Santa Cruz County Sanitation District

701 OCEAN STREET, SUITE 410, SANTA CRUZ, CA 95060-4073
(831) 454-2160 FAX (831) 454-2089 TDD: (831) 454-2123

MATT MACHADO, DISTRICT ENGINEER

A G E N D A

Santa Cruz County Sanitation District
Seven Hundred Sixty-ninth Regular Meeting

Thursday, May 16, 2019
4:45 P.M.

D.A. Porath Sanitation Facility
2750 Lode Street

Page #

1. **ROLL CALL**

2. **APPROVAL OF MINUTES OF MAY 2, 2019** ..... 2-1 thru 2-4

3. **ORAL COMMUNICATIONS**

4. **PROPOSED ORDINANCE NO. 140, AMENDING DISTRICT CODE, TITLE 5, ARTICLE III, SECTION 5.04.180 THROUGH 5.04.220, SEWER SERVICE CHARGES (2019/2020)**: Consider final adoption of the subject ordinance.

    a. Letter of the District Engineer 4-1
    b. Proposed Ordinance No. 140 Amending District Code, Title 5, Article III, Section 5.04.180 Through 5.04.220, Sewer Service Charges (2019/2020)
        i. Showing Revisions..... 4-2 thru 4-4
        ii. Final Version..... 4-5 thru 4-7

5. **PRIVATE SEWER LATERAL PROGRAM REPORT UPDATE:** Review an update on the subject item.

    a. Letter of the District Engineer ..... 5-1 thru 5-2

6. **OWNERSHIP OF TREATED WASTEWATER REPORT:** Review an update on the subject item.

    a. Letter of the District Engineer ..... 6-1 thru 6-2
    b. Letter of the District Engineer dated September 20, 1990..... 6-3 thru 6-4
    c. Resolution No. 90-35, A Resolution Approving Agreement Between the District and the City of Santa Cruz for Wastewater Treatment and Disposal 6-5
    d. Joint Wastewater Treatment and Disposal Agreement, September 1990 ..... 6-6 thru 6-28

7. **EMERGENCY PORTER STREET SEWER REPAIR R2-6473:** Consider ratification of an emergency contract with Anderson Pacific Engineering Construction, Inc., for emergency work on the subject item.

    a. Letter of the District Engineer 7-1
    b. Independent Contractor Agreement ..... 7-2 thru 7-8
    c. Proposal/Scope of Work 7-9

8. **EMERGENCY SEWER MAIN REPAIR ON EAST CLIFF AND 12TH AVENUE R2-6474:** Consider ratification of an emergency contract with Anderson Pacific Engineering Construction, Inc., for emergency work on the subject item.

    a. Letter of the District Engineer 8-1
    b. Independent Contractor Agreement ..... 8-2 thru 8-8
    c. Proposal/Scope of Work 8-9

9. **SOQUEL VILLAGE PIPE REHABILIATION PROJECT AWARD OF CONTRACT:** Consider approving the lowest responsible bid and awarding the contract for the subject project.

    a. Letter of the District Engineer ..... 9-1 thru 9-2
    b. Summary of Bids 9-3
    c. Graniterock Protest Letter 9-4
    d. Contract Change Order Policy 9-5

10. **REQUEST FOR PROPOSAL FOR CLOSED-CIRCUIT TELEVISING OF SEWER MAINS AND MANHOLES:** Consider approving a Request for Proposals for Closed-Circuit Televising Services of Sewer Mains and Manholes.

    a. Letter of the District Engineer 10-1
    b. Request for Proposal for Closed-Circuit Televising Services of Sewer Mains and Manholes .....DISPLAY

11. **PROPOSED 2019/2020 SANTA CRUZ COUNTY SANITATION DISTRICT BUDGET:** Consider acceptance of the proposed Santa Cruz County Sanitation District budget.

    a. Letter of the District Engineer ..... 11-1 thru 11-5
    b. Proposed 2019/2020 Santa Cruz County Sanitation District Budget ..... 11-6 thru 11-14
    c. Proposed Public Hearing Notice 11-15

12. **ADJOURNMENT TO JUNE 13, 2019**

As a courtesy to those persons affected, please attend the meeting smoke and scent free. The Santa Cruz County Sanitation District complies with the Americans with Disabilities Act (ADA). The Board of Directors Chambers is located in an accessible facility. Persons with disabilities may request a copy of the agenda in an alternative format. If you need special assistance or accommodations to attend this meeting, please contact the District at 454-2160 (TDD/TTY- CALL 711) at least 72 hours in advance of the meeting, to make arrangements. If you have a question about an agenda item, please call District staff at 454-2160. Agenda documents, including those received after the publication of these agenda materials may be reviewed at the office of the District Secretary, Room 410 of the County Government Center Building at 701 Ocean Street, Santa Cruz, California.

PROCEEDINGS OF THE BOARD OF DIRECTORS
SANTA CRUZ COUNTY SANITATION DISTRICT

May 2, 2019
4:45 P.M.

D. A. Porath Sanitation Facility
2750 Lode Street
Santa Cruz, California

The seven hundred sixty-eighth regular meeting of the Board of Directors of the Santa Cruz County Sanitation District is now in session pursuant to adjournment, by declaration of Vice Chairperson Leopold.

PRESENT: Vice Chairperson Leopold, Alternate Director Storey, District Counsel, and the Secretary
ABSENT: Director Friend and Chairperson Bertrand

APPROVAL OF MINUTES OF APRIL 4, 2019 -approved

Upon motion of Alternate Director Storey, duly seconded by Vice Chairperson Leopold, it is ordered by the Board, by unanimous voice vote, with Chairperson Bertrand and Director Friend being absent, that the minutes of April 4, 2019, be and are hereby approved.

ORAL COMMUNICATIONS -none

SANITATION FISCAL REPORT -ratified

The Board considers a list of paid invoices recommended for ratification by the District Engineer.

Upon motion of Alternate Director Storey, duly seconded by Vice Chairperson Leopold, it is ordered by the Board, by unanimous voice vote, with Director Friend and Chairperson Bertrand being absent, that the list of paid invoices for ratification for the month of March, fiscal year 2018/2019, in the amount of $1,884,461.49, be and is hereby ratified.

EMERGENCY SOQUEL PUMP STATION CONCRETE REPAIRS R2-6473 -continued

The District Engineer, Matt Machado, continues the item to the next available Board meeting.

RENEWAL OF ON-CALL ENVIRONMENTAL CONSULTING SERVICE CONTRACTS -approved

The Assistant District Engineer, Kent Edler, explains the subject item and recommends the Board approve an additional one-year term with three consultants for on-call environmental consulting services, through May 4, 2020.

Upon motion of Alternate Director Storey, duly seconded by Vice Chairperson Leopold, it is ordered by the Board, by unanimous voice vote, with Director Friend and Chairperson Bertrand being absent, that Dokken Engineers, of Folsom; Drake Haglan and Associates, of Rancho Cordova; and Harris & Associates, of Salinas; be and are hereby approved for on-call environmental consulting services through May 4, 2020, and the District Engineer authorized to issue Purchase Orders for these consultants, as needed.

