEREAS, bids were submitted on the 27th day of August, 2015, to the District’s Engineering Manager, in order to evaluate said proposals or bids received and to furnish said engineer's evaluation showing that the bid hereafter mentioned is the lowest qualified responsible bid for the construction of said work of improvement; and

WHEREAS, said evaluation has been made by said engineer.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Soquel Creek Water District:

1. Reject all of said bids or proposals except the following, in the amount and for the work specified: $1,644,564

   IonexSG LLC
   2020 Research Park Drive, Suite 160
   Davis, CA 95618

2. The Board of Directors hereby finds that the aforesaid bidder is the lowest qualified responsible bidder for the Hexavalent Chromium Equipment Procurement Contract and hereby awards the contract for said work to said bidder at the total amount set forth in said bid and in Paragraph 1 thereof.

3. The Board further finds that irregularities, if any, in the bidding are minor in nature and do not affect the best interests of the District, and hereby waives all such irregularities.

4. The President and Clerk of said Board of Directors are hereby authorized to make and enter into a written contract with said successful bidder and to receive and approve all bonds in connection therewith, and the Clerk of said
District is hereby directed to attest the signature and affix the corporate seal of said District.

PASSED AND ADOPTED this 15th day of September, 2015 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

APPROVED:

__________________________________________
Dr. Bruce Daniels, President

ATTEST:

__________________________________________
Karen Reese, Board Clerk
September 10, 2015

Taj Dufour, P.E.
Engineering Manager/Chief Engineer
Soquel Creek Water District
5180 Soquel Drive
Soquel CA, 95073

RE: Bonita WTP Hexavalent Chromium Removal Treatment System Procurement Bid Evaluation

Dear Mr. Dufour:

Corona Environmental Consulting, LLC and ACE Engineering, PLLC have reviewed the submitted bids for the Bonita WTP Hexavalent Chromium Removal Treatment System and determined that IonexSG submitted the low bid based on the Base Bids as submitted (and adjusted), and the calculated Net Present Worth (NPW) value.

Bids were received from two of the three pre-selected vendors as shown below in Table 1.

Table 1 Bid summary

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Total Base Bid Bid Items 1 - 4</th>
<th>Stage 3 Base Bid Bid Items 5, 6, and 7, inclusive of 20% markup</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>IonexSG</td>
<td>$1,605,078</td>
<td>$39,486</td>
<td>Base bid values in this table adjusted for correct sales tax. Bid as submitted was $1,505,978. Bid values also adjusted to reflect corrected Stage 3 costs</td>
</tr>
<tr>
<td>Evoqua</td>
<td>$3,127,701</td>
<td>$226,890</td>
<td>Values as submitted</td>
</tr>
</tbody>
</table>

Irregularities were noted in the IonexSG bid on the bid form. Based on the Bid Form instructions for calculating the value of Bid Item No. 3 (sales tax), the value in the submitted bid was incorrect. It was assumed that the incorrect value was the result of a calculation error. Because the value of Bid Item No. 3 is a small portion of the overall bid, tax is a required portion of the contract, and a revised value can be readily calculated, it is recommended that this irregularity be waived, the calculation error be corrected, and the total bid value be adjusted upward by $99,100 to reflect the corrected value for Bid Item No. 3. The revised Total Base Bid value is shown in Table 1, in the Total Base Bid column.

Additionally, the Stage 3 cost, as presented by IonexSG does not account for the labor required for optimization and sampling of the system. While the hours are shown in the submittal documents, the bid form did not allow for inclusion in Tables 2a and 2b and therefore are not included in the total Stage 3 costs. The values shown in the Total Base Bid column in Table 1 have been adjusted to reflect an additional
210 hours of effort at a rate of $53/ hour, or a total increase of $13,356 for the labor associated with operational optimization and sampling. Note the $13,356 increase also accounts for the 20% markup as prescribed in the bid documents.

A general review of the process approach submitted with each bid was performed. The IonexSG submittal includes a segmented system for regeneration of the spent brine. From the detail provided, it is not clear whether the regeneration system is segmented such that each train has a dedicated regeneration system or if the regeneration system is shared between trains. It is recommended that details of the brine reuse components be clarified for conformance with the bid documents.

In summary, it is recommended that the District accept IonexSG’s bid as the successful bid after taking the following actions:

- Waive the irregularities in the calculation of Bid Item No. 3 and revise the Base Bid to reflect the correct calculation of Bid Item No. 3.
- Adjust the Stage 3 costs to reflect the discrepancy in the bid form.
- Verify the brine reuse components for each process train.

A discussion of the bid evaluation process, and the basis for the recommendation follows.

**Bidding Process**

Bid Documents were provided to three pre-selected equipment vendors on July 17, 2015. Three Addenda were issued and receipt of all were officially recognized by the vendors submitting bids. Bids were submitted in accordance with the Bid Documents, and were evaluated for conformance with the Bid Documents as discussed below.

**Receipt of Bids**

Bids were received from two (Evoqua and IonexSG) of the three pre-qualified vendors prior to 2:00 p.m Pacific time on Thursday, August 27, 2015 at the Soquel Creek Water District office in Soquel, CA. (The original bid submittal date of August 13, 2015 was extended to August 27, 2015 via Addendum No. 1.) The third vendor (Envirogen) submitted a letter in which they respectfully declined to participate in the bidding process. A complete copy of each vendor submittal is included in Attachment A.

**Bid Evaluation**

The bids were evaluated in four different areas.

1. Conformance with the requirements of Section P-00400, Bid Form.
2. Cost, where the Base Bids were directly compared and were compared on a net present worth (NPW) basis.
3. Detailed operation and maintenance information submitted in accordance with Section P-00405, Net Present Worth Evaluation Worksheet.
4. Overall process treatment approach and equipment layout.

Also reviewed were exceptions taken to the Bid Documents.

**Conformance with Section P-00400**

Each bid was evaluated against a bid checklist and found to be in conformance with the requirements of Section P-00400. The bid checklist details are included in Attachment B, Summary of Bid Details.
Cost evaluation

Each bid was evaluated on cost. The first item performed was a mathematical check of the values listed on the Bid Form. A math error was found in Bid Item No. 3 of IonexSG’s bid. Bid Item No. 3 was to be the cost of Sales Tax on Bid Item No. 2, Stage II Goods and Equipment, and was to be calculated at a rate of 8.25%. The valve contained in the IonexSG bid appears to have been calculated as ~1% of the value of Bid Item No. 2, instead of the prescribed 8.25%. The cost difference between the value list and the correct value is an additional $99,100. Because the value of Bid Item No. 3 is a small portion of the Total Base Bid (~7%), tax is a required portion of the contract, and a revised value can be readily calculated, it is recommended that this irregularity be waived, the calculation error be corrected, and the total bid value be adjusted upward by $99,100 to reflect the corrected value for Bid Item No. 3.

The Total Base Bid and the Total Base Bid for Stage III were evaluated on the cost as submitted and on a NPW basis. Shown in Table 1 are the bid prices as submitted. The bid submitted by IonexSG is lower for both the Total Base Bid and the Total Base Bid for Stage III.

A NPW lifecycle analysis was performed based on the information submitted with the Bids. The life cycle cost reflects the present worth cost to purchase, operate and maintain the treatment system over 10 years. In this application, the components used to develop the NPW estimate are: equipment costs (Bid Items 1 through 4), and operations and maintenance (O&M) costs (Bid Items 5 through 7), inclusive of the 20% markup allowed in the bid documents. The O&M costs assume a 10 year period and a discount rate of 6%, or a NPW factor of 7.3601. Not included in the NPW calculation were design, planning, permitting, construction cost, and salvage value.

When compared on a capital, O&M and NPW basis, IonexSG’s bid is lower than Evoqua’s in all categories as shown in Table 2.

Table 2 Life cycle cost of ion exchange equipment by vendor

<table>
<thead>
<tr>
<th>Vendor</th>
<th>IonexSG</th>
<th>Evoqua</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital (Bid Items 1-4)</td>
<td>$1,605,078</td>
<td>$3,127,701</td>
</tr>
<tr>
<td>Annual Operations and Maintenance (Bid Items 5-7, inclusive of 20% markup)</td>
<td>$39,486</td>
<td>$226,890</td>
</tr>
<tr>
<td>10 year Operations and Maintenance</td>
<td>$290,621</td>
<td>$1,669,933</td>
</tr>
<tr>
<td>10 year Net Present Worth</td>
<td>$1,895,699</td>
<td>$4,797,634</td>
</tr>
</tbody>
</table>

Evaluation of O&M details (from Section P-00405 worksheet submittals)

Evoqua’s bid assumes the services of one full time operator (40 hours/week) at a cost of $174,720 annually (1,000 hrs per treatment train), and an added markup of +15% on all maintenance costs. Evoqua’s Stage III Total Base Bid, which accounts for total annual regeneration, waste disposal and operations and maintenance amounts to $226,890 inclusive of a 20% mark up.

IonexSG Stage III total base bid is substantially lower, with an adjusted total $39,486 inclusive of regeneration, waste disposal and operations and maintenance and a 20% markup. IonexSG’s proposed cost includes a total of 400 hours of labor for operations and maintenance (200 hrs per treatment train).

Overall process treatment and equipment layout
Each vendor supplied a process treatment and control approach and a layout showing how the equipment would be placed on the site and within the treatment building. Both vendors were able to locate all equipment in the identified site and treatment building areas and both provided for onsite treatment of the spent brine.

The Evoqua treatment portion of the systems consists of two (2) trains of two (2) bag filters and five (5), 8 ft diameter vessels containing Purolite A600E 9149 strong base anion resin (assumed to be provided by the District). Regeneration of exhausted resin from each train is provided in a separate process. Treatment of the spent brine is through chemical reduction and precipitation using ferrous sulfate, acid and caustic. Precipitated sludge is sent for offsite disposal and the treated spent brine is discharged to the sewer.

The IonexSG treatment portion of the system consists of two (2) trains of two (2) bag filters and four (4), 8 ft diameter steel vessels containing Purolite A600E 9149 strong base anion resin. Proposed piping is stainless steel. A regeneration and preparation process step for regeneration of the resin is provided. Treatment of the spent brine is through chemical precipitation with metabisulfite and filtration. An option was presented for further discussion to process the waste with calcium chloride (CaCl₂) to form a solid waste, which may be a more economical and environmentally friendly solution for waste disposal. Note, it is not entirely clear from the IonexSG submittal if there are independent tanks for each process train and each fraction of their segmented regeneration process. It is recommended that this detail be confirmed prior to awarding the bid, as independent train regeneration is a requirement of the Division of Drinking Water.

Exceptions
Evoqua took numerous exceptions to the Bid Documents, did not include all costs in their bid price (e.g. shipping), and qualified some of their costs as being assumptions with the refinement to occur during contract negotiations. The most onerous exception taken by Evoqua was that they would not provide any type of process guarantee and disclaimed all expressed or implied warranties or guarantees related to performance. The entire list of exceptions that Evoqua took to the Bid Documents is included in their bid (see Appendix A), with a short summary in Table 3.
Table 3  Evoqua’s partial list of exceptions

<table>
<thead>
<tr>
<th>Item</th>
<th>Exception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Warranties and performance guarantees</td>
<td>Disclaims anything above and beyond Evoqua standards</td>
</tr>
<tr>
<td>Storage tanks</td>
<td>Providing FRP</td>
</tr>
<tr>
<td>Control system and integration</td>
<td>Supply Evoqua standards</td>
</tr>
<tr>
<td>Valves, instrumentation</td>
<td>Supply Evoqua standards</td>
</tr>
<tr>
<td>P-00100 Article 5.03</td>
<td>Evoqua takes exception with having complied with every requirement of the bidding documents and instead is providing their standard</td>
</tr>
<tr>
<td>P-00400 Article 5</td>
<td>Applying Evoqua's standard terms on proposal validity</td>
</tr>
<tr>
<td>P-00405 PW valuation</td>
<td>Operating costs are based on pilot work completed by the owner; disclaims anything above and beyond Evoqua Standards</td>
</tr>
<tr>
<td>P-00405 PW valuation Article G</td>
<td>Evoqua takes exception to the Performance Warranty and is not providing anything above and beyond their standard</td>
</tr>
<tr>
<td>P-00652 Warranty Bond</td>
<td>Evoqua takes exception to the Performance Warranty</td>
</tr>
<tr>
<td>P-01015 1.3.3 Performance testing and O&amp;M</td>
<td>Evoqua will provide O&amp;M scope as provided in their submittal</td>
</tr>
<tr>
<td>P-01015 Storage tanks</td>
<td>Some tanks are taller than 15 ft</td>
</tr>
<tr>
<td>P-01300 1-4 Sewer discharge permit</td>
<td>Sewer discharge permit to be obtained by Owner</td>
</tr>
</tbody>
</table>

In comparison, IonexSG took few exceptions to the Bid Documents. The main exceptions taken were providing Burkert Fluid Control Systems for all flow, pressure and conductivity sensors, flow meters, and flow control valves instead of the named manufacturers, specifying a different inlet distributor/collector system in the pressure vessels, and providing stacked rectangular HDPE tanks for the support processes (i.e. brine reuse, treatment and storage), instead of round HDPE tanks. These listed exceptions do not compromise the design intent and are considered acceptable. The entire list of exceptions that IonexSG took to the Bid Documents are summarized in Table 4 and are included in their bid in Attachment A.
### Table 4 IonexSG’s list of exceptions

<table>
<thead>
<tr>
<th>Item</th>
<th>Exception</th>
</tr>
</thead>
<tbody>
<tr>
<td>P-11405 2-5.03.04 b Pressure vessels</td>
<td>Does not comply with Inlet distributor/collector requirement</td>
</tr>
<tr>
<td>P-11405 2-6.04.01 Reuse Tanks</td>
<td>Stacked HDPE sized for 2 bed volumes of brine recovered</td>
</tr>
<tr>
<td>P-11405 2-8.02.03 Spent Brine Storage Tanks</td>
<td>Stacked HDPE sized for 4 bed volumes of brine recovered</td>
</tr>
<tr>
<td>P-11405 2-8.02.03 Spent Brine Treatment Tanks</td>
<td>Stacked HDPE sized for 2 bed volumes of brine recovered</td>
</tr>
<tr>
<td>P-11405 2-13.05 Sensors and Instruments</td>
<td>Burkert Fluid Control systems for all flow, pressure and conductivity sensors, flow meters, flow control valves</td>
</tr>
</tbody>
</table>

### Recommendation

Corona and ACE Engineering have determined that the bid received from IonexSG is the low bid and that the bid as submitted is responsive. The recommendation is to award the Base Bid contract to IonexSG for a total cost of $1,605,078, which is an increase of $99,100 over the bid as submitted as a result of the miscalculated sales tax, and to award the adjusted Base Bid Stage III contract, as described above to IonexSG for a total cost of $39,486. This recommendation is contingent upon (1) confirmation that IonexSG intends to supply individual brine reuse tanks for each fraction of their regeneration process for each individual treatment train, and (2) the District’s acceptance of the IonexSG listed exceptions.