PROPOSED ORDINANCE NO. 140, AMENDING DISTRICT CODE, TITLE 5, ARTICLE III, SECTION 5.04.180 THROUGH 5.04.220, SEWER SERVICE CHARGES (2019/2020) - Ord. No. 140 adopted in concept

Mr. Machado introduces the District's revenue consultant, Gary Hornberger, who explains the subject item, stating that this year the proposed overall rate increase is 5.1% over the 2018/2019 service charges. Mr. Hornberger states that the fee increase is due primarily to the following factors: increase in Capital Improvement Program funding for the District; treatment cost increase from the City of Santa Cruz in operation maintenance expenses, laboratory and capital expenses; and debt services for the SRF loan for the Soquel Creek Pump Station Force Main Replacement project and iBank loan for the Capitola/ Jewel Box Sewer Replacement project. Further, Mr. Hornberger summarizes the rate increases per month for residential and business customers. Mr. Hornberger states the increases for other nearby agencies; City of Santa Cruz is proposing ~~an 8~~ 7% increase per year for next two years and 6% increase the following two years; Pacifica is proposing an 8% increase next year and 7% increase the following two years; City of Scotts Valley is proposing a 15% increase next year and City of Watsonville is proposing an 8% increase next year. Mr. Machado addresses Vice Chairperson Leopold stating that District staff will return to the Board on May 16, 2019 with an update on the ownership of wastewater treated at the City of Santa Cruz Treatment Plant.

Vice Chairperson Leopold suggests that in future rate flyer notices, to include rate increases of neighboring agencies for comparison.

Alternate Director Storey suggests that future Revenue Study Reports include detailed information on what specific improvements are scheduled to be made.

At the request of Vice Chairperson Leopold, the District Secretary reads the title of Ordinance No. 140. Upon motion of Alternate Director Storey, duly seconded by Vice Chairperson Leopold, it is ordered by the Board, by unanimous voice vote, with Director Friend and Chairperson Bertrand being absent, that the detailed reading of Ordinance No. 140 be and is hereby waived.

Vice Chairperson Leopold now opens the public hearing. There being no one speaking, Chairperson Leopold closes the public hearing.

Upon motion of Alternate Director Storey, duly seconded by Vice Chairperson Leopold, it is ordered by the Board, by unanimous voice vote, with Director Friend and Chairperson Bertrand being absent, that Ordinance No. 140, Amending District Code, Title 5, Article III, Section 5.04.180 Through 5.04.220, Sewer Service Charges be and is hereby adopted, in concept, and placed on the next agenda for final adoption. Further, Thursday, June 13, 2019, at 4:45 p.m., is set as the date and time for a public hearing on the service charge report, with the District Secretary hereby directed to advertise the notice of public hearing on the service charge report in the manner prescribed by law.

CONTRACT AGREEMENT WITH HARRIS & ASSOCIATES, INC., FOR CONSTRUCTION MANAGEMENT SERVICES ASSOCIATED WITH THE CAPITOLA/JEWEL BOX SEWER REPLACEMENT PROJECT -approved

The Sanitation Engineer, Ashleigh Trujillo, explains the subject item and recommends the Board approve a contract with Harris & Associates, Inc., for construction management and inspection services for the Capitola/ Jewel Box Sewer Replacement project in the amount of $527,342.87.

Upon motion of Alternate Director Storey, duly seconded by Vice Chairperson Leopold, it is ordered by the Board, by unanimous voice vote, with Director Friend and Chairperson Bertrand being absent, that the independent contractor agreement with Harris & Associates, Inc., for construction management and inspection services in the amount of $527,342.87, be and is hereby approved with the District Engineer authorized to sign the agreement on behalf of the District and the District Secretary directed to process the agreement and take any other related actions necessary.

CONTRACT REASSIGNMENTS FROM QUINCY ENGINEERING, INC. TO MURRAYSMITH, INC. -approved

Ms. Trujillo explains the subject item and recommends the Board approve independent contractor amendments to agreements and purchase orders for various projects and reassigning them to Murraysmith, Inc. Vice Chairperson Leopold asks if there is a change in rates, Ms. Trujillo responds that there is not.

Upon motion of Alternate Director Storey, duly seconded by Vice Chairperson Leopold, it is ordered by the Board, by unanimous voice vote, with Director Friend and Chairperson Bertrand being absent, that the independent contractor amendment to agreements and purchase orders with Murraysmith, Inc., be and are hereby approved. Further, the District Engineer is authorized to sign the Consent to Assignment of Contract, as requested by Quincy Engineers, Inc.

APTOS ESPLANADE PUMP STATION VALVE REPLACEMENTS -approved

Mr. Machado explains the subject item and recommends the Board approve a transfer of funds in the amount of $68,500 from East Cliff/Pump Station/Line Equipment to Motorized Valves for the purchase of knife gate valves. Board and staff discussion ensue.

Upon motion of Alternate Director Storey, duly seconded by Vice Chairperson Leopold, it is ordered by the Board, by unanimous voice vote, with Director Friend and Chairperson Bertrand being absent, that a transfer of funds in the amount of $68,500 from East Cliff/Pump Station/Line Equipment (GL625175-62330/P53125) to Motorized Valves (GL625175-86204/P53246), and the purchase of knife gate valves in the amount of $83,277.59, be and are hereby approved.

SEWER OVERFLOW REPORTS-reviewed

The Operations Manager, Beatriz Barranco, reviews the following sewage spill reports which have been transmitted to the California Regional Water Quality Control Board, Central Coast Region. Board and staff discussion ensue.

-Manhole CE 111 Located on Capitola Avenue
-681 35th Avenue

ADJOURNMENT

There being no further business to come before the Board, Vice Chairperson Leopold hereby adjourns this meeting of the Board to the next scheduled meeting, to be held Thursday, May 16, 2019, at 4:45 p.m., at the D. A. Porath Sanitation Facility meeting room, 2750 Lode Street, Santa Cruz, California.

Secretary

Santa Cruz County Sanitation District

701 OCEAN STREET, SUITE 410, SANTA CRUZ, CA 95060-4073
(831) 454-2160 FAX (831) 454-2089 TDD: (831) 454-2123

MATT MACHADO, DISTRICT ENGINEER

AGENDA DATE: MAY 16, 2019

BOARD OF DIRECTORS
SANTA CRUZ COUNTY SANITATION DISTRICT
701 Ocean Street, Room 410
Santa Cruz, California 95060

SUBJECT: PROPOSED ORDINANCE NO. 140, AMENDING DISTRICT CODE, TITLE 5, ARTICLE III, SECTION 5.04.180 THROUGH 5.04.220, SEWER SERVICE CHARGES (2019/2020)

Members of the Board:

On May 2, 2019, your Board adopted, in concept, proposed Ordinance No. 140, Amending District Code, Title 5, Article III, Section 5.04.180 Through 5.04.220, Sewer Service Charges. This ordinance is now before you for final adoption.

Therefore, it is recommended that your Board adopt the subject ordinance and direct the District Secretary to publish said ordinance, or a summary of said ordinance, once within fifteen days and take related actions as required.

Yours truly,

MATT MACHADO
District Engineer

TLP/B2018.docx

BEFORE THE BOARD OF DIRECTORS
OF THE SANTA CRUZ COUNTY SANITATION DISTRICT
SANTA CRUZ COUNTY, CALIFORNIA

ORDINANCE NO. ~~138~~140

On the motion of Director
duly seconded by Director
the following ordinance is adopted:

AN ORDINANCE AMENDING DISTRICT CODE TITLE 5,
ARTICLE III, SECTIONS 5.04.180 THROUGH
5.04.220 -- SEWER SERVICE CHARGES

The Board of Directors of the Santa Cruz County Sanitation District DO ORDAIN as follows:

Section I

Section 5.04.180 of Title 5, Article III of Santa Cruz County Sanitation District Code is hereby amended to read as follows:

5.04.180 Residential Facilities.

A. The sewer service charge for each townhouse or condominium for each of which a separate Assessor's parcel number has been assigned shall be $~~676.80~~712.80 per year.

B. The sewer service charge for each unit of a multi-family dwelling on a single parcel, for which only one Assessor's parcel number has been assigned, shall be $~~676.80~~712.80 per year.

C. The sewer service charge for each space of a mobile home park shall be $~~581.04~~612.48 per year.

D. The sewer service charge for each single family dwelling shall be $~~783.00~~824.16 per year.

Section II

Section 5.04.190 of Title 5, Article III of Santa Cruz County Sanitation District Code is hereby amended to read as follows:

5.04.190 Commercial Facilities. The sewer service charge for each commercial facility or for each separate business within such a facility shall be computed by the District Engineer in accordance with the following schedule, based upon the previous calendar year's water use:

Bakeries/Donut Shops.....~~$353.88~~368.40/year plus ~~$11.58~~11.80/HCF
Restaurants/Catering.....~~$353.88~~368.40/year plus ~~$11.58~~11.80/HCF
Food Processing.....~~$353.88~~368.40/year plus ~~$13.20~~13.40/HCF
Funeral Parlor/Mortuary .....~~$353.88~~368.40/year plus ~~$13.20~~13.40/HCF
Other Business (General).....~~$353.88~~368.40/year plus ~~$8.25~~8.71/HCF
Dominican Hospital .....~~$353.88~~368.40/year plus ~~$8.63~~9.07/HCF
Chaminade .....~~$353.88~~368.40/year plus ~~$11.36~~11.67/HCF

Section III

Section 5.04.210 of Title 5, Article III of Santa Cruz County Sanitation District Code is hereby amended to read as follows:

5.04.210 State Beach or Park Facilities. The sewer service charge for each state beach and/or park facility shall be ~~$353.88~~368.40 per year plus ~~$7.97~~8.43 per HCF based upon the previous calendar year's water use.

Section IV

Section 5.04.220 of Title 5, Article III of Santa Cruz County Sanitation District Code is hereby amended to read as follows:

5.04.220 School Facilities.

A. The sewer service charge for each elementary school, middle school, or junior high school, shall be ~~$353.88~~368.40 per year plus ~~$21.27~~22.52 per student based on the ADA (average daily attendance), including night and adult classes for the school during the school year.

B. The sewer service charge for each high school shall be ~~$353.88~~368.40 per year plus ~~$31.95~~33.82 per student based on ADA (average daily attendance), including night and adult classes for the school during the school year.

C. The sewer service charge for each community college shall be ~~$353.88~~368.40 per year, plus ~~$28.13~~29.77 per student based on full-time equivalent student (FTES), including night and adult classes for the school during the school year.

D. All schools have the option to pay an alternative fee of ~~$353.88~~368.40 per year plus ~~$7.97~~8.43 per HCF if they can provide the District with the previous calendar year's domestic water use, excluding irrigation water, or provide the winter water use and the corresponding number of school days during the winter billing period.

Section V

The fees and charges established pursuant to Sections 5.04.180 through 5.04.220 shall take effect beginning July 1, ~~2018~~2019 or as soon thereafter as this Ordinance codified in this section takes effect.

Section VI

Upon adoption, this Ordinance shall be entered in the minutes of the Santa Cruz County Sanitation District Board of Directors and shall be published once within fifteen (15) days following its adoption in a newspaper having general circulation in the District. This Ordinance shall take effect on the 31st day after the date of final passage.

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz County Sanitation District this _____ day of May ~~2018~~2019 by the following vote:

AYES: DIRECTORS
NOES: DIRECTORS
ABSENT: DIRECTORS

_____
Chairperson of said Board

ATTEST: _____
Secretary of said Board

Approved as to form:

_____
District Counsel

BEFORE THE BOARD OF DIRECTORS
OF THE SANTA CRUZ COUNTY SANITATION DISTRICT
SANTA CRUZ COUNTY, CALIFORNIA

ORDINANCE NO. 140

On the motion of Director
duly seconded by Director
the following ordinance is adopted:

AN ORDINANCE AMENDING DISTRICT CODE TITLE 5,
ARTICLE III, SECTIONS 5.04.180 THROUGH
5.04.220 -- SEWER SERVICE CHARGES

The Board of Directors of the Santa Cruz County Sanitation District DO ORDAIN as follows:

Section I

Section 5.04.180 of Title 5, Article III of Santa Cruz County Sanitation District Code is hereby amended to read as follows:

5.04.180 Residential Facilities.

A. The sewer service charge for each townhouse or condominium for each of which a separate Assessor's parcel number has been assigned shall be $712.80 per year.

B. The sewer service charge for each unit of a multi-family dwelling on a single parcel, for which only one Assessor's parcel number has been assigned, shall be $712.80 per year.

C. The sewer service charge for each space of a mobile home park shall be $612.48 per year.

D. The sewer service charge for each single family dwelling shall be $824.16 per year.

Section II

Section 5.04.190 of Title 5, Article III of Santa Cruz County Sanitation District Code is hereby amended to read as follows:

5.04.190 Commercial Facilities. The sewer service charge for each commercial facility or for each separate business within such a facility shall be computed by the District Engineer in accordance with the following schedule, based upon the previous calendar year's water use:

Bakeries/Donut Shops.....$368.40/year plus $11.80/HCF
Restaurants/Catering.....$368.40/year plus $11.80/HCF
Food Processing.....$368.40/year plus $13.40/HCF
Funeral Parlor/Mortuary .....$368.40/year plus $13.40/HCF
Other Business (General).....$368.40/year plus $8.71/HCF
Dominican Hospital .....$368.40/year plus $9.07/HCF
Chaminade .....$368.40/year plus $11.67/HCF

Section III

Section 5.04.210 of Title 5, Article III of Santa Cruz County Sanitation District Code is hereby amended to read as follows:

5.04.210 State Beach or Park Facilities. The sewer service charge for each state beach and/or park facility shall be $368.40 per year plus $8.43 per HCF based upon the previous calendar year's water use.

Section IV

Section 5.04.220 of Title 5, Article III of Santa Cruz County Sanitation District Code is hereby amended to read as follows:

5.04.220 School Facilities.

A. The sewer service charge for each elementary school, middle school, or junior high school, shall be $368.40 per year plus $22.52 per student based on the ADA (average daily attendance), including night and adult classes for the school during the school year.

B. The sewer service charge for each high school shall be $368.40 per year plus $33.82 per student based on ADA (average daily attendance), including night and adult classes for the school during the school year.

C. The sewer service charge for each community college shall be $368.40 per year, plus $29.77 per student based on full-time equivalent student (FTES), including night and adult classes for the school during the school year.

D. All schools have the option to pay an alternative fee of $368.40 per year plus $8.43 per HCF if they can provide the District with the previous calendar year's domestic water use, excluding irrigation water, or provide the winter water use and the corresponding number of school days during the winter billing period.

Section V

The fees and charges established pursuant to Sections 5.04.180 through 5.04.220 shall take effect beginning July 1, 2019 or as soon thereafter as this Ordinance codified in this section takes effect.

Section VI

Upon adoption, this Ordinance shall be entered in the minutes of the Santa Cruz County Sanitation District Board of Directors and shall be published once within fifteen (15) days following its adoption in a newspaper having general circulation in the District. This Ordinance shall take effect on the 31st day after the date of final passage.