Respectfully,

Craig Gorman, P.E.  
Water Process Engineer  
Corona Environmental Consulting, LLC

Jennifer Aieta, P.E.  
President  
ACE Engineering, PLLC
ATTACHMENT A

- Evoqua Bid
- IonexSG Bid
ATTACHMENT B

- Bid Checklist
- Table 1a: Section P-00405 PW Evaluation Worksheets
- Table 1b: Section P-00405 PW Evaluation Worksheets
- Table 2a: Section P-00405 PW Evaluation Worksheets
- Table 2b: Section P-00405 PW Evaluation Worksheets
<table>
<thead>
<tr>
<th>Section</th>
<th>Discussion Item</th>
<th>Evoqua</th>
<th>Ionex</th>
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</thead>
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<tr>
<td><strong>P-00400 Bid</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Schedule 1</td>
<td>Base Bid Schedule 1</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Schedule 2</td>
<td>Base Bid Schedule 2</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Schedule 3</td>
<td>Base Bid Schedule 3</td>
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<td>Yes</td>
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<tr>
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<td></td>
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<tr>
<td>Addendum No. 2</td>
<td>Yes - signed</td>
<td>Yes - signed</td>
<td></td>
</tr>
<tr>
<td>Addendum No. 3</td>
<td>Yes - signed</td>
<td>Yes - signed</td>
<td></td>
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<tr>
<td>6.01</td>
<td>Agree to schedule in Article 5</td>
<td>Not specifically identified</td>
<td>Yes</td>
</tr>
<tr>
<td>6.02</td>
<td>Agree to liquidated damages</td>
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<td>Yes</td>
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<td>7.01 A</td>
<td>Bid security</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>7.01 B</td>
<td>List of major suppliers</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>7.01 C</td>
<td>Non collusion affidavit</td>
<td>Yes - signed</td>
<td>Yes - signed</td>
</tr>
<tr>
<td>7.01 D</td>
<td>Certification of insurance per P-00800</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>7.01 E</td>
<td>Operational Costs per P-00405</td>
<td>Yes</td>
<td>Yes</td>
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<td>7.01 F</td>
<td>Maintenance Costs per P-00405</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>7.01 G</td>
<td>Waste Disposal Costs per P-00405</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>7.01 H 1</td>
<td>Process description</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>7.01 H 2</td>
<td>PFD</td>
<td>Yes</td>
<td>Yes</td>
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<tr>
<td>7.01 H 3</td>
<td>Chemical feed schematic</td>
<td>No</td>
<td>Yes</td>
</tr>
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<td>7.01 H 4</td>
<td>Equipment electrical loads</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>7.01 H 5</td>
<td>Hydraulics: Normal Operation</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>7.01 H 5</td>
<td>Hydraulics: Regeneration</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>7.01 H 5</td>
<td>Hydraulics: Hydraulic loading rate</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>7.01 H 5</td>
<td>Hydraulics: System pressure loss</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>7.01 H 6</td>
<td>O&amp;M considerations</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>7.01 H 7</td>
<td>System operation conditions</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>7.01 H 8</td>
<td>Layout drawings per Section P-00405</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>7.01 H 9</td>
<td>Equipment elevations</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>7.01 H 10</td>
<td>P&amp;IDs</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>9.01</td>
<td>Bid Submittal</td>
<td>Yes - signed</td>
<td>Yes - signed</td>
</tr>
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</table>

**ATTACHMENT 2 - ITEM 7.7**

Bonita WTP Hexavalent Chromium Reomval Treatment System Equipment Procurement

<table>
<thead>
<tr>
<th>23</th>
<th>P-00520 Iran Contracting Act</th>
<th>Yes - signed</th>
<th>Yes - signed</th>
</tr>
</thead>
<tbody>
<tr>
<td>P-00405 B</td>
<td>Present worth tables</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
### Table 1a.

#### Operations, Maintenance, and Waste Disposal Schedule – Train A (San Andreas and Seascape)

<table>
<thead>
<tr>
<th>Description</th>
<th>Units</th>
<th>Evoqua</th>
<th>Ionex</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flow rate</td>
<td>gpm</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Utilization</td>
<td>%</td>
<td>24%</td>
<td>24%</td>
</tr>
<tr>
<td>Annual production</td>
<td>MG</td>
<td>127</td>
<td>127</td>
</tr>
<tr>
<td>Raw water Cr(VI) chromium concentration</td>
<td>µg/L</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>Max treated water Cr(VI) concentration</td>
<td>µg/L</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

#### General

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of vessels</td>
<td>No.</td>
<td>5</td>
</tr>
<tr>
<td>Number of valves per vessel</td>
<td>No.</td>
<td>8</td>
</tr>
<tr>
<td>Vessel diameter</td>
<td>ft.</td>
<td>8</td>
</tr>
<tr>
<td>Empty bed contact time (EBCT)</td>
<td>min</td>
<td>8.8</td>
</tr>
<tr>
<td>Hydraulic loading rate</td>
<td>gpm/ft²</td>
<td>4</td>
</tr>
<tr>
<td>Height of media per vessel</td>
<td>ft.</td>
<td>4.7</td>
</tr>
<tr>
<td>Volume of media per vessel</td>
<td>cu.ft.</td>
<td>236</td>
</tr>
<tr>
<td>Total volume of media</td>
<td>cu.ft.</td>
<td>1,180</td>
</tr>
<tr>
<td>Media unit cost</td>
<td>$/cf.</td>
<td>$150</td>
</tr>
<tr>
<td>Media replacement frequency</td>
<td>yr</td>
<td>N/A</td>
</tr>
</tbody>
</table>

#### Regeneration

<table>
<thead>
<tr>
<th>Description</th>
<th>Evoqua</th>
<th>Ionex</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treatment threshold for a 2 µg/L Cr(VI) concentration</td>
<td>BVs</td>
<td>14,000</td>
</tr>
<tr>
<td>Estimated regeneration point when blended effluent reaches 2 µg/L</td>
<td>BVs</td>
<td>14,000*</td>
</tr>
<tr>
<td>Number of vessels regenerated per year</td>
<td>No.</td>
<td>5</td>
</tr>
<tr>
<td>Regenerant type</td>
<td></td>
<td>NaCl</td>
</tr>
<tr>
<td>Regenerant strength</td>
<td>%</td>
<td>9.5</td>
</tr>
<tr>
<td>Fresh regenerant per vessel per regeneration</td>
<td>BV</td>
<td>1</td>
</tr>
<tr>
<td>Fresh regenerant per vessel per regeneration</td>
<td>gallons</td>
<td>1,765</td>
</tr>
<tr>
<td>Reused regenerant per vessel per regeneration</td>
<td>BV</td>
<td>3**</td>
</tr>
<tr>
<td>Reused regenerant per vessel per regeneration</td>
<td>gallons</td>
<td>5,296***</td>
</tr>
<tr>
<td>Rinse per regeneration per vessel</td>
<td>BV</td>
<td>4</td>
</tr>
<tr>
<td>Rinse per regeneration per vessel</td>
<td>gallons</td>
<td>7,061</td>
</tr>
<tr>
<td>Total volume directed to reuse tank per vessel per regeneration</td>
<td>gallons</td>
<td>5,296</td>
</tr>
<tr>
<td>Total volume directed to spent brine tank per vessel per regeneration</td>
<td>gallons</td>
<td>7,061</td>
</tr>
<tr>
<td>Regenerant EBCT</td>
<td>minutes</td>
<td>15</td>
</tr>
<tr>
<td>Rinse EBCT</td>
<td>minutes</td>
<td>7.5</td>
</tr>
</tbody>
</table>

* BVs = Bulk Valuation Units
** Note: Regenerant strength and volume are based on a 9.5% concentration
*** Note: Reused regenerant volume includes rinse water
### Table 1a.

<table>
<thead>
<tr>
<th>Regenerant consumption per regeneration per vessel</th>
<th>lbs</th>
<th>4,475</th>
<th>3,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual salt consumption</td>
<td>lbs/yr</td>
<td>22,315</td>
<td>18,000</td>
</tr>
</tbody>
</table>

#### Brine treatment and disposal – Note: Costs shall include hazard waste storage constraint of maximum 60 days storage onsite.

| Cost of offsite disposal of liquid hazardous brine | $/gal   | Evoqua  | $1.30 |
| Brine treatment chemical type                     |        | FeSO4, H2SO4, NaOH | Sodium metabisulfite/(Calcium Chlorite) |
| Brine treatment chemical concentration             | %      | 28%, 40%, 50% | 35-40%/(38%) |
| Brine treatment chemical consumption per regeneration per vessel | gallons | 28, 6, 6 | 2.6/(84) |
| Annual brine treatment chemical consumption        | gallons/yr | 140, 30, 30 | 15.7/(500) |
| Volume of brine discharged to the sewer per regeneration per vessel | BV     | ~4     | 2     |
| Volume of brine discharged to the sewer per regeneration per vessel | gallons | ~6,960 | 3,000 |
| Annual volume of brine discharged to the sewer     | gal/yr  | 34,800 | 18,000|
| Volume of treated brine residuals disposed of offsite per regeneration per vessel | BV     | ~0.06  | 0.002/(0.01) |
| Volume of treated brine residuals disposed of offsite per regeneration per vessel | gallons | ~105   | 2.6/(15) |
| Annual volume of treated brine residuals disposed of offsite | gal/yr | 525    | 16/(92) |

#### Operation

| Operation optimization and sampling | hrs/yr | Evoqua | NOTE 2 | 105 |
| Operation optimization and sampling unit cost | $/hr  | NOTE 2 | $53 |
| Total operation optimization and sampling cost | $    | NOTE 2 | $5,565 |

#### Maintenance

| Preventative maintenance and inspection | hrs/yr | NOTE 2 | 65 |
| Corrective maintenance and repair services | hrs/yr | NOTE 2 | 30 |

**NOTE**

1. * 14,000 Denotes value provided in the RFQ. EWT has not performed onsite piloting efforts.
2. ** No regenerate is reused. However, rinse water is recovered during regeneration and is used for subsequent regeneration.

2. For operations, EWT is quoting services of one (1) operator onsite, for 40 hrs/week at a annual price of $174,720. For maintenance, EWT will charge cost +15%. PLEASE NOTE, that detailed maintenance costs can be developed in consultation with end user during design and final equipment selection.
### Table 1b.

#### Operations, Maintenance, and Waste Disposal Schedule – Train B (Bonita)

<table>
<thead>
<tr>
<th>Description</th>
<th>Units</th>
<th>Evoqua</th>
<th>Ionex</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flow rate</td>
<td>gpm</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Utilization</td>
<td>%</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>Annual production</td>
<td>MG</td>
<td>91</td>
<td>91</td>
</tr>
<tr>
<td>Raw water Cr(VI) chromium concentration</td>
<td>µg/L</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>Max treated water Cr(VI) concentration</td>
<td>µg/L</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

#### General

<table>
<thead>
<tr>
<th>Description</th>
<th>Units</th>
<th>Evoqua</th>
<th>Ionex</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of vessels</td>
<td>No.</td>
<td>5</td>
<td>4</td>
</tr>
<tr>
<td>Number of valves per vessel</td>
<td>No.</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Vessel diameter</td>
<td>ft.</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Empty bed contact time (EBCT)</td>
<td>min</td>
<td>8.8</td>
<td>6.1(4.6 during regen)</td>
</tr>
<tr>
<td>Hydraulic loading rate</td>
<td>gpm/ft&lt;sup&gt;2&lt;/sup&gt;</td>
<td>3.98</td>
<td>5.1(6.8 during regen)</td>
</tr>
<tr>
<td>Height of media per vessel</td>
<td>ft.</td>
<td>4.7</td>
<td>4.1</td>
</tr>
<tr>
<td>Volume of media per vessel</td>
<td>cu.ft.</td>
<td>236</td>
<td>204</td>
</tr>
<tr>
<td>Total volume of media</td>
<td>cu.ft.</td>
<td>1,180</td>
<td>816</td>
</tr>
<tr>
<td>Media unit cost</td>
<td>$/cf</td>
<td>$150</td>
<td>$150</td>
</tr>
<tr>
<td>Media replacement frequency</td>
<td>yr</td>
<td>N/A</td>
<td>7</td>
</tr>
</tbody>
</table>

#### Regeneration

<table>
<thead>
<tr>
<th>Description</th>
<th>Units</th>
<th>Evoqua</th>
<th>Ionex</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treatment threshold for a 2 µg/L Cr(VI) concentration</td>
<td>BVs</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Estimated regeneration point when blended effluent reaches 2 µg/L</td>
<td>BV's</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Number of vessels regenerated per year</td>
<td>No.</td>
<td>6 (SEE NOTE 1)</td>
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</tr>
<tr>
<td>Regenerant type</td>
<td>-</td>
<td>NaCl</td>
<td>NaCl</td>
</tr>
<tr>
<td>Regenerant strength</td>
<td>%</td>
<td>9.5</td>
<td>11.8</td>
</tr>
<tr>
<td>Fresh regenerant per vessel per regeneration</td>
<td>BV</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Fresh regenerant per vessel per regeneration</td>
<td>gallons</td>
<td>1,765</td>
<td>3,000</td>
</tr>
<tr>
<td>Reused regenerant per vessel per regeneration</td>
<td>BV</td>
<td>3**</td>
<td>1</td>
</tr>
<tr>
<td>Reused regenerant per vessel per regeneration</td>
<td>gallons</td>
<td>5,296**</td>
<td>1,500</td>
</tr>
<tr>
<td>Rinse per regeneration per vessel</td>
<td>BV</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Rinse per regeneration per vessel</td>
<td>gallons</td>
<td>7,061</td>
<td>1,500</td>
</tr>
<tr>
<td>Total volume directed to reuse tank per vessel per regeneration</td>
<td>gallons</td>
<td>5,296</td>
<td>3,000</td>
</tr>
<tr>
<td>Total volume directed to spent brine tank per vessel per regeneration</td>
<td>gallons</td>
<td>7,061</td>
<td>3,000</td>
</tr>
<tr>
<td>Regenerant EBCT</td>
<td>minutes</td>
<td>15</td>
<td>60/30</td>
</tr>
<tr>
<td>Rinse EBCT</td>
<td>minutes</td>
<td>7.5</td>
<td>30</td>
</tr>
<tr>
<td>Regenerant consumption per regeneration per vessel</td>
<td>lbs</td>
<td>4,475</td>
<td>3,000</td>
</tr>
<tr>
<td>Annual salt consumption</td>
<td>lbs/yr</td>
<td>26,850</td>
<td>18,000</td>
</tr>
</tbody>
</table>
### Table 1b.

**Brine treatment and disposal – Note: Costs shall include hazard waste storage constraint of maximum 60 days storage onsite.**

<table>
<thead>
<tr>
<th></th>
<th>Evoqua</th>
<th>Ionex</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost of offsite disposal of liquid hazardous brine</strong></td>
<td>$/gal</td>
<td>$1.30</td>
</tr>
<tr>
<td><strong>Brine treatment chemical type</strong></td>
<td>FeSO4, H2SO4, NaOH</td>
<td>Sodium metabisulfite/(Calcium chloride)</td>
</tr>
<tr>
<td><strong>Brine treatment chemical concentration</strong></td>
<td>%</td>
<td>28%, 40%, 50%</td>
</tr>
<tr>
<td><strong>Brine treatment chemical consumption per regeneration per vessel</strong></td>
<td>gallons</td>
<td>28, 6, 6</td>
</tr>
<tr>
<td><strong>Annual brine treatment chemical consumption</strong></td>
<td>gallons/yr</td>
<td>168, 36, 36</td>
</tr>
<tr>
<td><strong>Volume of brine discharged to the sewer per regeneration per vessel</strong></td>
<td>BV</td>
<td>~4</td>
</tr>
<tr>
<td><strong>Volume of brine discharged to the sewer per regeneration per vessel</strong></td>
<td>gallons</td>
<td>~6,960</td>
</tr>
<tr>
<td><strong>Annual volume of brine discharged to the sewer</strong></td>
<td>gal/yr</td>
<td>~41.8</td>
</tr>
<tr>
<td><strong>Volume of treated brine residuals disposed of offsite per regeneration per vessel</strong></td>
<td>BV</td>
<td>~0.06</td>
</tr>
<tr>
<td><strong>Volume of treated brine residuals disposed of offsite per regeneration per vessel</strong></td>
<td>gallons</td>
<td>105</td>
</tr>
<tr>
<td><strong>Annual volume of treated brine residuals disposed of offsite</strong></td>
<td>gal/yr</td>
<td>630</td>
</tr>
</tbody>
</table>

**Operation**

<table>
<thead>
<tr>
<th></th>
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<th>Ionex</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operation optimization and sampling</strong></td>
<td>hrs/yr</td>
<td>SEE NOTE 2</td>
</tr>
<tr>
<td><strong>Operation optimization and sampling unit cost</strong></td>
<td>$/hr</td>
<td>SEE NOTE 2</td>
</tr>
<tr>
<td><strong>Total operation optimization and sampling cost</strong></td>
<td>$</td>
<td>SEE NOTE 2</td>
</tr>
</tbody>
</table>

**Maintenance**

<table>
<thead>
<tr>
<th></th>
<th>Evoqua</th>
<th>Ionex</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Preventative maintenance and inspection</strong></td>
<td>hrs/yr</td>
<td>SEE NOTE 2</td>
</tr>
<tr>
<td><strong>Corrective maintenance and repair services</strong></td>
<td>hrs/yr</td>
<td>SEE NOTE 2</td>
</tr>
</tbody>
</table>

**NOTE**

* 10,000 represents the BV provided in the RFQ. EWT was not involved in the piloting effort.