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz County Sanitation District this _____day of May 2019 by the following vote:

AYES: DIRECTORS
NOES: DIRECTORS
ABSENT: DIRECTORS

_____
Chairperson of said Board

ATTEST: _____
Secretary of said Board

Approved as to form:

_____
District Counsel

Santa Cruz County Sanitation District

701 OCEAN STREET, SUITE 410, SANTA CRUZ, CA 95060-4073
(831) 454-2160 FAX (831) 454-2089 TDD: (831) 454-2123

MATT MACHADO, DISTRICT ENGINEER

AGENDA DATE: MAY 16, 2019

BOARD OF DIRECTORS
SANTA CRUZ COUNTY SANITATION DISTRICT
701 Ocean Street, Room 410
Santa Cruz, California 95060

SUBJECT: PRIVATE SEWER LATERAL PROGRAM UPDATE

Members of the Board:

At the March 21, 2019 Board meeting during the public comment period, members of the Realtor's community expressed some concerns and ideas regarding the District's private sewer lateral program (Program). Your Board requested District staff report back today regarding implementing improvements to the program. Since that meeting the following has occurred:

1. District staff requested written feedback from the Santa Cruz County Association of Realtors (SCAOR).
2. SCAOR provided written feedback to the District.
3. District staff reviewed the feedback and researched possible changes to the Program based on the feedback and staff's goals.
4. District staff met with District counsel to discuss changes to the District ordinances and procedures governing private sewer collection systems and private laterals.
5. District staff began implementing some changes to improve the Program:
   a. A training/feedback session was held with local plumbers to express the District's goals, requirements, and gather feedback from the plumbers completing the lateral inspection videos and reports.
   b. Based on the feedback from plumbers, the Lateral Inspection Report Form was revised to ensure that the plumbers maintain their independent third-party status, and do not act as District enforcers.
   c. An electronic file-sharing system (BOX Drive) was implemented for the upload of video/document submissions and outgoing District reviews; this has streamlined the process and benefited both the District and the public
   d. A draft disclosure form informing buyers and sellers of real property of the District's ordinance requiring private sewer lateral inspection and repair requirements prior to the close of escrow has been created and is under review by SCAOR.

In the next month, District staff will be finalizing recommended changes to the District's ordinances regarding the maintenance, repair, and inspection of private sanitary sewer collection systems and laterals. These changes will serve to clarify the responsibilities of property owners, define penalties for non-compliance, and provide provisions for owners facing financial hardships. The draft disclosure form will also be finalized.

It is therefore recommended that your Board take the following actions:

1. Accept and file this update; and

2. Return to your Board on or before June 13, 2019 with a proposed Ordinance Amending District Code, Title 7, Chapters 7.04 and 7.08 (Various Sections).

Yours truly,

MATT MACHADO
District Engineer

AT/tlp:B2024.docx

Santa Cruz County Sanitation District

701 OCEAN STREET, SUITE 410, SANTA CRUZ, CA 95060-4073
(831) 454-2160 FAX (831) 454-2089 TDD: (831) 454-2123

MATT MACHADO, DISTRICT ENGINEER

AGENDA DATE: MAY 16, 2019

BOARD OF DIRECTORS
SANTA CRUZ COUNTY SANITATION DISTRICT
701 Ocean Street, Room 410
Santa Cruz, California 95060

SUBJECT: OWNERSHIP OF TREATED WASTEWATER REPORT

Members of the Board:

On March 7, 2019, District staff was directed to return to your Board with a report on ownership of wastewater treated by the Santa Cruz City Treatment Plant. District Staff reviewed existing documentation on this issue.

The September 27, 1990 District-City Agreement for Joint Wastewater Treatment and Disposal (Resolution No. 90-35) agreement does not specify (or limit) how the treated water must be disposed.

Additionally, Section 1210 of California Water Code, states: "*The owner of a waste water treatment plant operated for the purpose of treating wastes from a sanitary sewer system shall hold the exclusive right to the treated waste water as against anyone who has supplied the water discharged into the waste water collection and treatment system, including a person using water under a water service contract, unless otherwise provided by agreement.*" A law review article[1] on the subject states that clarity was needed regarding the rights of treatment plans against those entities supplying water to the facilities. The article reports, "*As a result, those parties importing or developing a water supply that allow the water to be sent to a wastewater treatment facility are without rights in the return flows from the developed water once it reaches the treatment facility.*" The article goes on to state, "*The parties discharging their water to a treatment facility are free to negotiate more favorable consideration of their rights by contract.*"

[1]Symposium On The 25th Anniversary Of The Report Of The Governor's Commission To Review California Water Rights Law Part 1 Of 2: Improving Efficiency Incrementally: The Governor's Commission Attacks Waste and Unreasonable Use, 36 McGeorge L. Rev. 209

Based on the agreement, Water Code and legal article, District staff has determined that the District does not have ownership of the treated wastewater, however, the District has the option to pursue ownership during future contract negotiations, if desired.

It is therefore, recommended that the Board of Directors accept and file this report.

Yours truly,

MATT MACHADO
District Engineer

AT/tlp:B2019
Attachments

AGENDA: 9/27/90

COUNTY SANITATION DISTRICT

COUNTY OF SANTA CRUZ

GOVERNMENTAL CENTER

701 OCEAN STREET SANTA CRUZ, CALIFORNIA 95060

JOHN A. FANTHAM
DISTRICT ENGINEER

ASSISTANTS

PHIL W. SANFILIPPO
ENGINEERING (408) 425-2133
(ATSS #525-2133)

THOMAS L. BOLICH
OPERATIONS (408) 425-2481
(ATSS #525-2481)

September 20, 1990

BOARD OF DIRECTORS
SANTA CRUZ COUNTY SANITATION DISTRICT
701 Ocean Street
Santa Cruz, California 95060

SUBJECT: DISTRICT-CITY AGREEMENT FOR JOINT WASTEWATER TREATMENT AND DISPOSAL

Members of the Board:

Attached for your consideration is a new District-City Agreement. The current agreement was approved in August of 1971, and is outdated and does not satisfy current E.P.A. requirements.

This new agreement meets current E.P.A. guidelines and will provide the basis for future maintenance and capital improvement cost sharing. The major changes and additions are outlined below:

1. Sections of the agreement that pertain to past plant expansions or upgrades have been eliminated.

2. Maintenance and operation costs will now be based on volumes and chemical characteristics of the influent.

3. Yearly operation and maintenance costs will be estimated and billed quarterly. Final determination of costs based on actual flow data will occur at year end and the next billing adjusted accordingly.

4. The pre-treatment program has been modified to reflect current E.P.A. requirements.

5. The existing treatment plant was re-rated by the State to 17 MGD. This agreement allows the District to maintain its 8 MGD capacity share in the plant. The Districts cost share of future improvements to Advance Primary and secondary treatment will be based on 8/17 or 47.06%.

As mentioned in Item 2. above, maintenance and operation costs will be based on volume and chemical characteristics of the sewage. This means that Biochemical Oxygen Demand (BOD) and suspended solids (SS) will be regularly sampled. These characteristics are indicators of the degree of difficulty involved in treating the sewage. We are presently working with City staff to further refine exactly how these parameters will be used in calculating costs. We hope to have a revised Chapter 5, Section B., paragraph 2 available by the time your Board meets to consider the agreement.

With the modification of Chapter 5 discussed above, we believe that this agreement is fair and equitable and will provide for the future needs of the District. It is therefore recommended that the Board take the following action:

1. Adopt the attached Resolution approving the agreement and authorizing the Chairman to sign it on behalf of the District.

2. Direct the Board Secretary to forward two executed agreements to the City for their approval.

Yours truly,

for JOHN A. FANTHAM
District Engineer

BHT:slk/570

Attachment

Approved by the
Board of Directors, SCCSD
on September 27, 1990
ATTEST: Lynn Scally
Secretary

BEFORE THE BOARD OF DIRECTORS
OF THE SANTA CRUZ COUNTY SANITATION DISTRICT
SANTA CRUZ COUNTY, CALIFORNIA

RESOLUTION NO. 90-35

On the motion of Director Levy
duly seconded by Director Beautz
the following resolution is adopted:

A RESOLUTION APPROVING AGREEMENT
BETWEEN THE DISTRICT AND THE CITY OF SANTA CRUZ
FOR WASTEWATER TREATMENT AND DISPOSAL

BE IT RESOLVED by the Board of Directors of the Santa Cruz County Sanitation District as follows:

SECTION I

The attached AGREEMENT between the Santa Cruz County Sanitation District and the City of Santa Cruz for Wastewater Treatment and Disposal is hereby approved.

SECTION II

The Chairman of the Board of Directors of the Santa Cruz County Sanitation District is hereby authorized and directed to execute the agreement, and the Secretary of said Board to attest to his signature.

PASSED AND ADOPTED by the Board of Directors of the Santa Cruz County Sanitation District this 27th day of September, 19 90, by the following vote:

AYES: DIRECTORS LEVY, BEAUTZ, ROUTH
NOES: DIRECTORS NONE
ABSENT: DIRECTORS NONE

Chairman of said Board

ATTEST: Lynn Scally
Clerk of said Board

Approved as to Form:

9/25/90
District Counsel

Distribution:
District Counsel
Auditor
Sanitation Engineer
City of Santa Cruz

State of California)
) ss.
County of Santa Cruz)

I, the undersigned Secretary of the Board of Directors of the Santa Cruz County Sanitation District, County of Santa Cruz, State of California, do hereby certify that the foregoing is a true and correct copy of a resolution passed and adopted by and entered in the Minutes of said Board.

In witness whereof, I have hereunto set my hand and affixed the seal of the said Board on 10/4/90

Signed: Lynn Scally

JOINT WASTEWATER TREATEMENT AND DISPOSAL AGREEMENT

SANTA CRUZ COUNTY SANITATION DISTRICT

CITY OF SANTA CRUZ

SEPTEMBER, 1990

DISTRICT-CITY AGREEMENT FOR
JOINT WASTEWATER TREATMENT AND DISPOSAL
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AGREEMENT

THIS AGREEMENT, by and between the SANTA CRUZ COUNTY SANITATION DISTRICT, hereinafter referred to as DISTRICT, and the CITY OF SANTA CRUZ, hereinafter referred to as CITY

WITNESSETH:

WHEREAS, projected increases in population require coordinated efforts to properly provide for collection, transmission, treatment and disposal of wastewater to protect the health and safety of the public; and

WHEREAS, State Water Resources Control Board required abandonment of the District treatment Facility and the consolidation of Treatment Facilities with the City; and

WHEREAS, City and District each have the power and authority to provide for the collection, transmission, treatment and disposal of wastewater and are authorized to contract with each other regarding the joint exercise of any common power under Chapter 5, Division 7, Title I (commencing with Section 6500) of the Government Code; and

WHEREAS, City owns, operates and maintains existing facilities and District desires to maintain certain capacity rights therein together with certain capacity rights in proposed facilities to be constructed by City; and

WHEREAS, the parties hereto are desirous of providing for the apportionment of the costs of construction, reconstruction, enlargement, maintenance and operation of said existing and proposed facilities and for the treatment and disposal of all sanitary sewage and industrial waste;

NOW, THEREFORE, IT IS AGREED by and between the parties as follows:

CHAPTER I. DEFINITIONS. "Glossary - Water and Waste-water Control Engineering," 1969 Edition, shall be used in general for definitions of terminology. Other terms are as follows:

A. CITY'S OLD OCEAN OUTFALL - An existing cement-lined and coated pipeline 36 inches in diameter which conveys treated effluent into the Pacific Ocean. The pipe begins at an outlet box on the beach near Almar Avenue. It runs due south 2000 feet and discharges in 40 feet of water.

B. CITY'S EXISTING TREATMENT PLANT - Facilities located on 30 acres of City-owned land in Neary's Lagoon which processes all sanitary sewage originating in the District and the City. This primary-type plant consists of pumping, vacuum floatation, sedimentation, chlorination, digestion, and sludge disposal facilities. The dry weather flow capacity is twenty-one million gallons per day.

C. CITY'S EXISTING TUNNEL OUTFALL - Includes 72" I.D. tunnel from City's plant at Neary's Lagoon to end at beach at West Cliff Drive near Almar Avenue, tunnel portal box, tunnel outfall gate box and all appurtenances thereto.

D. NEW OCEAN OUTFALL - A 12,000+ foot pipeline constructed of 72" inside diameter reinforced concrete pipe, including approximately 2100 feet of diffuser and all required appurtenances. The outfall discharge is in approximately 110 feet of water.

E. OCEAN DISPOSAL FACILITY - Shall include the old ocean outfall (A), the existing tunnel outfall (C), the new ocean outfall (D), and all appurtenances thereto to be utilized by District and City Jointly.

F. PEAK FLOW RATE - The mean rate of flow during any continuous 15-minute period that produces a maximum quantity.

G. TRANSMISSION FACILITY - Includes all facilities that convey raw sewage from the District to the City and are not a part of Treatment or Disposal Facilities.

H. TREATMENT PLANT ADVANCE PRIMARY MODIFICATIONS - Modification necessary to meet California State Ocean Plan requirements. Specifications for the modifications are detailed in "City of Santa Cruz, Project Manual for the Construction of, WASTEWATER TREATMENT PLANT MODIFICATIONS, JANUARY 1988."

I. MODIFIED WASTE WATER TREATMENT FACILITY - The City's Existing Treatment Plant (B), together with the Treatment Plant Advance Primary Modifications (H), having a total dry weather flow treatment capacity of 17 million gallons per day.

J. SECONDARY TREATMENT MODIFICATIONS - Required modifications for adding secondary treatment to plant, after advance primary modifications (Item H) are complete.

CHAPTER II. EXISTING FACILITIES

A. CITY'S EXISTING OCEAN OUTFALL - District shall hereby acquire capacity rights in both the City's old Ocean Outfall and the New Ocean outfall.

B. CITY'S EXISTING TREATMENT PLANT - District shall hereby acquire capacity rights in the City's Existing Treatment Plant Facilities in such a manner that they shall have the permitted capacity rights in the Waste Water Treatment Facility as defined in Chapter IV.

C. CITY'S EXISTING TUNNEL OUTFALL - District shall hereby acquire capacity rights in the City's Existing Tunnel Outfall Facilities in an amount as permitted in Chapter IV.

D. PAYMENT OF COSTS -

1. EXISTING TUNNEL OUTFALL -- PUMP INSTALLATION. If City and District determine that it is necessary to install pumping facilities to increase efficiency or for other design considerations, the capital cost thereof shall be shared by City and District in the ratio that their respective design peak flow rate bears to the ultimate design peak flow rate capacity of the improved tunnel facility.