**No regenerant is reused. However, rinse water is recovered during regeneration and is used in subsequent regeneration.

1. Average number of vessels regenerated per year is 5.5. This has been rounded to 6.

2. For operation of system, EWT is quoting services of one (1) operator onsite, 40 hrs/week priced at $174,720. For Maintenance, EWT will charge cost +15%. Please Note, that detailed maintenance costs can be developed in consultation with end user during design phase and final equipment selection.
### Table 2a.

**Operations, Maintenance, and Waste Disposal Costs – Train A (San Andreas and Seascape)**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Units</th>
<th>Evoqua</th>
<th>Ionex</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regenerant unit cost</td>
<td>$/lb</td>
<td>$0.10</td>
<td>$0.125</td>
</tr>
<tr>
<td>2</td>
<td>Annual regenerant cost</td>
<td>$/yr</td>
<td>$2,237.00</td>
<td>$2,250.00</td>
</tr>
<tr>
<td>3</td>
<td>Total regeneration</td>
<td>(Item 2 and insert on Bid Form)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Brine treatment chemical unit cost</td>
<td>$/gal</td>
<td>$8.4, 9, 2.3</td>
<td>$2.00</td>
</tr>
<tr>
<td>5</td>
<td>Annual brine treatment chemical cost</td>
<td>$/yr</td>
<td>$1,540.00</td>
<td>$1,206.00</td>
</tr>
<tr>
<td>6</td>
<td>Sewer discharge unit cost</td>
<td>$/gal</td>
<td>$0.01</td>
<td>$0.01</td>
</tr>
<tr>
<td>7</td>
<td>Annual discharge cost</td>
<td>$/yr</td>
<td>$348.00</td>
<td>$180.00</td>
</tr>
<tr>
<td>8</td>
<td>Disposal unit cost (including hauling)</td>
<td>$/gal</td>
<td>$1.32</td>
<td>$5.00</td>
</tr>
<tr>
<td>9</td>
<td>Annual disposal cost (including hauling)</td>
<td>$/yr</td>
<td>$693.00</td>
<td>$825.00</td>
</tr>
<tr>
<td>10</td>
<td>Total waste disposal</td>
<td>(sum of items 4, 6, and 8 and insert on Bid Form)</td>
<td></td>
<td>$2,994.00</td>
</tr>
<tr>
<td>11</td>
<td>Preventative maintenance and inspection unit cost</td>
<td>$/hr</td>
<td>NOTE 2</td>
<td>$53.00</td>
</tr>
<tr>
<td>12</td>
<td>Total annual preventative maintenance and inspection cost</td>
<td>$/yr</td>
<td>NOTE 2</td>
<td>$3,445.00</td>
</tr>
<tr>
<td>13</td>
<td>Water treatment chemicals and other consumables</td>
<td>$/yr</td>
<td>$1,800.00</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>14</td>
<td>Corrective maintenance and repair services unit cost</td>
<td>$/hr</td>
<td>NOTE 2</td>
<td>$53.00</td>
</tr>
<tr>
<td>15</td>
<td>Total Corrective maintenance and repair services cost</td>
<td>$/yr</td>
<td>NOTE 2</td>
<td>$1,590.00</td>
</tr>
<tr>
<td>16</td>
<td>Total annual maintenance costs</td>
<td>(sum of items 12, 13, 15 and insert on bid form)</td>
<td>NOTE 2</td>
<td>$6,035.00</td>
</tr>
<tr>
<td>17</td>
<td>Total annual O&amp;M costs</td>
<td>(sum of items 3, 10 and 16 and insert on Bid Form)</td>
<td>NOTE 2</td>
<td>$11,279.00</td>
</tr>
<tr>
<td>18</td>
<td>Total annual O&amp;M unit cost (Divide item 17 by production value shown in Table 1($/MG))</td>
<td>$</td>
<td>$88.81</td>
<td></td>
</tr>
</tbody>
</table>

---

**Attachment B**

Bonita WTP Hexavalent Chromium Removal Treatment System Equipment Procurement

---

**ATTACHMENT 2 - ITEM 7.7**
### Table 2b.

**Operations, Maintenance, and Waste Disposal Costs – Train B (Bonita)**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Units</th>
<th>Evoqua</th>
<th>Ionex</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Regenerant unit cost</td>
<td>$/lb</td>
<td>$0.10</td>
<td>$0.125</td>
</tr>
<tr>
<td>2</td>
<td>Annual regenerant cost</td>
<td>$/yr</td>
<td>$2,685.00</td>
<td>$2,250.00</td>
</tr>
<tr>
<td>3</td>
<td><strong>Total regeneration</strong> (Item 2 and insert on Bid Form)</td>
<td></td>
<td><strong>$2,685.00</strong></td>
<td><strong>$2,250.00</strong></td>
</tr>
<tr>
<td>4</td>
<td>Brine treatment chemical unit cost</td>
<td>$/gal</td>
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<td>$2.00</td>
</tr>
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<td>5</td>
<td>Annual brine treatment chemical cost</td>
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<td>$1,206.00</td>
</tr>
<tr>
<td>6</td>
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<td>$/gal</td>
<td>$0.01</td>
<td>$0.01</td>
</tr>
<tr>
<td>7</td>
<td>Annual discharge cost</td>
<td>$/yr</td>
<td>$418.00</td>
<td>$180.00</td>
</tr>
<tr>
<td>8</td>
<td>Disposal unit cost (including hauling)</td>
<td>$/gal</td>
<td>$1.32</td>
<td>$5.00</td>
</tr>
<tr>
<td>9</td>
<td>Annual disposal cost (including hauling)</td>
<td>$/yr</td>
<td>$832.00</td>
<td>$825.00</td>
</tr>
<tr>
<td>10</td>
<td><strong>Total waste disposal</strong> (sum of items 4, 6, and 8 and insert on Bid Form)</td>
<td></td>
<td><strong>$2,211.00</strong></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Preventative maintenance and inspection unit cost</td>
<td>$/hr</td>
<td>SEE NOTE 2</td>
<td>$53.00</td>
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<td>13</td>
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<td>Corrective maintenance and repair services unit cost</td>
<td>$/hr</td>
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<td>SEE NOTE 2</td>
<td><strong>$6,035.00</strong></td>
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<tr>
<td>17</td>
<td><strong>Total annual O&amp;M costs</strong> (sum of items 3, 10 and 16 and insert on Bid Form)</td>
<td></td>
<td>SEE NOTE 2</td>
<td><strong>$10,496.00</strong></td>
</tr>
<tr>
<td>18</td>
<td><strong>Total annual O&amp;M unit cost</strong> [Divide item 17 by production value shown in Table 1($/MG))]</td>
<td>$</td>
<td><strong>$115.34</strong></td>
<td></td>
</tr>
</tbody>
</table>
Notice of Determination

To: Office of Planning and Research
   Street Address: 1400 Tenth St., Rm 113
   Sacramento, CA 95814

From: Soquel Creek Water District
      Address: 5180 Soquel Drive
              Soquel, CA 95073
      Contact: Ron Duncan, Interim General Manager
              Phone: (831) 475-8500

County Clerk
   County of: Santa Cruz County Clerk of the Board
   Address: 701 Ocean Street, Room 500
             Santa Cruz, CA 95060

SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

State Clearinghouse Number (if submitted to State Clearinghouse): 2015062021

Project Title: Chromium-6 Water Treatment System Project

Project Applicant: Soquel Creek Water District

Project Location (include county): 1500 Bonita Dr, San Andreas Rd and Seascape Blvd, Aptos, Santa Cruz County

Project Description:
The District proposes to construct a well head water treatment system to treat naturally-occurring hexavalent chromium. The Project consists of a new treatment facility at the District’s Bonita well site, a new raw water pipeline from the District’s Seascape well to the San Andreas well to deliver groundwater to the new treatment facility, and replacement groundwater pumps at the Seascape, Bonita and San Andreas wells. A new sewer force main would connect the proposed treatment facility to the County of Santa Cruz Sanitation District sewer system north of the site for the disposal of domestic wastewater and potentially treated brine waste from the Project.

This is to advise that the Soquel Creek Water District (Lead Agency or Responsible Agency) has approved the above described project on September 15, 2015 and has made the following determinations regarding the above described project.

1. The project [X] will not [□] have a significant effect on the environment.
2. [□] An Environmental Impact Report was prepared for this project pursuant to the provisions of CEQA.
   [X] A Negative Declaration was prepared for this project pursuant to the provisions of CEQA.
3. Mitigation measures [X] were [□] were not] made a condition of the approval of the project.
4. A mitigation reporting or monitoring plan [X] was [□] was not] adopted for this project.
5. A statement of Overriding Considerations [□] was [X] was not] adopted for this project.
6. Findings [□] were [X] were not] made pursuant to the provisions of CEQA.

This is to certify that the final EIR with comments and responses and record of project approval, or the negative Declaration, is available to the General Public at:
   District office at 5180 Soquel Drive Soquel, CA 95073 (website: http://www.soquelcreekwater.org/)

Signature (Public Agency): _____________________________ Title: Interim General Manager

Date: September 16, 2015 Date Received for filing at OPR: _____________________________
August 27, 2015

Mr. Taj Dufour
Mr. Michael Wilson
Soquel Creek Water District
5180 Soquel Dr.
Soquel, CA, 95073
TajD@soquelcreekwater.org
michaelw@soquelcreekwater.org

Subject: Envirogen’s Response to Bonita WTP Hexavalent Chromium Removal Treatment System Procurement Contract

Dear Mr. Dufour:

We would like to thank you for the opportunity provided to Envirogen Technologies to provide a bid for the Bonita Water Treatment Plant Hexavalent Chromium Treatment System Procurement Contract. We appreciate your interest in our products and services for your treatment needs.

After careful review and consideration of the RFP documents as well as discussions with your team, Envirogen Technologies, Inc. has decided not to submit a bid for this project. Several scope, commercial and financial factors went into this decision. After extensive review by our management team, it was determined that we would not be able to offer the value of our proven approach for chromium treatment in a manner that exceeds the commercial minimum requirements we have set for achieving a return through winning and executing a project of this nature. We regret that we are not able to provide our low life cycle cost system design for this project.

Again, thank you for your interest in our products and services. We hope that we can work with you in the future on projects for which the unique combination of our products, experience in water treatment, and our dedicated people will ensure a superior outcome.

Sincerely,

[Signature]

Heidy Arriola
Business Development-West Region

877.312.8950
10400 Trademark St.
Rancho Cucamonga, CA 91730

www.envirogen.com
A member of the Amplio Group
MEMO TO THE BOARD OF DIRECTORS

Subject: Agenda Item No. 7.8  
Consider Proposals from Verizon Wireless to Lease Areas at Crestline and Austrian Tanks for Installation and Maintenance of Telecommunications Facilities

Attachment 1: Verizon Proposal Documents for Crestline Tank  
Attachment 2: Verizon Proposal Documents for Austrian Tank  
Attachment 3: Aerial Photos of Crestline and Austrian Tank Sites

The District has received Letters of Intent from CALTROP Corporation, on behalf of GTE Mobilnet of California, dba Verizon Wireless, requesting the District consider proposals to install and maintain wireless telecommunications facilities at each of the District’s Crestline Tank and Austrian Tank sites. The Letters of Intent, associated cover letters, County of Santa Cruz Owner-Agent Approval Form, and detailed plans are included as Attachment 1 (Crestline Tank, APNs 037-082-09 and -10) and Attachment 2 (Austrian Tank, APN 040-461-06). Attachment 3 includes aerial photos depicting the locations of the tank sites.

The proposed equipment at Crestline Tank (197 Clubhouse Road) includes an 85-foot-tall faux eucalyptus tree tower placed on the slope behind (west) and uphill of the two tanks. The proposed tower would extend approximately 73 feet higher than the existing tanks.

At Austrian Tank, it is proposed to install an 88-foot-tall monopine tower. This tower would extend approximately 70 feet above Austrian Tank. However, the location of the equipment as currently proposed interferes with the District’s planned Austrian Way Well and Water Treatment Plant. If the Board approves further exploration of Verizon’s proposals, Verizon will determine if another location on the site will produce sufficient signals.

Additionally, if the Board approves further evaluation, Verizon will conduct interference studies to ensure the operation of Verizon’s equipment will not interfere with District radio communications.

Initial terms proposed by Verizon include $1,000 per year per site during project development and permitting (including CEQA evaluation), and $1,500 per month per site for the lease. CALTROP requests that the District allow Verizon to proceed with the County of Santa Cruz permitting process while lease terms are negotiated.

POSSIBLE BOARD ACTIONS

1. By MOTION, authorize CALTROP Corporation, on behalf of Verizon Wireless, to continue project evaluation, including an interference study, for
leasing areas at the District’s Crestline Tank site for installation and maintenance of a telecommunications facility.

2. By MOTION, authorize CALTROP Corporation, on behalf of Verizon Wireless, to continue project evaluation, including signal and interference studies, for leasing areas at the District’s Austrian Tank site for installation and maintenance of a telecommunications facility.

3. By MOTION, authorize the Interim General Manager to sign the County of Santa Cruz Owner-Agent Approval Form for APNs 037-082-09 and -10, allowing CALTROP Corporation, on behalf of Verizon Wireless, to proceed with the permitting of a telecommunications facility at Crestline Tank site while lease terms are negotiated.

4. By MOTION, authorize the Interim General Manager to sign the County of Santa Cruz Owner-Agent Approval Form for APN 040-461-06, allowing CALTROP Corporation, on behalf of Verizon Wireless, to proceed with the permitting of a telecommunications facility at Austrian Tank site while lease terms are negotiated.

5. Take no action.

By___________________________________
Christine Mead
Operations and Maintenance Manager

By____________________________________
Ron Duncan
Interim General Manager
August 5, 2015

Christine Mead, Operations and Maintenance Manager
Soquel Creek Water District
5180 Soquel Drive
Soquel, CA 95073

Re: Verizon Communication Project at 197 Old Clubhouse Road

Dear Ms. Mead:

Please consider this package as a formal request to locate a Verizon Wireless Communication Site at the Soquel Creek Water District Old Clubhouse Road Water Tank property. The project is to install an 85-foot mono-pine communication tower consistent with the vegetation at the site along with ground equipment. The equipment would be located in a lease area (28.8’ by 16.4’) and the mono-pine would have an adjacent lease area (25.6’ by 25.6’). Power would be routed into the site with a separate meter for Verizon. Plans are attached which contain additional detail.

Verizon will prepare a lease document when terms have been reached. If the district desires to use their lease, that is acceptable pending legal review. To facilitate outlining terms for the lease I have enclosed a Letter of Intent suggesting terms acceptable to Verizon.

Lastly, the project will require permits from Santa Cruz County. I have included an owner/agent approval form from Santa Cruz County to allow Verizon to apply for permits. The planning permit process can take many months so we would appreciate being able to apply as soon as possible at our own risk. Should a lease not be finalized the applications or permits would be voided.

Let me know if you have any questions or need anything in addition.

Sincerely,

Brad Kortick
Contractor to Verizon

C/O CALTROP CORPORATION
2495 Natomas Park Drive, Suite 150
Sacramento, CA 95833
(916) 798-0079
bkortick@gmail.com
Letter of Intent

Date: August 4, 2014

RE: Lease Proposal for Sacramento — GTE Mobilnet of California, Limited Partnership (U-3002-C), a California Limited Partnership d/b/a Verizon Wireless ("Lessor") and

Soquel Creek Water District ("Lessor")

Site Address: 197 Old Clubhouse Road, Aptos, CA 95073

I am pleased to present this proposal on behalf’s of Verizon Wireless, for the purpose of installing and maintaining a telecommunications facility. Verizon Wireless would be willing to proceed as follows:

1. Lessee: GTE Mobilnet of California, Limited Partnership (U-3002-C) d/b/a Verizon Wireless

2. Lessor: Soquel Creek Water District
   5180 Soquel Drive
   Soquel, CA 95073
   Contact: Christine Real
   (831) 475-5800 ext. 129

3. Location: 197 Old Clubhouse Road, Aptos (APN # 037-082-09) at a location mutually agreed upon by Tenant and Landlord. The lease area shall be a lease space on the ground to include an antenna support structure and architectural treatment to satisfy Santa Cruz County, a location for a backup generator and access to the power and telephone outlets within the premises.

4. Option: Leasee to pay $1000 for initial option period of twelve (12) months. Leasee to pay $1000 for additional period of twelve (12) months (if necessary).

5. Lease Term: Ten (10) Year Initial term with three (3), five (5) year renewal options (25) years total.

6. Rent Schedule: Lease shall pay rent to the Lessor in the full amount of $18,000 per year, payable on a monthly basis beginning on the rent commencement date in the amount of $1,500 per month. Beginning in year one (1) of the lease term on the anniversary date and every anniversary date for the remainder of the lease term(s), the monthly rent will increase by three (3%) over the rent paid during the previous year.

7. Commencement: The first (1st) day of the month in which notice of exercise of the option is effective.
8. **Use of Premises:** For the purpose of constructing, operating, and maintain a telecommunication facility.

9. **Lessee Improvements:** Lessee agrees to provide, at its sole expense, all structures, and other lessee improvements as may be necessary for the operation and maintenance of its telecommunication facility.

10. **Conditions Precedent**
A. A mutually agreeable lease document.
B. Lessor’s approval of lessee’s improvement plans.
C. A Non-Disturbance Agreement, if applicable.
D. A recorded Memorandum of Lease.
E. Owner executed Letter of Authorization (s) for permit applications, if applicable.
F. Owner executed Entry and Testing Agreement for site access, if applicable.

Lessor and Lessee acknowledge that this proposal is not a lease and that it is intended as a basis for the preparation of a lease. No agreements are created by this document and only a fully executed definitive lease document shall constitute a lease for the premises. The final definitive lease document shall incorporate the provisions contained in this proposal and shall contain any other provisions upon which Lessor and Lessee agree.

Respectfully submitted,

Brad Kortick

Cc: Verizon Wireless

Landlord: ___________________________
COUNTY OF SANTA CRUZ

PLANNING DEPARTMENT
701 OCEAN STREET, 4TH FLOOR, SANTA CRUZ, CA 95060
(831) 454-2580  FAX: (831) 454-2131  TDD: (831) 454-2123

OWNER-AGENT APPROVAL FORM

For persons other than the owner who wish to obtain a building, development and/or other permit, the approval of the owner is required.

This is the County's authorization to issue a permit to the agent listed below:

Agent:
Name: Verizon Wireless/ Brad Kortick - CALTROP
Address: 2495 Natoma Park Drive Suite #150
City: Sacramento
State/Zip Code: California, 95827
Telephone: (916) 798-0079

Owner:
Name: Soquel Water District
Address: 5180 Soquel Drive
City: Soquel
State/Zip Code: California, 95073
Telephone: (831) 475-5800

Date: 1977 Clubhouse Rd
Signature of Owner

Assessor's Parcel Number(s) 037-082-09
Soquel Tank Project Location

Note: One Owner-Agent form will be required for each permit required. In the case where there is more than one owner of a parcel, the owner signing this form represents that he/she has the consent from all other owners of the parcel. For development permits, by signing this form, the owner is authorizing the agent to legally bind the owner to responsibility for payment of the County's cost for inspections and all other actions related to noncompliance with permit conditions. The agent will be required to provide the department with proof of service by mail, that the owner was mailed a copy of the executed acceptance of permit conditions. Finally, by signing this form, the owner is designating the agent as their Agent for Service of Process for all matters relating to this application.

**Any refunds will be made to whomever made the payment**
**SITE NAME:** OLD CLUBHOUSE ROAD  
**PSL NUMBER:** 284551  
**SITE ADDRESS:** 197 OLD CLUBHOUSE ROAD  
APTOS, CA 95073

**BUILDING CODES**

1. 2013 CALIFORNIA BUILDING CODE (CBC)
2. CALIFORNIA FIRE CODE 2013 EDITION (CFC)
3. CALIFORNIA MECHANICAL CODE 2013 EDITION (CMC)
4. CALIFORNIA PLUMBING CODE 2013 EDITION (CPC)
6. CALIFORNIA ENERGY EFFICIENCY STANDARDS CODE (CEC)
7. EDITED/REVISED JULY 2013, AND ALL APPLICABLE LOCAL & STATE STANDARDS CODE AMENDMENTS.

**PROPERTY INFORMATION & SHEET INDEX**

- **SIGNATURES**
- **SITE INFORMATION**
- **ADA COMPLIANCE**
- **PROJECT TEAM**
- **TOTAL SHEET DATA**

**PROJECT TEAM**

- **PROJECT MANAGER:** DIAMOND ENGINEERING SERVICES  
2495 NATOMAS PARK DRIVE SUITE 150  
SACRAMENTO, CA 95833  
TEL. 916-437-7332  
CONTACT: JENNIFER BANGLOS

- **ENGINEER:** DIAMOND ENGINEERING SERVICES  
2495 NATOMAS PARK DRIVE SUITE 150  
SACRAMENTO, CA 95833  
TEL. 916-437-7332  
CONTACT: BRAD KORTICK

- **CONSTRUCTION MANAGER:** DIAMOND ENGINEERING SERVICES  
2495 NATOMAS PARK DRIVE SUITE 150  
SACRAMENTO, CA 95833  
TEL. 916-437-7332  
CONTACT: KEN TAYLOR

- **PROPERTY MANAGER:** CALTOP TELECOMMUNICATIONS  
2495 NATOMAS PARK DRIVE SUITE 150  
SACRAMENTO, CA 95833  
TEL. 916-437-7332  
CONTACT: BRAD KORTICK

**SITE INFORMATION**

- **JURISDICTION:** COUNTY OF SANTA CRUZ
- **COUNTY:** SANTA CRUZ COUNTY
- **APN NUMBER:** 037-082-09

**BUILDING DATA**

- **BUILDING TYPE:** N/A
- **FIRE SPRINKLES:** AN AUTOMATED FIRE SUPPRESSION SYSTEM (FIRE SPRINKLERS) IS NOT REQUIRED.
- **EQUIPMENT LEASE AREA:** 514 SQ. FT. ±
- **TOTAL LEASE AREA:** 1164 SQ. FT. ±

**ADA COMPLIANCE**

- **HANDICAPPED ACCESS REQUIREMENTS ARE NOT REQUIRED IN ACCORDANCE WITH THE 2013 CALIFORNIA BUILDING CODE.**

**SIGNATURE OF APPROVAL**

- **SIGNATURE:** SJS / EKU  
**DATE:** FOR REVIEW 09-02-2014 A  
**FOR REVIEW:** 05-27-2015 B  
**SURVEY UPDATE:** 05-29-2015 C  
**FOR REVIEW:** 07-07-2015 D

**SITE LOCATION**

**VINCIETY MAP**

**PROJECT DESCRIPTION**

1. INSTALL NEW VERIZON WIRELESS OUTDOOR EQUIPMENT CABINETS ON A NEW CONCRETE PAD WITHIN A NEW CMU WALL COMPOUND.
2. INSTALL NEW PROPANE GENERATOR & 500 GALLON PROPANE TANK ON THE NEW CONCRETE PAD WITHIN THE NEW CMU WALL COMPOUND.
3. INSTALL NEW 85'-0" HIGH FAUX EUCALYPTUS TREE & NEW CONCRETE PIER.
4. INSTALL (9) NEW VERIZON WIRELESS ANTENNAS ON THE NEW FAUX EUCALYPTUS TREE.
5. INSTALL NEW VERIZON WIRELESS RRUs ON THE NEW FAUX EUCALYPTUS TREE.
6. INSTALL (2) NEW RAYCAPS ON A H-FRAME MOUNTED TO THE NEW CONCRETE EQUIPMENT PAD.
7. INSTALL (2) NEW GPS ANTENNAS WITHIN THE NEW CMU WALL COMPOUND.
8. INSTALL (2) NEW GPS ANTENNAS WITHIN THE NEW CMU WALL COMPOUND.
NEW VERIZON WIRELESS CONCRETE EQUIPMENT PAD

PROPERTY LINE (TYP.)

NEW VERIZON WIRELESS CONCRETE EQUIPMENT PAD

(E) ASPHALT APRON (TYP.)

CENTRELINE OF NEW VERIZON WIRELESS 12'-0" WIDE ACCESS ROUTE (TYP.)

(E) ASPHALT PAD & ROLLARDS (TYP.)

(E) 10'-0" WIDE CHAIN LINK ACCESS GATE W/ BARBED WIRE AT TOP

NEW VERIZON WIRELESS 5'-0" WIDE UTILITY ROUTE (TYP.)

NEW VERIZON WIRELESS U/G ELECTRICAL CONDUIT

NEW VERIZON WIRELESS U/G ELECTRICAL CONDUIT

NEW VERIZON WIRELESS PULL BOX

(E) UTILITY POLE

(E) TREE (TYP.)

NEW VERIZON WIRELESS FACTUAL EFFECTIVE FENCE W/ NEW PANEL ANTENNAS

(E) CONCRETE V-DITCH (TYP.)

(E) UTILITY POLE

(E) 80'-0" WIDE RIGHT-OF-WAY (PER 13 PM 21)

NEW VERIZON WIRELESS 5'-0" WIDE UTILITY ROUTE (TYP.)

NEW VERIZON WIRELESS U/G ELECTRICAL CONDUIT

NEW VERIZON WIRELESS U/G ELECTRICAL CONDUIT

NEW VERIZON WIRELESS PULL BOX

(E) UTILITY POLE

POC POWER & TELCO

NEW VERIZON WIRELESS FAUX EUCALYPTUS TREE W/ NEW PANEL ANTENNAS

NEW VERIZON WIRELESS CONCRETE V-DITCH
NEW VERIZON WIRELESS PANEL ANTENNA
(TYP.)
SIDE ELEVATION
FRONT ELEVATION
8'-0 3/8"
11 7/8"
PLAN VIEW
(BOTTOM)
PLAN VIEW
SIDE ELEVATION
FRONT ELEVATION
7"
7"

NEW VERIZON WIRELESS RRU
(TYP.)
FRONT ELEVATION
SIDE ELEVATION
PLAN VIEW-TOP
1'-6 1/2"
10 13/16"
1'-8 3/8"

NEW VERIZON WIRELESS RAYCAP
(TYP.)
FRONT ELEVATION
SIDE ELEVATION
PLAN VIEW
1'-8 9/16"
8 3/16"
10 1/8"

ANTENNA DETAIL

RRU DETAIL

RAYCAP DETAIL

DIMENSIONS: WIDTH DEPTH HEIGHT
18.5" 10.8" 20.4"

POWER CONSUMPTION: 200 WATTS

TOTAL WEIGHT: 71.4 LBS
ANTENNA COLOR CODES

1. ANTENNA COLOR CODES

2. ANTENNA COLOR CODES (CONT.)

3. ANTENNA COLOR CODES (CONT.)
August 5, 2015

Christine Mead, Operations and Maintenance Manager
Soquel Creek Water District
5180 Soquel Drive
Soquel, CA 95073

Re: Verizon Communication Project at 109 Austrian Way

Dear Ms. Mead:

Please consider this package as a formal request to locate a Verizon Wireless Communication Site at the Soquel Creek Water District Austrian Way Water Tank property. The project is a to install an 88-foot mono-pine communication tower consistent with the vegetation at the site along with ground equipment. The equipment would be located in a lease area (12' by 22') and the mono-pine would have an adjacent lease area (26.1' by 31.2'). Power would be routed into the site with a separate meter for Verizon. Plans are attached which contain additional detail.

Verizon will prepare a lease document when terms have been reached. If the district desires to use their lease, that is acceptable pending legal review. To facilitate outlining terms for the lease I have enclosed a Letter of Intent suggesting terms acceptable to Verizon.

Lastly, the project will require permits from Santa Cruz County. I have included an owner/agent approval form from Santa Cruz County to allow Verizon to apply for permits. The planning permit process can take many months so we would appreciate being able to apply as soon as possible at our own risk. Should a lease not by finalized the applications or permits would be voided.

Let me know if you have any questions or need anything in addition.

Sincerely,

Brad Kortick
Contractor to Verizon

C/O CALTROP CORPORATION
2495 Natomas Park Drive, Suite 150
Sacramento, CA 95833
(916) 798-0079
bkortick@gmail.com
Letter of Intent

Date: August 4, 2014

RE: Lease Proposal for Sacramento – GTE Mobilnet of California, Limited Partnership (U-3002-C), a California Limited Partnership d/b/a Verizon Wireless ("Lessor") and

Soquel Creek Water District ("Lessor")

Site Address: 109 Austrian Way, Aptos, CA 95003

I am pleased to present this proposal on behalf’s of Verizon Wireless, for the purpose of installing and maintaining a telecommunications facility. Verizon Wireless would be willing to proceed as follows:

1. Lessee: GTE Mobilnet of California, Limited Partnership (U-3002-C)
   d/b/a Verizon Wireless

2. Lessor: Soquel Creek Water District
   5180 Soquel Drive
   Soquel, CA 95073
   Contact: Christine Real
   (831) 475-5800 ext. 129

3. Location: 109 Austrian Way, Aptos (APN # 040-461-06) at a location mutually agreed upon by Tenant and Landlord. The lease area shall be a lease space on the ground to include an antenna support structure and architectural treatment to satisfy Santa Cruz County, a location for a backup generator and access to the power and telephone outlets within the premises.

4. Option: Lease to pay $1000 for initial option period of twelve (12) months. Lessee to pay $1000 for additional period of twelve (12) months (if necessary).

5. Lease Term: Ten (10) Year Initial term with three (3), five (5) year renewal options (25) years total.

6. Rent Schedule: Lease shall pay rent to the Lessor in the full amount of $18,000 per year, payable on a monthly basis beginning on the rent commencement date in the amount of $1,500 per month. Beginning in year one (1) of the lease term on the anniversary date and every anniversary date for the remainder of the lease term(s), the monthly rent will increase by three (3%) over the rent paid during the previous year.

7. Commencement: The first (1st) day of the month in which notice of exercise of the option is effective.
8. **Use of Premises**: For the purpose of constructing, operating, and maintain a telecommunication facility.

9. **Lessee Improvements**: Lessee agrees to provide, at its sole expense, all structures, and other lessee improvements as may be necessary for the operation and maintenance of its telecommunication facility.

10. **Conditions Precedent**
    A. A mutually agreeable lease document.
    B. Lessor’s approval of lessee’s improvement plans.
    C. A Non-Disturbance Agreement, if applicable.
    D. A recorded Memorandum of Lease.
    E. Owner executed Letter of Authorization (s) for permit applications, if applicable.
    F. Owner executed Entry and Testing Agreement for site access, if applicable.

Lessor and Lessee acknowledge that this proposal is not a lease and that it is intended as a basis for the preparation of a lease. No agreements are created by this document and only a fully executed definitive lease document shall constitute a lease for the premises. The final definitive lease document shall incorporate the provisions contained in this proposal and shall contain any other provisions upon which Lessor and Lessee agree.

Respectfully submitted,

Brad Kortick

Cc: Verizon Wireless

Landlord: ____________________________
COUNTY OF SANTA CRUZ

PLANNING DEPARTMENT
701 OCEAN STREET, 4TH FLOOR, SANTA CRUZ, CA 95060
(831) 454-2580  FAX: (831) 454-2131  TDD: (831) 454-2123

OWNER-AGENT APPROVAL FORM

For persons other than the owner who wish to obtain a building, development and/or other permit, the approval of the owner is required.

This is the County’s authorization to issue a permit to the agent listed below:

Agent:
Name: Verizon Wireless/ Brad Kortick - CALTROP
Address: 2495 Natomas Park Drive Suite #150
City: Sacramento
State/Zip Code: California, 95827
Telephone: (916) 798-0079

Owner:
Name: Soquel Water District
Address: 5180 Soquel Drive
City: Soquel
State/Zip Code: California, 95073
Telephone: (831) 475-5800

Date: 10/9 2014
Assessor’s Parcel Number(s): 040-461-06
Signature of Owner
Soquel Tank
Project Location

Note: One Owner-Agent form will be required for each permit required. In the case where there is more than one owner of a parcel, the owner signing this form represents that he/ she has the consent from all other owners of the parcel. For development permits, by signing this form, the owner is authorizing the agent to legally bind the owner to responsibility for payment of the County’s cost for inspections and all other actions related to noncompliance with permit conditions. The agent will be required to provide the department with proof of service by mail, that the owner was mailed a copy of the executed acceptance of permit conditions. Finally, by signing this form, the owner is designating the agent as their Agent for Service of Process for all matters relating to this application.