2. EXISTING TUNNEL OUTFALL -- CAPACITY EXCEEDED. If City or District determine that the tunnel gravity flow capacity of 92 million gallons per day is or will be exceeded, then the capital cost of necessary pump facilities shall be paid by City and District in the ratio that the capital outlay is attributable to the requirements of City and District.

CHAPTER III. NEW FACILITIES.

A. RESPONSIBILITIES

1. CITY

(a) TREATMENT PLANT ADVANCE PRIMARY MODIFICATIONS. City shall design and construct necessary modifications to their existing treatment plant that will provide a total dry weather flow capacity of 17 million gallons per day in a manner that will satisfy the requirements of the applicable State and Federal regulations.

(b) NEW OCEAN OUTFALL. City shall design and construct a new ocean outfall facility to provide adequate capacity in a manner that will satisfy the requirements of the applicable State and Federal regulations.

(c) SECONDARY TREATMENT MODIFICATIONS - City shall design and construct necessary modification to facilitate secondary treatment at modified treatment plant.

2. DISTRICT. District shall design and construct at no cost to City, wastewater transmission facilities to the point of discharge at the Waste Water Treatment Facility. Within City's limits said transmission facilities shall be reasonably air tight.

B. CONTRACT APPROVAL.

1. CITY APPROVAL. All plans and specifications for such transmission facility installations shall be approved by authorized City personnel in advance of installation. Subject to approval by City, City shall grant to District all necessary easements and rights of way for transmission facilities across lands and easements owned by City.

2. DISTRICT APPROVAL. Contracts, including plans and specifications, for design and construction of the treatment plant additions and ocean outfall shall be prepared by the City and shall be subject to approval by authorized City and District personnel.

C. GRANT APPLICATION. City shall, on behalf of City and District, assume the role of "central agency" and shall make application for all such Federal and State grant funds as may be reasonably available for the design and construction of the treatment plant modifications, secondary modification, and new ocean outfall facility, and attempt to gain reimbursement for all District-related expenses and consultant fees pertaining to federal and state grant funds.

D. DISTRICT'S CAPITAL OUTLAY.

1. TREATMENT PLANT MODIFICATIONS - District shall pay for Treatment Plant Modifications in an amount equal to, but not greater than, 8/17 ratio (47.06%) of project cost for said modifications that will be utilized by District.

In return, District shall retain its 8 MGD capacity rights.

2. NEW OCEAN OUTFALL. District shall pay for capacity rights in the new ocean outfall facility in an amount equivalent to, but not greater than, the ratio that their design peak flow rate bears to the ultimate design peak flow rate capacity of project.

3. SECONDARY TREATMENT MODIFICATIONS - District shall pay for Secondary Treatment Modifications in an amount equal to, but not greater than the ratio of District's capacity rights to plant capacity, determined for conditions after secondary modifications. Ratio should be applied to project cost for modifications that will be utilized by District.

4. PAYMENT OF COSTS. The project costs shall be determined by City and shall be subject to approval by District. The project costs shall include, but not be limited to, costs of construction, incidentals, administration, and engineering after deduction of Federal and State funds contributed to project.

District shall pay to City, within 45 days after submittal of invoice detailing all charges by City, their share of the approved construction progress or other project cost payments in the above applicable ratios for the treatment plant modifications and new ocean outfall. Deductions or reimbursements of all Federal and State funding shall be made, in the same ratios, after it has been received.

CHAPTER IV. DISTRICT'S CAPACITY RIGHTS.

A. PERMITTED FLOWS. City shall permit District to deliver sewage for treatment and disposal up to a peak flow rate of 30 million gallons per day. The dry weather flow of sewage may not average more than 8.0 million gallons per day in any consecutive 30-day dry weather period at the Waste Water Treatment Facility.

B. PERMITTED SERVICE POPULATION. The District shall be limited to serving that population which is consistent with the projected population for the District in the Air Quality Plan adopted by the Monterey Bay Unified Air Pollution Control District Board.

C. EXCEEDING PERMITTED FLOWS. The allocated capacity rights of City and District shall not be exceeded except by mutual agreement.

1. City shall have the option, in its sole descretion, to accept sewage emanating from District in an amount in excess of the above defined permitted flows, provided capacity is available in the Waste Water Treatment Facility and the Ocean Disposal Facility. The acceptance by City of such excess shall in no way constitute an allotment of additional capacity by City to District in excess of that provided in Paragraph A above without express approval of City.

2. In the event the District has excess unused capacity, it shall have the same rights to control the use thereof as are set out for the City in Subparagraph (1) above with respect to excess City capacities.

D. FUTURE CAPACITY RIGHTS. Both the City and the District recognize that the treatment plant is a regional facility with the explicit purpose of serving present and future capacity needs of the City and District. It is mutually recognized that the potential future capacity utilizing the existing plant site is estimated at 23 MGD. It is further agreed that future plant expansion costs and capacity rights shall be negotiated in good faith between the City and District.

E. PLANT RATING. Any future capacity changes as a result of re-rating of the plant shall be apportioned between the District and City. The apportionment shall be negotiated and based on past financial participation in the various plant upgrades, modifications and expansion by the City and District.

F. OWNERSHIP OF FACILITIES. District shall, by virtue of this Agreement, acquire a continuing right to have its sewage treated and disposed of by City as herein provided. Nothing herein and no use resulting to District by reason of such treatment and disposal shall be deemed to give any ownership, easement or other property right in any of the Treatment and Disposal Facilities or in the lands or easements on which said facilities are presently located and used in common hereunder, and it shall have no right to claim that it has a right to pass through said existing system other than the right herein provided.

CHAPTER V. MAINTENANCE AND OPERATION AND REPLACEMENT

A. RESPONSIBILITIES

1. CITY. City shall maintain, operate and control the Waste Water Treatment and Ocean Disposal Facilities in a manner that will satisfy effluent and receiving water requirements of the State and Federal governments. City shall use reasonable diligence to provide regular and uninterrupted service to District, but shall not be liable for damages, breach of contract or otherwise to District for failure, suspension, diminution or other variations of service occasioned by or in consequence of any cause beyond control of City.

2. DISTRICT. District shall give reasonable notice to City insofar as possible of any material changes proposed in volume or characteristic of sewage to be discharged to City. District shall maintain, operate and control its Transmission Facility at no cost to the City.

3. CITY AND DISTRICT.

(a) METERING. The District has constructed and the City has constructed metering devices for the purpose of metering the quantity of its sewage delivered to the said Treatment Facility. Said metering devices shall be of sufficient capacity to measure the quantity of sewage contemplated by this agreement or capable of being installed in units and shall be of quality agreed upon by the parties hereto. Said devices shall be of the type and be located and housed in a manner to be mutually approved.

District and City shall keep and maintain the records and readings of their respective metering devices and said devices and records shall be at all time open to the inspection of either party. Said readings shall be used in determining the respective flows of the parties, and shall form the basis of apportioning maintenance and operating costs, administrative costs, and replacement cost.

(b) FUTURE FACILITY REQUIREMENTS. If it shall be necessary for City to improve sewage treatment due to laws or regulations by higher authorities, or if it shall be necessary to install additional facilities or to improve or extend or enlarge any part of said facilities used to serve City and District, the cost thereof shall be apportioned among and paid by the parties using said Waste Water Treatment and Ocean Disposal Facilities in the ratio that the additional facilities is attributable to the requirements of the parties hereto, and said improvements or extensions shall be subject to such other terms and conditions as are agreed upon by the parties hereto at such time. An order in due form by any such authority shall be considered conclusive by the parties hereto as the necessity of an expenditure of funds for such improved treatment or for such additional facilities, only to the extent that such finding is attributable to the requirements of the parties hereto, and that said improvements or extensions shall be subject to such other terms and conditions as are agreed upon by the parties hereto at such time.