**Any refunds will be made to whomever made the payment
Applicant:
Verizon Wireless
2785 Mitchell Drive, Bldg. 9
Walnut Creek, CA 94598

☑ Pre-construction location  ☐ As-built location

Project No. / Name: 282373 / Austrian Way

Project Address: 109 Austrian Way
Aptos, CA 95003

County: Santa Cruz County

Type of Structure: Proposed Monopine

NAD 83

Latitude: 36° 59' 32.30" N
Longitude: 121° 54' 41.65" W

Elevation (NAVD88) 410.2 Feet
Height (AGL) 0.0 Feet

Ground at Site Location

I hereby certify that the information shown above meets or exceeds the requirements set forth in FAA Order 8260.19D, Appendix 3 for 1-A accuracy (±20' horizontally and ±3' vertically). The horizontal datum (coordinates) are expressed as degrees, minutes and seconds, to the nearest hundredth of a second. The vertical datum (heights) are expressed in feet and decimals thereof and determined to the nearest tenth of a foot.

Gregory J. Smith PLS 5511
July 23, 2014

Boundary Surveys  •  Topographic Surveys  •  Construction Surveys  •  Site Planning
SITE NAME: AUSTRIAN WAY  
PSL NUMBER: 282373  
SITE ADDRESS: 109 AUSTRIAN WAY, APTOS, CA 95003

PROJECT INFORMATION & SHEET INDEX

C-1 SITE SURVEY
C-2 SITE PLAN
A1 SITE PLAN
A2 EQUIPMENT & ANTENNA PLAN
A3 WEST ELEVATION
A4 NORTH ELEVATION
A5 EAST ELEVATION
A6 SOUTH ELEVATION
A7 EQUIPMENT LAYOUT, LEGEND, & NOTES
AD1 ANTENNA, RRU & RAYCAP DETAILS
AD2 ANTENNA COLOR CODES

ADA COMPLIANCE

ADA COMPLIANCE

BUILDING CODES

ALL WORK AND MATERIALS SHALL BE PERFORMED AND INSTALLED IN ACCORDANCE WITH THE CURRENT EDITIONS OF THE FOLLOWING CODES AS ADOPTED BY THE LOCAL GOVERNING AUTHORITIES. NOTHING IN THESE PLANS IS TO PERMIT WORK NOT CONFORMING TO THE LATEST APPLICABLE VERSION OF THESE CODES.

1. 2013 CALIFORNIA BUILDING CODE (CBC)
2. LOCAL BUILDING CODE
3. CITY/COUNTY ORDINANCES
4. NFPA 76

SIGNATURES

VERIZON WIRELESS EQUIPMENT ENGINEER:  
VERIZON WIRELESS CONSTRUCTION:  
PROPERTY OWNER:  
AGENT - CONSTRUCTION:  
AGENT - ZONING  
AGENT - LEASING:  
VERIZON WIRELESS RF ENGINEER:  
VERIZON WIRELESS REAL-ESTATE:

SIGNATURE OF APPROVAL

VERIZON WIRELESS EQUIPMENT ENGINEER: SIGNATURE: DATE:  
VERIZON WIRELESS CONSTRUCTION: SIGNATURE: DATE:  
PROPERTY OWNER: SIGNATURE: DATE:  
AGENT - CONSTRUCTION: SIGNATURE: DATE:  
AGENT - ZONING: SIGNATURE: DATE:  
AGENT - LEASING: SIGNATURE: DATE:  
VERIZON WIRELESS RF ENGINEER: SIGNATURE: DATE:  
VERIZON WIRELESS REAL-ESTATE: SIGNATURE: DATE:

SIGNATURE OF APPROVAL

1. INSTALL NEW VERIZON WIRELESS OUTDOOR EQUIPMENT CABINETS ON A NEW CONCRETE CELL BLOCK WITHIN A NEW CHAIN LINK FENCE COMPOUND.
2. INSTALL NEW 35kW PROPANE FUEL GENERATOR & 500 GAL. TANK ON NEW CONCRETE CELL BLOCK WITHIN THE NEW CHAIN LINK FENCE COMPOUND.
3. INSTALL NEW MONOPINE & NEW CONCRETE PIER WITHIN THE NEW CHAIN LINK FENCE COMPOUND.
4. INSTALL (9) NEW VERIZON WIRELESS ANTENNAS ON THE NEW MONOPINE.
5. INSTALL (9) NEW VERIZON WIRELESS RRUS ON THE NEW MONOPINE.
6. INSTALL (4) NEW RAYCAPS, (2) ON THE NEW MONOPINE & (2) ON A H-FRAME MOUNTED TO THE NEW CONCRETE EQUIPMENT PAD.
7. INSTALL (2) NEW GPS ANTENNAS ON A H-FRAME MOUNTED TO THE NEW CONCRETE EQUIPMENT PAD.

NSA WIRELESS, INC.  
2010 CROW CANYON PL., STE. #355  
SAN RAMON, CA 94583  
CONTACT: RUSSELL STORY  
PH: (925) 244-1890  
ZONING/LEASING AGENT:

Apptos CA
PROPOSED LEASE LIAISON AREA DESCRIPTION

BEGINNING OF LEASE LIAISON AREA DESCRIPTION

COMMENCING AT SOUTHEAST CORNER OF LOT 13 BLOCK "A" OF TRACT NO. 267, RECORDED IN VOLUME 26 OF SANTA CLARA COUNTY RECORDS, THEREIN DEP'T NO. 1, GIVING THE EAST LINE OF SAID LOT, A DISTANCE OF 710 FEET, THENCE S 87° 32' 0" E, A DISTANCE OF 91.76 FEET TO THE TRUE POINT OF BEGINNING.

COURSE 1: THENCE S 87° 32' 0" E, A DISTANCE OF 32.58 FEET.
COURSE 2: THENCE E 1° 42' 0" N, A DISTANCE OF 41.70 FEET.
COURSE 3: THENCE S 87° 32' 0" W, A DISTANCE OF 22.56 FEET.
COURSE 4: THENCE E 1° 42' 0" N, A DISTANCE OF 66.64 FEET.
COURSE 5: THENCE S 87° 32' 0" W, A DISTANCE OF 56.56 FEET.
COURSE 6: THENCE E 1° 42' 0" N, A DISTANCE OF 34.40 FEET.
COURSE 7: THENCE S 87° 32' 0" W, A DISTANCE OF 34.40 FEET.
COURSE 8: THENCE E 1° 42' 0" N, A DISTANCE OF 31.42 FEET.
COURSE 9: THENCE S 87° 32' 0" W, A DISTANCE OF 8.80 FEET.
COURSE 10: THENCE E 1° 42' 0" N, A DISTANCE OF 6.80 FEET.
COURSE 11: THENCE S 87° 32' 0" E, A DISTANCE OF 6.80 FEET TO THE TRUE POINT OF BEGINNING.

CONTAINING 1.65 SQUARE FEET, MORE OR LESS.

PROPOSED LEASE ACCESS ROUTE DESCRIPTION:

A 30.00 FOOT WIDE EASEMENT FOR WINDROW AND EXCESS PURPOSES, LYING 800 FEET ON EACH SIDE OF THE PROJECT DESIGNATED CENTERLINE.

BEGINNING AT THE WINDROW DESIGNATED POINT A:

COURSE 1: THENCE N 87° 00' 00" W, A DISTANCE OF 18.75 FEET.
COURSE 2: THENCE S 00° 00' 00" W, A DISTANCE OF 17.15 FEET TO THE BEGINNING OF A TANGENT CURVE CONC n REVERSE CURVE AND HAVING A RADIUS OF 100 FEET.
COURSE 3: THENCE S 87° 00' 00" W, A DISTANCE OF 100 FEET.
COURSE 4: THENCE N 87° 00' 00" W, A DISTANCE OF 34.40 FEET.
COURSE 5: THENCE S 00° 00' 00" W, A DISTANCE OF 34.40 FEET.
COURSE 6: THENCE N 87° 00' 00" W, A DISTANCE OF 8.80 FEET.
COURSE 7: THENCE S 00° 00' 00" W, A DISTANCE OF 8.80 FEET.
COURSE 8: THENCE N 87° 00' 00" W, A DISTANCE OF 8.80 FEET.
COURSE 9: THENCE S 00° 00' 00" W, A DISTANCE OF 8.80 FEET.

TOGETHER WITH A 3.00 FOOT WIDE EASEMENT FOR ACCESS AND EXCESS PURPOSES, LYING 2.00 FEET ON EACH SIDE OF THE FOLLOWING DESIGNATED CENTERLINE:

BEGINNING AT THE ACCESS DESIGNATED POINT T:

COURSE 1: THENCE N 87° 00' 00" W, A DISTANCE OF 6.80 FEET.
COURSE 2: THENCE N 87° 00' 00" W, A DISTANCE OF 51.41 FEET TO THE TERMINUS OF THIS DESCRIPTION.

PROPOSED LEASE UTILITY ROUTE DESCRIPTION:

A 2.00 FOOT WIDE EASEMENT FOR UTILITY PURPOSES, LYING 3.50 FEET ON EACH SIDE OF THE FOLLOWING DESIGNATED CENTERLINE:

BEGINNING AT THE UTILITY DESIGNATED POINT Y:

COURSE 1: THENCE N 87° 00' 00" W, A DISTANCE OF 105.43 FEET TO THE TERMINUS OF THIS DESCRIPTION.
EAST ELEVATION

NEW VERIZON WIRELESS MONOPINE
TOP OF NEW VERIZON WIRELESS MONOPINE BRANCHES
80'-0" A.G.L.
TOP OF NEW VERIZON WIRELESS MONOPINE PULP
70'-0" A.G.L.
TOP OF NEW VERIZON WIRELESS ANTENNAS
60'-0" A.G.L.
RAO CENTER OF NEW VERIZON WIRELESS ANTENNAS
50'-0" A.G.L.
BOTTOM OF NEW VERIZON WIRELESS ANTENNAS
40'-0" A.G.L.
NEW VERIZON WIRELESS GPS ANTENNA
(TYP. OF 2)
12'-0" A.G.L.
NEW VERIZON WIRELESS PANEL ANTENNA
W/ ANTENNA LOCK
(TYP. OF 1 PER SECTOR)
(TOTAL OF 2 ANTENNAS)
SEE DETAIL 2/AD1
NEW VERIZON WIRELESS COAX CABLE HAND HOLE
(TYP. OF 3)

NEW VERIZON WIRELESS GPS ANTENNA
(TYP. OF 2)
3'-0" B.G.L.
NEW VERIZON WIRELESS MONOPINE
NEW 500 GALLON VERTICAL PROPANE TANK
ON NEW CONCRETE PAD

NEW VERIZON WIRELESS RRU
(TYP. OF (3) PER SECTOR W/ A2 UNIT)
(TOTAL OF (9) RRUS)
SEE DETAIL 2/AD1
NEW VERIZON WIRELESS PANEL ANTENNA
W/ ANTENNA LOCK
(TYP. OF 1 PER SECTOR)
(TOTAL OF 9 ANTENNAS)
SEE DETAIL 1/AD1
NEW VERIZON WIRELESS COAX CABLE HAND HOLE
(TYP. OF 3)

NEW VERIZON WIRELESS ACCESS GATES
NEW PAIR OF 4'-0" WIDE
CHAIN LINK ACCESS GATES
10'-5 1/4"
3'-3"
1'-5"
17'-2"
NEW VERIZON WIRELESS PANEL ANTENNA

DIMENSIONS: WIDTH DEPTH HEIGHT
18.5" 10.8" 20.4"

POWER CONSUMPTION: 200 WATTS

TOTAL WEIGHT: 71.4 LBS

ANTENNA DETAIL

RRU DETAIL

RAYCAP DETAIL
MEMO TO THE BOARD OF DIRECTORS

Subject: Agenda Item No. 7.9 Approval of Revised Temporary Job Classification, Compensation and Term: Conservation Compliance & Customer Service Assistant

Attachment: 1. Job Description: Conservation Compliance & Customer Service Assistant – Temporary/Limited Term

Background and Purpose
At the June 2, 2015 meeting, the Board approved extending the term of the existing temporary Conservation Compliance Assistant in the Conservation-Customer Service Field (CCSF) department through December 2015. This position has been filled since July 2014.

At the same meeting, the Board approved a new temporary classification of Conservation Customer Service Representative. That position was filled internally by reassigning an existing temporary employee, whose term was ending in the Finance department, to the new position. In August 2015, an internal promotion in the Finance department created a vacancy for a regular, permanent Customer Service Representative I. The temporary employee appointed to the new CCSF position was reassigned to her former position of Finance Customer Service Representative I.

Human Resources and CCSF have been working together to assess the workload needs of the department and have considered the strengths, abilities and training time already invested in existing temporary staff. As a result, I recommend the District revise the existing Conservation Compliance Assistant position to perform additional duties in support of the Conservation and Customer Service Field staff in the CCSF Department. Due to the addition of duties and tasks which expand the scope and responsibilities of the existing classification, I am also recommending the existing pay rate be increased to compensate fairly and appropriately, from the current rate of $18.57 per hour to $19.22 per hour (a 3.5% increase). Finally, I am recommending the District approve funding to extend the temporary term of the position through the end of the current fiscal year, if necessary. As you are aware, the District reserves the right to terminate temporary assignments at will.

Budget Considerations
- The current District Budget has approved funding for the Conservation Customer Service Representative through the end of the fiscal year. This recommendation eliminates that position and would extend the revised Conservation Compliance and Customer Service Assistant position funding through the fiscal year. The result is a neutral budget impact.
• Utilizing existing, trained staff and workspace eliminates the costs of new employment training, set-up, and equipment.

POSSIBLE BOARD ACTIONS

1. By MOTION, approve the following:
   a. Revised Job Classification: Conservation Compliance & Customer Service Assistant – Temporary/Limited Term
   b. Salary recommendation: Increase from $18.57 per hour to $19.22 per hour (3.5% increase)
   c. Term: Budgeted through the end of the current fiscal year

2. Take No Action

By ____________________________
Traci Hart
Human Resources Manager
SOQUEL CREEK WATER DISTRICT
CONSERVATION COMPLIANCE & CUSTOMER SERVICE
ASSISTANT

Reports to: Water Conservation-Customer Service Field Manager
Work Direction: Assigned Staff
Supervises: Non-supervisory
Bargaining unit: Temporary – Limited Term

BASIC FUNCTION
Under supervision, performs field and office work providing support to water shortage restrictions and regulations by monitoring and reporting compliance, performs general duties and tasks in support of the Customer Service Field and Conservation responsibility areas; patrols water service areas to monitor and enforce water shortage regulations; investigates and resolves complaints, provides customers with written and verbal program information and instructions; reports damage, leaks, or unusual meter conditions; and performs related work as assigned. maintains and accurately updates customer account data, communicates with and receives direction from program staff; other duties as assigned.

TYPICAL DUTIES (May include but are not limited to the following):

- Reviews customer field service area and consumption data for the purpose of identifying potential violations of water restrictions and regulations both independently and in response to received complaints/requests. Follows up on investigatory findings to enforce water use ordinances and policies.
- Explains water shortage requirements to residential and commercial water district customers and enforces water shortage ordinance.
- Collects, records and maintains accurate field records and data including notes, photographic documentation, data log reports, customer account records, etc. of ordinance violations.
- Provides information and answers questions to the public. Refers more complex questions to Water Conservation staff or supervisor.
- Examines potential unauthorized water use and water waste, both independently and in response to received requests.
- Distributes information materials and educational brochures related to water conservation and water saving devices to the public. Places customer door-hang notices of observed violations.
- Reviews and responds to customer inquiries and complaints through multiple means, explains District Conservation policies and procedures and/or refers customers to appropriate staff.
- Explains and distributes educational materials and brochures to residential and commercial customers on matters relating to water conservation mandates and programs, district ordinances, restrictions and regulations;
rebate programs; water saving devices, outreach initiatives, conservation services and programs, etc. May represent the District at outreach events.

- Assists in conservation efforts including scheduling, basic audits, general rebate inspections, and related duties as needed.
- Assists with master meter investigations and documents investigation findings.
- Prepares general correspondence related to services and programs enforcement of water restrictions.

MINIMUM QUALIFICATIONS

Knowledge:

- Basic computer business applications including data entry, word processing and spreadsheets.
- Safe work practices in a field environment.
- Customer service practices and principles.

Abilities:

- Establish and maintain effective working relationships and act in a courteous manner when dealing with the public
- Understand, interpret, and apply adopted policies and regulations
- Communicate information and policies effectively, both verbally and in writing
- Understand and follow written and oral instructions
- Maintain accurate records
- Use a computer to access and input utility customer information Effectively operate a variety of technology and business applications and equipment.
- Work outdoors in all weather conditions
- Read maps
- Read water meters
- Accurately perform basic mathematical calculations
- Work with challenging and sometimes angry customers
- Work independently and as part of a team

OTHER REQUIREMENTS

- Must wear a District provided uniform.
- Varied shift work primarily working weekdays, and periodically weekends and evenings.
- Possession and continued maintenance of a valid California Driver’s License and a satisfactory driving record is a mandatory requirement.

EDUCATION AND EXPERIENCE

- High school graduation or equivalent

APPROVED: 5/20/14
REVISED: XX/XX/2015
One year public contact experience
Some experience using a computer including basic word processing applications

High school graduation or equivalent and one year of experience with public contact and business technology applications including word processing and database management.

DESIRABLE QUALIFICATIONS
- Bilingual ability to speak and write in English and Spanish
- AA degree or equivalent
- Knowledge of standard office procedures, practices, and equipment
- Knowledge of landscape irrigation practices and principles and/or experience in water industry or with water conservation efforts

WORKING CONDITIONS
As the incumbent will usually spend 50 to 75% of any given workday in the field, he/she must be prepared to Position requires work in all weather conditions, including wet, heat, and cold, and receive a significant amount of exposure to the sun. The incumbent may be exposed Exposure to fumes, dust, dirt, chemicals, air contaminants, pollen and plant irritants, stinging insects, snakes and hostile dogs. Patrolling out in the field by may take place in a District vehicle and/or on foot. Position requires sitting, standing, walking, reaching, twisting, turning, bending, stooping, grasping, and making repetitive hand movements in the performance of daily duties. Near vision when reading documents and using a computer and far vision when interacting with the public and driving. Acute hearing and ability to speak is required to communicate with the public in person and by telephone. Push, pull, lift, and carry equipment and supplies weighing up to 35 pounds is required. Operating a computer. May interact with challenging or angry members of the public. Requirements may be accommodated for qualified individuals.
MEMO TO THE BOARD OF DIRECTORS

Subject: Agenda Item No. 7.10 Approval of New Temporary Job Classification & Compensation: Assistant Staff Analyst

Attachment: 1. Job Description: Assistant Staff Analyst – Temporary / Limited Term

Background and Purpose
The Board approved Ron Duncan’s extended appointment as Interim General Manager at the September 1, 2015 meeting. As a result the long-term impact to the Conservation and Customer Service Field (CCSF) Department was assessed. Shelley Flock, Staff Analyst was assigned as the acting CCSF Department Manager, in Ron Duncan’s stead. Workload and service needs are currently overextended and will increase, due in part to the Urban Water Management Plan development in the coming months. Shelley has continued to perform some of her Staff Analyst duties while acting as the full-time department manager. The time and attention needed to effectively and appropriately complete Staff Analyst tasks and duties have understandably been affected, and compromising mission critical tasks, projects and programs is not in the best interest of the District or its customers.

After review and analysis of the departmental needs and workload, I recommend the District create and staff a new, temporary Assistant Staff Analyst position to perform critical duties in the CCSF Department. The position is very project/program oriented and is intended to maintain the District’s operational effectiveness during this time of transition and interim coverages. It will provide the necessary attention to complete critical, time-sensitive projects and provide a more efficient use of existing higher-level staff assigned in acting and interim positions. If approved and in order to carry out the full scope of project and program based assignments planned, I recommend the Board approve funding the term of the temporary assignment through the remainder of the current fiscal year, if necessary. As you are aware, the District reserves the right to terminate temporary assignments at will.

Budget Considerations
- The temporary Assistant Staff Analyst position is being recommended with a budgeted pay rate of $22.29 per hour for the remainder of 2015/16 fiscal year. The assignment will include District-provided benefits offered to other temporary staff.
- The District has realized budgeted personnel cost-savings by not backfilling the Staff Analyst position for more than four months. The accompanying salary for
this position is approximately 27% less than the higher level, Staff Analyst salary.
• An existing work-station will be used, eliminating the need for additional set-up and equipment costs to the District.

POSSIBLE BOARD ACTIONS

1. By MOTION, approve the following:
   a. New Job Classification: Asst. Staff Analyst – Temporary/Limited Term
   b. Salary recommendation: $22.29 per hour
   c. Term: Budgeted through the end of the current fiscal year.

2. Take No Action

By __________________________________________________________

Traci Hart
Human Resources Manager
SOQUEL CREEK WATER DISTRICT
ASSISTANT STAFF ANALYST
TEMPORARY/LIMITED TERM

Reports to: Department Manager
Work Direction: Assigned Staff
Supervises: Non-supervisory
Status: Full-Time, Temporary – Limited Term

BASIC FUNCTION
Under direct supervision, performs a variety of research and analysis, makes recommendations regarding the use and deployment of resources and the implementation and refinement of programs and operations within the assigned department; performs other related tasks.

TYPICAL DUTIES (May include but are not limited to the following):
- Researches, collects, organizes, and analyzes data in a variety of areas from multiple and diverse sources.
- Conducts analysis of moderately complex information; defines and reports problem areas; and develops recommendations for the solution of problems.
- Assists in the preparation of, and may independently prepare, written and oral reports related to studies performed and/or data gathered.
- Attends and may participate in professional group meetings; provides support to assigned groups including scheduling meetings, setup, and preparing agendas, meeting notes and informational materials.
- Assists with the development and implementation of District programs in assigned area.
- Stays current on trends and developments in assigned area and shares information with appropriate staff through written or oral communications; may perform organizational analyses on potential impacts and provide recommendations.
- Maintains records on data collection, contacts, schedules, budget, program accomplishments, etc.
- Drafts correspondence and responds to requests and inquiries from the public and staff on routine matters.
- Performs related duties as required.

MINIMUM QUALIFICATIONS
Knowledge:
- Principles of research, writing, editing, and preparing reports.
- Principles and methods of research and statistical analyses.
- Use of business technology equipment and software, procedures, processes.
- Principles of business letter writing.
- English usage, spelling, grammar and punctuation.

Abilities:
• Collect, organize, prioritize, interpret and evaluate a variety of information and data.
• Prepare reports, surveys, correspondence, and other written materials.
• Investigate and analyze a variety of issues, programs and problems.
• Communicate clearly and effectively both orally and in writing;
• Establish and maintain effective working relationships and work effectively independently and as a member of a team.
• Apply organizational, creative, interpersonal and business skills to assigned tasks.
• Understand relationships and interconnected communities of interests, issues, programs, policies, etc.
• Complete assigned work in an efficient, timely and accurate manner.
• Proficiently operate office technology utilized by the District, including word processing, databases, spreadsheets, presentation software and desktop publishing.
• Maintain clear, concise and accurate records.
• Follow written and oral directions.
• Perform assigned work in accordance with applicable safety practices and regulations, and overall District policies and procedures.

OTHER REQUIREMENTS
• Possession and continued maintenance of a valid California Driver’s License and a satisfactory driving record, or the ability to provide alternative transportation as approved by the appointing authority.

EDUCATION AND EXPERIENCE
A Bachelor’s degree in the specific or a related departmental field, and experience performing duties closely related to the duties of this position. Experience may substitute for education on a year-for-year basis.

WORKING CONDITIONS
Position requires sitting, standing, walking, reaching, twisting, turning, bending, stooping, grasping and making repetitive hand movements in the performance of daily duties. The position also requires near vision when reading documents and using a computer and far vision when interacting with the public and driving. Additionally, the position requires color vision to accurately evaluate visual displays. Acute hearing is required when communicating via telephone. The ability to push, pull, lift and carry equipment and supplies weighing up to 10 pounds is also required. The nature of the work requires that the incumbent operate a computer in a seated position for extended periods of time. Some of these requirements may be accommodated for otherwise qualified individuals requiring and requesting such accommodations.

Date of issue: X/X/15
MEMO TO THE BOARD OF DIRECTORS

Subject: Agenda Item No. 10.1 Community Water Plan Board Workshop Overview

Attachment: Community Work Plan: Guiding Principles – Working Draft

This memo provides an overview of the items to be addressed during the Community Water Plan (CWP) Board workshop. At the last CWP Board workshop on July 9, 2015, direction was provided to further evaluate four items:

1. The impacts of climate change on the pre-recovery yield value in regards to (a) groundwater recharge, and (b) associated sea level rise. (Note that since the July 9 meeting, it was conveyed that the impacts of sea level rise on pre-recovery yield would not be addressed until a later time.)
2. The share of the water shortage issue that may be attributable to the District versus other pumpers.
3. Revised water demand/production forecasts.
4. Design of the outreach material to convey the essence of the CWP.

A technical evaluation from Hydrometrics WRI (Agenda Item 10.2) explores above items 1 and 2. Additionally, staff prepared revised water demand forecasts as presented in Agenda Item 10.3. Based on the information presented in Agenda Items 10.2 and 10.3, the Board may wish to further refine strategies to address the water shortage issue.

In regards to item 4 above, staff has developed a conceptual design for a “booklet” to encapsulate the CWP for advancing the public's understanding and knowledge. Staff seeks input at this conceptual stage of the outreach booklet to take it to the next stage.

The attachment provides a working checklist of the CWP guiding principles and resulting action items from the July 9, 2015 workshop.

POSSIBLE BOARD ACTIONS
1. By MOTION, provide input regarding the items discussed above.

2. Take no action.

By [Signature]
Ron Duncan
Interim General Manager
Community Water Plan
Guiding Principles - WORKING DRAFT

Guiding Principles are statements that articulate shared or common values, assumptions, or expectations. Staff proposes they serve as the standard or basis of reasoning and action in the development of the Community Water Plan.

Last Revised 9/11/2015

Groundwater Supply – Methodology and Assumptions for Calculating Sustainable Yield

1. The District is currently undergoing a groundwater model, which is anticipated to be completed in April 2016. Until this time, the District will continue to use its current water mass-balance approach for planning purposes. (per Board direction at 7/9/2015 meeting)

2. The risk and uncertainty of a water mass balance approach is based on the percentile of model runs that successfully provided protective outflows to protect aquifers from seawater intrusion. The District will continue to use 70th percentile for risk/uncertainty for planning purposes (similar to the 2012 Integrated Resources Plan approach) to establish interim pumping goals and address risk/uncertainty without being overly conservative. (per Board direction at 7/9/2015 meeting)

3. While pumping goals for the District have traditionally been established assuming pumping by other parties, the District will estimate and assume reduced pumping by other parties and will bring this back to the Board for further discussion. (per Board direction at 7/9/2015 meeting)
   - To be presented to the Board on 9/15/2015

4. The District will work with HydroMetrics on developing an updated pre-recovery pumping goal that will include assuming a reduction in pumping by other parties and climate change predictions and will bring this back to the Board for further discussion. (per Board direction at 7/9/2015 meeting)
   - To be presented to the Board on 9/15/2015

5. To eliminate the accumulated pumping deficit and restore the basin, groundwater withdrawals should not exceed the recovery pumping goal. (per Board direction at 7/9/2015 meeting)

6. Restoring of the groundwater basin to achieve protective groundwater levels that will combat seawater intrusion from moving inland will require long-term reductions in groundwater withdrawals. The District aims to limit groundwater extractions to at or below the recovery pumping goal for 20 years or less for planning purposes to restore the basin. (per Board direction at 7/9/2015 meeting)

7. The District’s post-recovery pumping goal of 4,000 afy has been updated since the 2012 Integrated Resources Plan Update shall be refined after discussion and agreement on guiding principles #3, 4 and 8 are discussed and direction by the Board occurs at a future meeting. (per Board direction at 7/9/2015 meeting)
8. There are additional contributing factors that the District could impact the groundwater basin conditions. Climate change, including reduction in local groundwater recharge and seawater rise may further impact local water resources. Scientists predict as much as a 30% reduction in local groundwater recharge by the year 2100, the rain season would be compressed to predominantly January-February, droughts could be 12 years long, and 14” in sea level rise by 2050 have been predicted. The District recognizes that climate change impacts are increasingly important for planning purposes and will further reduce the sustainable yield of the groundwater basin. The recovery pumping goal and post-recovery pumping yield will include estimated effects due to climate change and will be brought to the Board for further discussion. (per Board direction at 7/9/2015 meeting)

Interagency Coordination

9. Under the California Water Code, a special water district must plan to provide adequate water supplies for current and future uses. The District is a not a land use agency and, as required by law, will continue to plan for the water needs of its community per the Santa Cruz County and City of Capitola General Plans and its own regulatory codes. The District will also continue to work collaboratively with partner and regional agencies. (per Board direction at 7/9/2015 meeting)

10. On January 1, 2015, the State’s Sustainable Groundwater Management Act went into effect which established statewide management of groundwater. The District is working with other local water agencies and stakeholders in developing a Groundwater Sustainability Agency before 2017 and a Groundwater Sustainability Plan before 2020 for the Soquel-Aptos Area Groundwater Basin to ensure that the basin is sustainable and in balance before 2040. (Assuming that our basin is designated as critically overdraft by DWR). For planning purposes, the District will look at funding a project at 100% or at 60% (assuming a scenario could be that a supplemental supply project be shared with other GSA members). (per Board direction at 7/9/2015 meeting)

Water Conservation

11. Based on recent input we’ve gathered, the District recognizes that the majority of customers are hopeful that their new conservative behaviors can be permanent. The District will continue to encourage the recent water savings obtained over the last year and aim to as much of it permanent. The District recognizes that there will be a rebound effect after the rains come/drought ends. (per Board direction at 7/9/2015 meeting)

12. To allow development to occur and not further impact the overdrafted groundwater basin, the District requires development projects to offset its water use by 200% so that there is a “net positive impact” on the District’s water supply. To satisfy this requirement, a water demand offset (WDO) fee of $55,000 per acre foot shall be paid to fund projects that will have measurable water savings or that supply water.
The District will continue to issue Will Serve letters if the development meets the water demand offset program protocols and other District requirements. The next project to utilize WDO collected funds was selected by the Board as the No-Des Machine. (per Board direction at 7/9/2015 and 7/21 meeting)

13. The District’s demand projections will need to be updated and presented in the Community Water Plan. Since the Urban Water Management Plan (UWMP) will be developed in late 2015/early 2016, District staff will develop estimated demand projections through 2045 and will bring this back to the board for further discussion. (per Board direction at 7/9/2015 and 7/21 meeting)

☐ To be presented to the Board on 9/15/2015

Supplemental Water Sources

14. Based on recent input, the District recognizes that the majority of customers support the District to take action in securing a new source of water supply. The District has been re-evaluating supplemental supply options since the 2012 IRP Update and recently conducted a 13-month evaluation of potential projects that included a criteria-based ranking/scoring selection and a peer review assessment.

Based on this work, the District has selected groundwater replenishment using recycled water for further evaluation and is conducting a yearlong feasibility study. In addition, the District has entered into a non-binding, non-financial memorandum of interest with the Deep Water Desal Project in Moss Landing and has begun negotiations with purchasing up to 300 acre-feet per year of excess winter water from the City of Santa Cruz (to evaluate long-term potential). (per Board direction at 7/9/2015 meeting)

15. Community projects in our area tend to be controversial and issue driven. The District values community and customer input on water conservation and supplemental supply options. Without going into the pros and cons of any particular project, the District sought input from our community on the most important qualities for any new water supply project. The top qualities were identified as water quality, reliability, timeliness, and minimal environmental impacts. Water Quality issues related to CECs will be addressed in 2015-2016. **Based on this input, the District will continue to recognize and consider community input during the continued evaluation of new sources of supply.** (per Board direction at 7/9/2015 meeting)

16. Fiscal responsibility and adequate water rates are important aspects related to water supply projects. The District recently conducted a 10-year finance plan study that illustrated different packages of CIP infrastructure projects and a water supply project (item 6.3, June 2, 2015) beginning full-scale construction in 2022 and coming on-line in 2025. **Based on this work, the Board selected Scenario B to fund 100% of the recycled water project ($63M in today dollars and $83M in escalated dollars), a conservation program, and a $4M per year pay-go (no borrowing) CIP. To be fiscally responsible the water rates to support the above items rates are projected rate increases 12% for the first three years and then 5% to 9% the following seven years. Grants and other funding sources should be actively sought after to reduce the burden to District ratepayers.** (per Board direction at 7/9/2015 meeting)
17. The District recognizes there is uncertainty in many areas of water supply planning and that seawater intrusion at the production wells is a serious risk, and the consequence of this action is drastic. Thus, the District’s Community Water Plan (CWP) recognizes the District’s long-term sustainability goals are to reduce uncertainty where possible and manage it when it is present and reduce risk through conservation efforts and pursuing/obtaining supplemental supplies to eliminate the negative consequence of seawater intrusion. (per Board Direction at 7/9/2015 meeting)

18. The Community Water Plan shall be a strategic and comprehensive long-range with an established planning horizon. The CWP shall serve as a roadmap through 2045 and include milestones and key performance indicators to monitor and track progress. (per Board Direction 7/9/2015 meeting)
MEMO TO THE BOARD OF DIRECTORS

Subject: Agenda Item No. 10.2 Revised Pre-Recovery Goal and Post-Recovery Yield Estimates Based on Estimated Effects of Climate Change and Updated Consumptive Use for Community Water Plan Development


Purpose
The purpose of this memo is to introduce the draft technical memorandum from HydroMetrics WRI (see attached) that describes the analysis and findings on the estimated effects of climate change and updated basin consumptive use on the sustainable yield and District’s pumping goals.