(c) COLLECTION SYSTEM. District and City shall each maintain and operate their own sewage collection system.

B. DISTRICT'S SHARE OF COSTS.

1. DEFINITION. Maintenance and operation costs and replacement costs of facilities used by District shall include the cost of labor (including social security, unemployment and other taxes and employee benefits such as vacation, retirement and hospitalization and such other direct labor costs as are incurred in the operation and maintenance of said facilities), materials, chemicals, power, supplies, equipment, engineering, laboratory control and monitoring, and other expenses of operation, and maintenance of the said Waste Water Treatment and Ocean Disposal Facilities. Administration costs shall be deemed to be ten percent of the maintenance and operation costs as hereinabove defined.

2. DETERMINATION. Maintenance and operation costs, replacement costs, and administrative costs for treating the District's wastewater shall be determined on an annual basis using the operation and maintenance cost formula outlined in Exhibit "A". Data used for the calculation shall include costs, volume, biochemical oxygen demand (BOD), and suspended solids (SS) loadings.

Volume, BOD and SS shall be determined for both the total Wastewater Treatment Plan and District influent. BOD and SS shall be tested according to Regional Water Quality Control Board (RWQCB) requirements for testing total WWTP influent. All testing will be performed by the WWTP laboratory.

3. EXTRAORDINARY COSTS. In addition to ordinary maintenance, operation, replacement, and administrative costs, District and City shall pay any properly chargeable extraordinary costs, not contemplated by the parties to this agreement, in a ratio to their respective actual use of treatment plant facilities at such time as such costs are incurred.

4. STATEMENTS. A statement of maintenance and operation costs, administrative costs and replacement costs for treating the District's wastewater for each fiscal year, from July 1 through June 30, shall be estimated and prepared by the City and submitted to the District on or before June 1 of each year. The estimation shall be determined using the City's wastewater revenue program with data input of estimated costs, volume, BOD and SS. District shall pay to the City on or before July 1, October 1, January 1, and April 1, one-fourth (1/4) of the undisputed estimated annual costs. The City, on or before September 1 of each year, shall determine, as specified in Section V.B.2. above, and shall submit to the District, the actual cost for treating the District's wastewater for the previous fiscal year. If estimated cost exceeded actual cost, the City shall reimburse the District the difference at the time of submitting the actual cost statement. If actual cost exceeds estimated cost, the District shall pay the City the undisputed difference on or before October 1.

If agreement between the parties cannot be reached regarding disputed amount before any payment is due, the dispute shall be submitted to arbitration pursuant to Chapter XII, hereof. City shall be entitled to interest at the rate of 6 percent per year on any amount which the arbitration award determines has been wrongfully withheld by District.

5. RECORDS INSPECTION. All maintenance, operation, and administrative cost records upon which said statements are to be based shall be available for inspection by District at any time during normal business hours and City agrees to make said records available to District at said time.

C. EMERGENCY REPLACEMENT FUNDS

District and City shall each maintain funds in a reasonable amount to finance their respective shares of large emergency replacement expenditures for the Waste Water Treatment and Disposal Facilities.

City shall obtain written permission from District's Engineer for any replacement costing more than $5,000 prior to City committing funds for those replacements.

D. INTEREST ON DELINQUENT PAYMENTS

If any sum required to be paid hereunder is not paid within 75 days after receipt of invoice, it shall bear interest at the rate of one-half of one percent per month unless the parties otherwise agree. In the event of suit to collect such sum, the prevailing party shall be entitled to a reasonable attorney's fee and costs of suit.

CHAPTER VI. WASTEWATER QUALITY

A. REQUIREMENTS. District shall adopt and diligently enforce an ordinance which conforms to the minimum legal requirements contained in the Federal Pretreatment Regulations (40 CFR Part 403) and which incorporates any other legal authorities specifically mandated by this Agreement or otherwise necessary to implement procedures outlined in this Agreement or in the Federal Pretreatment Regulations.

District shall adopt in its ordinance a definition for significant industrial user which is identical to the definition of significant industrial user adopted by City. City may make the final determination as to whether a particular industrial user is a significant industrial user based on information City may request from District. District shall control, through industrial discharge permits, industrial waste discharges from each significant industrial user discharging into the sewer.

Within 72 hours of application, excluding weekends and holidays, the District shall notify City of potential categorical users who apply for connection to the District's sewer and, in addition, forward a copy of an updated list of all new and existing industrial users to the City every 90 days.

"Industrial user," as referred to in this Agreement in the context of complying with EPA wastewater requirements, includes all categorical, as well as non-categorical, industries.

District and City shall comply with the public participation requirements of 40 CFR Part 25 in the enforcement of national pretreatment standards.

B. MUTUAL RIGHT OF INSPECTION. Each party may inspect and inquire into the manner in which the other is maintaining and operating its sewage system to the end that it shall be maintained and operated in good working order and repair.

In addition, any authorized officer or employee of City may enter and inspect at any reasonable time any part of the sewer system of District. The right of entry and inspection shall extend to public streets, easements, and property within which the system is located. Additionally, City shall be permitted, as appropriate, to enter onto private property to inspect industrial waste discharges. District shall make all necessary legal and administrative arrangements for these inspections. The right of inspection shall include on-site inspection of pretreatment and sewer facilities, observation, measurement, sampling, testing, and access to (with the right to copy) all pertinent compliance records located on the premises of the industrial user.

C. UNPOLLUTED WATER PROHIBITED. No leaders from roofs or surface drains for rain water shall be permitted to be connected to any sewers of either system. No surface or storm waters, excessive infiltration, cooling water or unpolluted industrial waste water shall be permitted to enter either sewer system.

D. TYPES OF WASTES PROHIBITED. Except as hereinafter provided, neither party shall discharge or cause or permit to be discharged into the joint disposal system any of the following described waters or wastes:

1. Any liquid or water having a temperature higher than 104° F.

2. Any water or waste containing grease or oil of animal, vegetable, mineral, or petrolueum origin in excess of 50 parts per million as measured by the analytical method approved by the Environmental Protection Agency.

3. Any gasoline, benzine, naptha, fuel oil or other flammable or explosive liquid, solid or gas.

4. Any garbage, except garbage from individual dwelling units which has been shredded to such a degree that all particles will be carried freely under the flow conditions normally prevailing in public sewers, with no particle greater than one-fourth inch in any dimension. In no event will industrial, commercial or institutional sewer systems qualify for the exception.

5. Any ashes, cinders, sand, mud, straw, shavings, metal, glass, rags, feathers, tar, plastics, wood, paunch manure, or any other solid or viscous substance capable of causing obstruction to the flow in sewers or other interference with the proper operation of the sewage works.

6. Any waters or wastes having a pH lower than 6.0 or higher than 9.0 or having any other corrosive property capable of causing damage or hazard to structures, equipment and personnel of the sewage works.

7. Any waters or wastes containing a toxic or poisonous substance in sufficient quantity to injure or interfere with any sewage treatment process, constitute a hazard to humans or animals or create any hazard in the receiving waters of the Plant.

8. Any waters or wastes containing suspended solids of such character and quantity that unusual attention or expense is required to handle such materials at the Plant.