Background
At the Community Water Plan workshop on July 9, 2015, the Board requested staff work with the District’s hydrologist, HydroMetrics WRI, on revising the pre-recovery goal and post-recovery yield to better reflect the estimated effects based on climate change (e.g., groundwater recharge and sea level rise) as well as the reduction of pumping in recent years by other pumpers in the basin with heightened conservation awareness.

Summary of Analysis and Findings
HydroMetrics WRI recommends that future estimates of post-recovery pumping yield and pre-recovery pumping goals be based on the groundwater flow model currently under development instead of the water balance approach used previously and for this analysis. However, the analysis has been provided as an interim estimate to inform development of the District’s Community Water Plan, as directed by the Board, while the groundwater flow model is being developed.

In the near future, groundwater flow model efforts will be used to update the pumping estimates incorporating different climate change scenarios and the ongoing work being performed on consumptive use estimates for non-water agency pumpers. HydroMetrics WRI strongly recommends future groundwater management planning should be based on those modeling simulation results.
Using the water mass-balance, as requested by the Board, assuming decreased recharge based on recent data and the 70th percentile climate change scenario and updated estimates for consumptive use, HydroMetrics WRI estimates the basin’s overall pre-recovery goal would be approximately 2,975 acre-feet per year and post-recovery yield would be approximately 3,930 acre-feet per year. The portion of these values that should be attributed to the District vs. other basin pumpers is not defined, but will be part of the discussion at the Workshop.

Cameron Tana with HydroMetrics WRI will be available by telephone to answer questions and discuss the technical memorandum provided.

**POSSIBLE BOARD ACTIONS**

1. By MOTION, provide direction regarding the subject item.

2. Take no action.

By [Signature]

Ron Duncan
Interim General Manager
DRAFT TECHNICAL MEMORANDUM

To: Ron Duncan, Soquel Creek Water District
From: Cameron Tana
Date: September 11, 2015
Subject: Estimated Effects on Sustainable Yield and Pumping Goals of Climate Change and Updated Basin Consumptive Use Using Water Balance Approach

At your request, we have performed additional evaluation of the District’s post-recovery sustainable pumping yield and pre-recovery pumping goals using the water balance approach documented in our 2012 letter report and last updated in our July technical memorandum (HydroMetrics WRI, 2015c). This additional evaluation includes estimates accounting for climate change and updated basin consumptive use data to inform development of the District’s Community Water Plan.

We have recommended that future estimates of post-recovery pumping yield and pre-recovery pumping goals be based on the groundwater flow model currently under development instead of the water balance approach used previously. The use of the groundwater flow model for this purpose is described in more detail in a HydroMetrics WRI memo titled Peer Review of Sustainable Yield Estimates – Refining Estimates with the Groundwater Model and Additional Studies (2014). For the groundwater flow model, updated pumping estimates will be included and simulations based on different climate change scenarios will be performed. Therefore, future groundwater management planning should be based on those simulation results. The estimates presented in this technical memorandum are meant only for the District’s use in the interim as the groundwater flow model is being developed. Development of sustainable yield and pumping goal estimates for 2016 reaffirmed the need to integrate climate change effects into future planning.
change and updated consumptive use data within the groundwater flow model as opposed to roughly fitting them into the water balance approach.
The post-recovery pumping yield and pre-recovery pumping goals are estimated separately for the Purisima and Aromas areas as shown in Error! Reference source not found., which is replicated from the 2012 report. As there has been no published estimate for outflows needed to protect the aquifers from seawater intrusion west of SC-1, recharge in the area west of SC-1 is removed from the water balance for the Purisima area. Correspondingly, historical pumping from the City of Santa Cruz has been removed from the water balance. The groundwater flow model will include all water recharge and discharge components for the entire Purisima, including the area west of SC-1. It may also be possible that work on developing a modified cross-sectional model for a City monitoring well could provide estimates of outflows for use in a water balance.

The Valencia Creek watershed east of the creek has previously been included with the Purisima area (Johnson et al., 2004) because the Purisima F unit outcrops in this area. For the water balance, this area is grouped with the Aromas area where pumping occurs from both the Purisima F unit and overlying Aromas Red Sands. The groundwater flow model will simulate the Purisima F unit and Aromas Red Sands separately.

**REDUCED RECHARGE BASED ON INCLUSION OF RECENT RAINFALL DATA**

The recharge estimates used in the water balance are based on PRMS watershed model results for the Water Year 1984-2009 calibration period (HydroMetrics WRI, 2011). The model also provides a relationship that has been used to estimate recharge based on rainfall for Water Years 2010-2014. Combining the uncalibrated recharge estimates for the relatively dry five year period with calibrated model results for the previous 26 years provide an estimate of long-term recharge that is 6.5% lower than what has been used in the water balance previously (HydroMetrics WRI, 2015a). The second and third columns of Table 1 show the effect of decreased recharge for the Purisima and Aromas water balance areas.
Figure 1. Purisima and Aromas Water Balance Areas (HydroMetrics WRI, 2012)
Table 1. Effects of Decreased Recharge on Water Balance Components

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Purisima Area</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recharge from precipitation (afy)</td>
<td>6,600</td>
<td>6,171</td>
<td>5,987</td>
</tr>
<tr>
<td>Subtract recharge west of SC-1</td>
<td>-1,200</td>
<td>-1,122</td>
<td>-1,083</td>
</tr>
<tr>
<td>Modeled protective outflows to Ocean - 70th percentile (afy)</td>
<td>-775</td>
<td>-775</td>
<td>-775</td>
</tr>
<tr>
<td><strong>Total available for consumptive use (afy)</strong></td>
<td><strong>4,625</strong></td>
<td><strong>4,274</strong></td>
<td><strong>4,129</strong></td>
</tr>
<tr>
<td></td>
<td>Aromas Area</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recharge from precipitation (afy)</td>
<td>4,200</td>
<td>3,927</td>
<td>3,501</td>
</tr>
<tr>
<td>Modeled protective outflows to ocean - 70th percentile (afy)</td>
<td>-1,950</td>
<td>-1,950</td>
<td>-1,950</td>
</tr>
<tr>
<td>Flow to Pajaro Valley</td>
<td>-370</td>
<td>-370</td>
<td>-370</td>
</tr>
<tr>
<td><strong>Total available for consumptive use (afy)</strong></td>
<td><strong>1,880</strong></td>
<td><strong>1,607</strong></td>
<td><strong>1,181</strong></td>
</tr>
</tbody>
</table>

1 HydroMetrics WRI, 2012  
2 HydroMetrics WRI, 2015a  
3 Flint et al., 2014

**REDUCED RECHARGE BASED ON CLIMATE CHANGE SCENARIOS**

Additional changes to recharge from rainfall could occur due to climate change. The USGS has estimated effects of climate change on recharge based on downscaling of climate change models to a 270 meter grid for California (Flint et al., 2013). The datasets for the historical 1981-2010 simulation and 18 future climate changes scenarios for 2010-2039 were downloaded (Flint et al., 2014) and mapped to the Purisima and Aromas water balance areas.

The 1981-2010 historical simulation results in overall higher recharge than the PRMS simulation used in the water balance. Average recharge from rainfall of
5.5 and 7.7 inches per year the 1981-2010 historical simulation for the Purisima and Aromas areas, respectively, represent 16% and 30% of rainfall. These percentages are higher than what is typical in California. In comparison, the PRMS simulation calibrated to 1984-2009 estimated recharge being 7% and 22% of rainfall in the Purisima and Aromas areas, respectively. Therefore, in using the estimated recharge change in future scenarios from the 1981-2010 simulation we recognize there may be issues with the magnitude of the recharge estimates. For the groundwater flow model being developed, we are currently scoped to use downscaled climate data provided by the USGS that will be calibrated to basin conditions. Results from the groundwater flow model should represent a more realistic baseline recharge.

Because of the identified magnitude issue in the USGS recharge estimates described above, we use the percentage change in recharge for each of the 2010-2039 future climate change simulations against the 1981-2010 historical simulation, and apply that change to the PRMS recharge estimate. A majority of the climate change simulations show an increase in recharge for the Purisima and Aromas area. To evaluate the effects on water balance, we use the simulation representing the 70th percentile recharge sorted from high to low to be consistent with the level 70th percentile protective ocean outflow used. The 70th percentile climate change simulation is the Fgoals_rcp85 simulation which predicts recharge decreases of 3% (Figure 2) and 11% (Figure 3) in the Purisima and Aromas areas, respectively. Column four of Table 1 shows the effect these decreases in recharge would have on the available consumptive use.

**Effects on Protective Outflows of Sea Level Rise**

The effects of sea level rise on outflows needed to protect against seawater intrusion are not included in this evaluation. The effects on the Soquel-Aptos basin would require more substantial modeling than has already been done. The groundwater modeling scope includes integration of the seawater interface code SWI2 in fiscal year 2016-17 that will allow for this type of evaluation.

However, literature indicates that the long-term effect of sea level rise on the long-term location of the saltwater interface may be relatively minor. Chang et al. (2011) concluded that there would be no change caused by sea level rise in the long-term location of the saltwater interface in confined aquifers (such as the aquifers in the Purisima). Chang et al. did conclude however, that sea level rise would cause long-term intrusion in unconfined aquifers (conditions more likely...
to occur in the Aromas). In modeling sea-level rise effects on groundwater in the Seaside Basin (Monterey County), Loaiciga et al. (2012) concluded that sea level rise had a minor effect relative to groundwater extractions.

Figure 2. Purisima Area East of SC-1 Change in Recharge for Climate Change Scenarios

Figure 3. Aromas Area Change in Recharge for Climate Change Scenarios
CONSUMPTIVE USE CHANGES BASED ON PEER REVIEW

The Todd Groundwater (2014) peer review recommended some changes to assumptions used to calculate consumptive use. Two of these recommendations are adopted for this evaluation. The first recommendation was to account for water and sewer system losses as a source of return flow. Seven percent loss is assumed for Soquel Creek Water District based on information from the District (HydroMetrics WRI and Kennedy/Jenks, 2014). The second recommendation was to use a return flow percentage of 10% for outdoor irrigation instead of 20% to account for increased use of efficient irrigation systems. The groundwater model may be used to evaluate whether 90% irrigation efficiency results in 10% return flow to recharge or whether some water flows to streams.

This evaluation does not update the return flow percentage for septic systems from 75% to 98% as suggested by Todd Groundwater. The higher percentage appears to represent indoor use that flows to septic systems and does not account for whether water is evaporated or flows to stream instead of recharging. This may be further evaluated by the groundwater flow model, but the conservative estimate of 75% is used for the water balance.

The first effect of these consumptive use estimates is to change the calculation of the consumptive use deficit that has developed by pumping greater than the post-recovery sustainable yield. Based on these changes for District return flow, the estimates for decreased recharge that include the recent dry period and updated pumping through Water Year 2015, the cumulative consumptive use deficit is estimated as 12,200 acre-feet and 15,900 acre-feet for the Purisima and Aromas respectively. The reduction in consumptive use from available consumptive use (Table 1) to recover the basin in 20 years is approximately 600 acre-feet per year and 800 acre-feet per year for the Purisima and Aromas areas, respectively. These cumulative consumptive use deficits and reduction amounts will apply to the water balance for decreased recharge from climate change because future climate change does not affect the cumulative deficits developed in the past. In the groundwater flow model, recovery will not be assessed by reduced consumptive use but by simulated groundwater levels for comparison to protective elevations.
Updated Consumptive Use Estimates for Water Agencies

Estimates for consumptive use by Soquel Creek Water District and Central Water District are from average production for Water Years 2009-2013. Pumping over that five year period was consistently lower than previous years, but higher than the last two years of extraordinary conservation during the current drought. Estimated deliveries of approximately 27 acre-feet per year by Central Water District for agricultural use based on 2010-2011 data (HydroMetrics WRI and Kennedy/Jenks, 2014) is subtracted to calculate non-agricultural consumptive use. Four percent system loss resulting in return flow is assumed for Central Water District based on data from 2008-2009 (HydroMetrics WRI and Kennedy/Jenks, 2014)

Only projected pumping of 125 acre-feet per year from the City of Santa Cruz’s new Beltz 12 well (Chambers, 2011) is included in the water balance. The rest of the City of Santa Cruz pumping is assumed to be supplied by recharge west of SC-1. The Beltz 12 well produces most of its water from the underlying Tu unit, which has an uncertain recharge source and also supplies the District’s O’Neill Ranch and Main Street wells. Seven percent system loss resulting in return flow is assumed for the City of Santa Cruz.

Non-agricultural consumptive use is calculated using the return flow percentages discussed above and the assumption that 30% of the use is applied outdoors. Table 2 summarizes the estimated consumptive use by water agency.
**Updated Consumptive Use Estimates for Non-Water Agency Use**

Consumptive use estimates for non-water agency use are updated based on ongoing work being performed for the groundwater flow model. These results are preliminary and subject to revision. Full documentation of this work will be provided for the groundwater flow model Technical Advisory Committee review in a draft technical memorandum within the next two months. The following summarizes the different components of these estimates.

1. Residential building footprints are counted based on data provided by Santa Cruz County for 2007.
2. An updated uniform 0.4 acre foot per year water use factor is applied to each building.
3. Estimates for several small water systems are available. If unavailable, estimates based on residential buildings is used.
4. Sewered areas identified based on data from the District and County.
5. Current agricultural land use is mapped and total areas calculated based on data from Pajaro Valley Water Management Agency, a California
6. Previously published crop water use factors are used to calculate agricultural use. This is not the method that will be used for the groundwater flow model which will be based on crop water demand and evapotranspiration estimates.

7. Water use for Seascape Golf Course is reduced from the estimate documented in Johnson et al (2004) to reflect increased efficiency, but consumptive use remains the same.

Table 3 shows updated estimates for consumptive use by non-agencies for non-agricultural use in the Purisima and Aromas areas. These estimates are lower than what was used in 2012 for the water balance based primarily on Johnson et al., 2004.
Table 3. Updated Estimates for Consumptive Use by Non-Agencies for Non-Agricultural Use

<table>
<thead>
<tr>
<th>Area</th>
<th>Pumping (afy)</th>
<th>Septic Percentage</th>
<th>Overall Return Flow Percentage</th>
<th>Consumptive Use (afy)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purisima Area</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 Small Water Systems</td>
<td>185</td>
<td>49%</td>
<td>31%</td>
<td>127</td>
</tr>
<tr>
<td>Building Footprints</td>
<td>742</td>
<td>82%</td>
<td>47%</td>
<td>392</td>
</tr>
<tr>
<td>Seascaper Golf</td>
<td>206</td>
<td>10%</td>
<td></td>
<td>186</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,133</td>
<td></td>
<td>38%</td>
<td>705</td>
</tr>
<tr>
<td><strong>Aromas Area</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 Small Water Systems</td>
<td>13</td>
<td>100%</td>
<td>56%</td>
<td>6</td>
</tr>
<tr>
<td>Building Footprints</td>
<td>190</td>
<td>99.6%</td>
<td>55%</td>
<td>85</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>203</td>
<td></td>
<td>55%</td>
<td>91</td>
</tr>
</tbody>
</table>

Table 4 shows the updated estimates of consumptive use by agriculture in the Purisima and Aromas areas. These estimates are higher than what was used in 2012 for the water balance based on Johnson et al., 2004. It should be noted however that over 1,000 acre-feet per year of the estimated agricultural consumptive use in the Aromas occurs southeast of the District’s Service Area 4 where the District no longer pumps. The groundwater flow model can be used to evaluate the specific effect of this pumping.
Table 4. Updated Estimates for Agricultural Consumptive Use

<table>
<thead>
<tr>
<th>Crops</th>
<th>Crop Factor Range</th>
<th>Source</th>
<th>Purisima Consumptive Use (afy)</th>
<th>Aromas Consumptive Use (afy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bamboo, Apple Orchard, Vineyards</td>
<td>0.23-0.43</td>
<td>CWD data for 2011-2012¹</td>
<td>72</td>
<td>16</td>
</tr>
<tr>
<td>Vegetable Row Crop, Other Ag.</td>
<td>1.7</td>
<td>JM Montgomery (1992)</td>
<td>123</td>
<td>296</td>
</tr>
<tr>
<td>Pasture, Strawberries</td>
<td>2</td>
<td>JM Montgomery (1992)</td>
<td>138</td>
<td>432</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cahn et al. survey (2010)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nurseries/Flowers/Tropical Plants</td>
<td>3</td>
<td>JM Montgomery (1992)</td>
<td>34</td>
<td>415</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td><strong>Total</strong> 367</td>
<td><strong>Total</strong> 1,159</td>
</tr>
</tbody>
</table>

¹HydroMetrics WRI and Kennedy/Jenks, 2014

PUMPING GOALS BASED ON DECREASED RECHARGE AND DISTRICT SHARE OF CONSUMPTIVE USE

For the water balance assuming decreased recharge based on recent data and the 70th percentile climate change scenario, consumptive use to recover the basin in 20 years is estimated by subtracting 600 and 800 acre-feet per year from the available consumptive use for the Purisima and Aromas areas based on the cumulative consumptive use deficits presented above, respectively. Updated estimates for consumptive use show that total consumptive use is below the pre-recovery goal for the Purisima area but that non-District consumptive use exceeds the pre-recovery goal for the Aromas area. Potential pumping goals for the District are estimated based on maintaining the District’s share of consumptive use. The District’s overall pre-recovery goal would be 2,975 acre-feet per year and post-recovery yield would be 3,930 acre-feet per year.
Table 5. Potential Pre-Recovery Goal and Post-Recovery Yields for District Based on Maintaining the District’s Share of Consumptive Use

<table>
<thead>
<tr>
<th></th>
<th>Purisima</th>
<th>Aromas</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Available Consumptive Use for Reduced Recharge (afy)</td>
<td>4,129</td>
<td>1,181</td>
<td>5,310</td>
</tr>
<tr>
<td>Total Consumptive Use to Recover in 20 Years (afy)</td>
<td>3,517</td>
<td>385</td>
<td>3,902</td>
</tr>
<tr>
<td>Total Estimated Consumptive Use (afy)</td>
<td>3,364</td>
<td>2,591</td>
<td>5,955</td>
</tr>
<tr>
<td>SqCWD Share of Consumptive Use</td>
<td>65%</td>
<td>43%</td>
<td>56%</td>
</tr>
<tr>
<td>SqCWD Pre-Recovery Consumptive Use (afy)</td>
<td>2,284</td>
<td>167</td>
<td>2,451</td>
</tr>
<tr>
<td><strong>SqCWD Pre-Recovery Pumping Goal (afy)</strong></td>
<td>2,744</td>
<td>231</td>
<td>2,975</td>
</tr>
<tr>
<td>SqCWD Post-Recovery Consumptive Use (afy)</td>
<td>2,681</td>
<td>513</td>
<td>3,194</td>
</tr>
<tr>
<td><strong>SqCWD Post-Recovery Pumping Yield (afy)</strong></td>
<td>3,222</td>
<td>709</td>
<td>3,930</td>
</tr>
</tbody>
</table>
REFERENCES


HydroMetrics LLC. 2009b. Groundwater levels to protect against seawater intrusion and store freshwater offshore, prepared for Soquel Creek Water District, January.

HydroMetrics WRI. 2011. Estimation of deep groundwater recharge using a precipitation-runoff watershed model Soquel-Aptos, California. Prepared for Soquel Creek Water District, Central Water District, and the City of Santa Cruz. September.


Soquel Creek Water District and Central Water District. 2007. *Groundwater management plan -2007 Soquel-Aptos area*, Santa Cruz County, California, April.


MEMO TO THE BOARD OF DIRECTORS

Subject: Agenda Item No. 10.3 Demand Forecast Through 2045 for the Community Water Plan

Attachment: Memo titled “Corrected Demand Forecast”, dated August 24, 2015, by M. Cubed

Purpose

The purpose of this memo to provide an overview of the approach to establishing an interim updated estimate of Soquel Creek Water District’s water demand/production forecast until the 2015 the Urban Water Management Plan (UWMP) is completed and a more thorough analysis can be conducted. (Note that demand and production are used interchangeably in this memo and refer to total District annual production.)

Background

At the Community Water Plan workshop on July 9, 2015, the Board requested staff revise the demand forecast in light of the significant conservation efforts that have occurred since the last demand projection estimates were conducted as part of the District’s adopted 2010 Urban Water Management Plan (UWMP). The District used the SEPT (Social, Economic Political, and Technological) model for the demand analysis in the UWMP 2010. The analysis in the 2010 UWMP states “... this evaluation is a forecast and should be updated and refined on a periodic basis or if significant demand altering events occur”.

The Board direction at the July 9 workshop also included that the demand forecast be extended to year 2045, and that the District’s interim demand forecast should be revised based on the recent demand analysis prepared for the City of Santa Cruz Water Supply Advisory Committee by the consulting company M. Cubed. Since there have been such significant demand reductions in 2014 and 2015, many water agencies are grappling with the question of whether current levels are the new normal for demand, whether rebound will occur, and if it does, how much.

Analysis

City of Santa Cruz Demand Forecasting

The memo titled “Corrected Demand Forecast”, dated August 24, 2015, by M. Cubed (see attachment) indicated that, based on their econometric demand modeling that was peer reviewed by Maddaus Water Management, the projected production forecast in 2020 would be approximately 100% of actual 2013 production levels and are projected to slightly increase approximately 1.5% through 2035.

Applying the City of Santa Cruz Demand Forecasting Analysis to District Demands

Below are three potential scenarios to consider that apply the M.Cubed methodology. Tables 1 and 2 and Figure 1 summarize the results of the analysis.
Option 1: Establish 2020 Baseline to Actual 2013 Production Value (assumes a 100% rebound)
If we apply the City’s analysis to the District, the actual 2013 production of 4,288 acre-feet (AF) would be the new interim forecasted 2020 baseline value. Then, instead of applying the 1.5% increase in demand (as was used in the City’s model), we continue to use the District’s SEPT analysis of additional cumulative conservation savings of 7.5% through 2030 based on social, economic, political, and technological advances. The rationale is that the District operates a robust conservation program.

Option 2: Establish 2020 Baseline to Actual 2013 Production Value and reduce by 5% (assumes a 95% rebound)
Several professionals are speculating that some of the significant reductions since 2013 are permanent and that rebounds could be in the range of 90% to 95%. Since the District will likely be operating a WDO program at least through 2020 and the District drought actions were not as draconian as the City, a smaller rebound than presented in option 1 is possible. If we apply a 95% rebound to the actual 2013 production of 4,279 AF, the new interim forecasted 2020 baseline value would be 4,065 AF. Then, similar to option 1 above, the cumulative additional conservation savings based on SEPT would be projected through 2030.

Option 3: Establish 2020 Baseline to Actual 2013 Production Value and reduce by 10% (assumes a 90% rebound)
There are two other factors that could be applied as a deviation to the M. Cubed approach (option 1) which could further reduce the rebound rate. The first factor is that the price elasticity value used in the 2010 UWMP is about 50% lower than what M. Cubed and other professionals are now estimating. The second factor is that additional permanent conservation savings may be achieved based on the implementation of new conservation habit programs (resulting from the learning launches). If we apply a 90% rebound to the actual 2013 production of 4,288 AF, then new interim forecasted 2020 baseline value would be 3,850 AF. Then, similar to option 1 and 2 above, the cumulative additional conservation savings based on SEPT would be projected through 2030.

For this analysis, in all three options above, the demand after 2030 and through 2045 is assumed to stay steady with any new demand from growth (assuming no WDO program at that point) being offset by price elasticity and technology advances that increase efficiency. In the M. Cubed study, the demand forecast increases slightly by 1.5% from 2020 to 2035.

Conclusion
This evaluation presents three demand/production forecasts (Options 1, 2, and 3) based on the recent analysis by M. Cubed for the City of Santa Cruz. Option 1 applies M. Cube’s method that that 2020 demand projection will be equivalent to actual 2013 production value and then re-baselines the original 2010 UWMP
forecast values. Option 2 reduces the rebound downward 5% and Option 3 further reduces the rebound to 10% to account for greater reductions from increased price elasticity and long-term habitual changes. Just as the District acts responsible by estimating conservatively with financial projections, staff believes this approach is also prudent for demand projections and thus recommends Option 1 or 2.

Table 1. Actual District Production from 2007 to 2014 (Acre-feet)

<table>
<thead>
<tr>
<th>Year</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual Production (AF)</td>
<td>4895</td>
<td>4758</td>
<td>4262</td>
<td>4088</td>
<td>4034</td>
<td>4171</td>
<td>4288</td>
<td>3473</td>
</tr>
</tbody>
</table>

Table 2. District Production Forecast (Acre-feet)

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2020</th>
<th>2025</th>
<th>2030</th>
<th>2040</th>
<th>2045</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010 UWMP Adjusted Demand Projections (AF)</td>
<td>4275 (forecast)</td>
<td>4392</td>
<td>4254</td>
<td>4116</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interim Forecast Projections</th>
<th>Actual</th>
<th>Forecast</th>
<th>Forecast</th>
<th>Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option 1 - Revised forecasted demand based on M Cubed Analysis (AF)</td>
<td>4288</td>
<td>4288</td>
<td>4127</td>
<td>3972</td>
</tr>
<tr>
<td>Option 2 - Revised forecasted demand based on M Cubed Analysis and Reduced 5% (AF)</td>
<td>4288</td>
<td>4074</td>
<td>3921</td>
<td>3774</td>
</tr>
<tr>
<td>Option 3 - Revised forecasted demand based on M Cubed Analysis and Reduced 10% (AF)</td>
<td>4288</td>
<td>3859</td>
<td>3714</td>
<td>3575</td>
</tr>
</tbody>
</table>

Notes:
UWMP – Urban Water Management Plan; AF – acre-feet; The UWMP values are from Table 4-1 (p. 4-4) of the 2010 UWMP. The revised forecasted values are based on the demand projections by M.Cubed for the City of Santa Cruz Water Supply Advisory Committee in a memo dated August 24, 2015 “Corrected Demand Forecast” and other considerations.
Figure 1. Demand Forecasts

IRP – Integrated Resource Plan
UWMP – Urban Water Management Plan
POSSIBLE BOARD ACTIONS

1. By MOTION, accept the revised forecasted values present as Option 1 or 2 in Table 2 and displayed in Figure 1, as the interim forecasted demand/production values for the District.

2. By MOTION, provide other direction to staff.

3. Take no action.

By:  __________________________

Shelley Flock
Interim Water Conservation & Customer Service Manager

By: __________________________

Ron Duncan
Interim General Manager
During a review by Maddaus Water Management of the draft econometric demand forecast presented to the WSAC in July, an error in the plumbing code water savings forecast was identified which caused the production forecast to be understated by approximately 200 MGY. The plumbing code forecast from the Maddaus Water Management's DSS model was not in error. Rather, the error occurred when M.Cubed disaggregated the plumbing code savings into customer class water savings and re-expressed these savings in CCF/service so they could be used with the econometric demand model. Unfortunately, we did not catch the coding error until after the draft forecast was presented to the WSAC in July. The forecast presented to the WSAC in July, the corrected forecast, and the WSAC interim forecast are shown in the following table. The corrected forecast is approximately 7 percent greater than what was presented in July.\(^1\)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>2020</th>
<th>2025</th>
<th>2030</th>
<th>2035</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Forecast</td>
<td>Forecast</td>
<td>Forecast</td>
<td>Forecast</td>
</tr>
<tr>
<td>Unrounded</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected</td>
<td>3,385</td>
<td>3,351</td>
<td>3,388</td>
<td>3,442</td>
</tr>
<tr>
<td>WSAC Interim</td>
<td>3,236</td>
<td>3,213</td>
<td>3,218</td>
<td>3,169</td>
</tr>
<tr>
<td>Rounded</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>July (with Plumbing Code Savings Error)</td>
<td>3,100</td>
<td>3,100</td>
<td>3,200</td>
<td>3,200</td>
</tr>
<tr>
<td>Corrected</td>
<td>3,400</td>
<td>3,400</td>
<td>3,400</td>
<td>3,400</td>
</tr>
<tr>
<td>WSAC Interim</td>
<td>3,200</td>
<td>3,200</td>
<td>3,200</td>
<td>3,200</td>
</tr>
</tbody>
</table>

The chart on the following page compares the WSAC interim forecast to the corrected econometric forecast. It also shows the uncertainty band around each forecast. The uncertainty band on the econometric forecast is based on the 95% confidence intervals for the class-level average use per service forecasts developed with the econometric models. The uncertainty band on the WSAC interim forecast is the range between the low and high interim forecasts presented at the April WSAC meeting. From the chart it is seen that the corrected econometric forecast represented by the dark blue line essentially tracks the upper-bound of the WSAC interim forecast while the WSAC interim forecast represented by

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\(^1\) Both the econometric and interim forecasts are assuming average weather, no restrictions on water use, and normal economic conditions. Neither forecast includes the incremental water savings from Program C REC.
the dark yellow line essentially tracks the lower-bound of the corrected econometric forecast. Between these two lines, the forecasts overlap. Future production in the range of 3,200 to 3,400 MGY is consistent with both forecasts.

A more conservative uncertainty band obtained by taking the union of the two forecasts suggests future production in the range of 3,000 to 3,500 MGY over most of the forecast period, with a slightly wider band in the last five years of the forecast.

It is important to note that the econometric models were not impacted by the plumbing code savings error. The error occurred during the post-processing of the econometric model results and did not affect in any way the data used to estimate the econometric models or the resulting model parameter and elasticity estimates.

While it is not uncommon to find errors of this type in draft forecast work products, we apologize for not having detected it sooner. We also want to thank Maddaus Water Management for their diligent review of the draft forecast and helping us to identify and resolve the error.
MEMO TO THE BOARD OF DIRECTORS

Subject: Agenda Item No. 10.4 Provide Input on Draft Community Water Plan Booklet

With the recently updated information, including but not limited to, the revised pre-recovery pumping goal, the post-recovery pumping yield, the interim demand projections through 2045, and the on-going efforts related to all of the activities under the District’s Community Water Plan, staff is working on developing outreach material to educate our customers and community.

A primary component will be an easy-to-read 10-page Community Water Plan Booklet that is being proposed to mail to District customers in lieu of a Fall 2015 quarterly newsletter. A working, draft copy of the handout will be provided at the September 15 workshop to illustrate to the Board the concept that staff is working on.

Other near term methods of increasing customer knowledge on the Community Water Plan that are being planned include:

- Website Pages dedicated to the Community Water Plan to more clearly display the actions and programs the District is undertaking.
- Video on our Community Water Plan (where are water comes from, what our challenges are, and the diverse set of solutions that the District is pursuing)
- Speakers Bureau Toolkit with an updated PowerPoint Presentation outlining the Community Water Plan and actively pursuing speaking engagements at local groups and community meetings.

At the workshop, staff will be seeking input and initial feedback on the layout and general content of the Community Water Plan Booklet.

POSSIBLE BOARD ACTIONS
1. Provide direction regarding the subject item.
2. Take no action.

By _______________________________
Matt Orbach
Public Outreach Specialist

By _______________________________
Melanie Mow Schumacher
Special Projects/Community Dialogue Manager