9. Any septic tank sludge, except as may be permitted at the sewage treatment plant.

10. Any waters or wastes containing more than 1.0 parts per million of dissolved sulfides.

11. Any radioactive waste in an amount greater than recommended by local or state public health agencies.

12. Any use of dilution as control technique for compliance with discharge limits except as allowed by Federal Pretreatment Standards is prohibited.

E. PRELIMINARY TREATMENT OR CONTROL. Whenever deemed necessary by the City or District's Engineer to meet the requirements of subparagraph (D), a user shall, at his own expense, provide such preliminary treatment or take such other measures as shall be required to change the characteristics, contents, or rate of discharge of waters or wastes to be deposited in the public sewers of the City or District. Facilities for preliminary treatment required hereunder shall be subject to the approval of the City and District's Engineer and shall be maintained and operated in a satisfactory and effective manner at the sole expense of the user.

The City and the District shall require minimum preliminary treatment facilities to be provided by the user as follows:

1. SEPARATORS. All wastes, other than sewage from residential premises which contain or are likely to contain oil or grease in excessive amounts, or any flammable substance, sand, or other harmful ingredient, shall be passed through a suitable separator before discharge to a public sewer. The separator shall be of a type and capacity approved by said Engineers and shall be so located as to be readily accessible for cleaning and inspection.

2. SCREENS. All wastes resulting from the wholesale processing of fruits, vegetables and other agricultural produce shall be passed through suitable screens before discharge to a public sewer. The fine screen shall have openings of not more than 1/32nd inch, unless otherwise permitted by the Engineers. In addition, a coarse screen approved by the Engineers shall be permanently fixed in the user's discharge line. Such coarse screen shall only be removed by City or Districts personnel.

F. ADMISSION OF WASTES. The admission into the public sewers of any waters or wastes having (1) a 5-day BOD (Biochemical Oxygen Demand) greater than 400 parts per million by weight, or (2) containing more than 450 parts per million by weight of suspended solids, (3) exerting a 15-minute chlorine demand in excess of 20 parts per million, or (4) containing any quantity of substance having the characteristics described in Subparagraph (D), shall be subject to the review and approval of said Engineers.

G. CONTROL MANHOLES. When required by City or District, the user, if its sewer shall carry industrial wastes, shall install a suitable control manhole in the sewer to facilitate observation, sampling and measuring of wastes. Such manhole, when required, shall be accessible and safely located and shall be constructed in accordance with plans approved by the City Engineer and District Engineer. The manhole shall be installed by the user at its expense and shall be maintained by it so as to be safe and accessible at all times.

H. MEASUREMENTS AND TESTS. All measurements, tests and analyses of the characteristics of waters and wastes to which reference is made in Subparagraph (D) shall be determined in accordance with Federal pretreatment procedures in 40 CFR, Part 136 at the control manhole provided for in Subparagraph (G) or upon suitable samples taken at said control manhole. In the event that no special manhole has been required, the control manhole shall be considered to be the nearest downstream manhole in the public sewer to the point at which the private sewer is connected.

I. SPECIAL AGREEMENTS. No statement contained herein shall be construed as preventing either City or District from making any special agreement or arrangement with users whereby waste of unusual strength or character may be received for treatment, provided that any abnormal costs of conveyance and treatment of the waste shall be borne entirely by the user entering into such agreement. In no case will Section VI.D. or federal limits be waived.

J. SEWER REGULATIONS. In the implementation of this agreement, both City and District shall enact and enforce suitable regulations governing the discharge of sewage and the use of their respective sewage facilities and systems.

District shall adopt, as part of its ordinance, and enforce specific discharge limits at least as stringent as the specific discharge limits established in City ordinance.

District ordinance shall require that categorical pretreatment standards promulgated by the U.S. Environmental Protection Agency (EPA) [promulgated by authority of the Clean Water Act Sections 307(b) and (c)] be automatically incorporated by reference into District ordinance. These standards shall supercede any specific discharge limits in the ordinance which are less stringent than the categorical standards as they apply to the particular industrial subcategory. District shall notify all affected industrial users of pertinent categorical standards and monitoring and reporting requirements contained in 40 CFR 403.12 or included as part of the categorical standard.

District shall explicitly incorporate the following provisions into its ordinance:

1. A provision requiring any industrial user responsible for a significant accidental discharge to notify immediately both City and District;

2. A prohibition on the use of dilution as a control technique for compliance with discharge limits except as allowed by Federal Pretreatment Standards;

3. A grant of authority to impose mass discharge limits in lieu of, or in conjunction with, concentration discharge limits;

4. A prohibition against and penalty for the knowing transmittal of false information by an industrial user to either City or District;

5. A grant of explicit authority to District to require the installation of all monitoring and pretreatment facilities.

K. FEE COLLECTION. District and City shall have the right to collect monitoring fees and permit application fees from any discharger within their respective jurisdictions subject to non-categorical and categorical pretreatment standards as set forth in 40 CFR Part 403.

L. DISCHARGE REPORTING. District and City shall file with the respective jurisdiction a certified copy of its ordinance and any amendments thereto, other interjurisdictional agreements, each industrial waste discharge permit issued, and any contract entered into for the purposes of industrial waste control. District and City shall provide the respective jurisdiction access to and copies of, if requested, all industrial monitoring reports including 40 CFR 403.12 compliance reports, self-monitoring reports, baseline reports, records of violations and actions taken, and any other monitoring or reporting requirements imposed by Federal, State or local regulations. These records and other relevant information shall be maintained for at least three years.

City shall review District ordinance and amendments thereto, and any interjurisdictional agreements for conformance with 40 CFR Part 403, and to ensure inclusion of all other legal provisions mandated by this Agreement. City shall periodically review the enforcement efforts of District and any other jurisdiction to ascertain whether pretreatment requirements are being diligently enforced. To the extent District chooses to administer its own pretreatment program, City may periodically review District pretreatment program activities and funding to ensure that District is adequately administering its pretreatment program in conformance with the Federal Pretreatment Regulations (40 CFR 403) and all City requirements. District shall submit to City a quarterly and annual pretreatment report the contents of which shall be in accordance with 40 CFR 403.8 and 403.12. City shall submit copies of all District quarterly and annual reports to State Regional Water Quality Control Board.

If City determines that District has failed or has refused to fulfill any pretreatment obligations, City may develop and issue a remedial plan containing a description of the nature of the pretreatment deficiencies, and enumeration of steps to be taken by District, and a time schedule for attaining compliance with all pretreatment requirements. Such plans shall be specifically enforceable in a court of competent jurisdiction. Where District fails to satisfy the terms of the remedial plan, City may, upon thirty days written notice, refuse to accept any industrial waste discharges from District.

District and City may enter into a pretreatment agreement providing City with the legal authority and responsibility for performance of technical and administrative activities necessary for implementation of a pretreatment program within District. These activities may include, among others: 1) updating the industrial waste survey; 2) providing technical services, such as sampling, process chemical analysis, and engineering advice; 3) permitting; 4) compliance monitoring; 5) enforcement support. Where pretreatment delegation occurs, City shall assess District the costs incurred by City in conjunction with the administration of the Pretreatment Program on behalf of District. City shall provide District with a detailed accounting of the pretreatment costs assessed the District.

M. INDEMNIFICATION. Where a discharge to the wastewater treatment system reasonably appears to present an imminent danger to the health and welfare of persons, or presents or may present an imminent danger to the environment, or threatens to interfere with the operation of the wastewater treatment system, City may immediately initiate steps to identify the source of the discharge, and to halt or prevent said discharge. City may seek injunctive relief against any industrial user contributing to the emergency condition, and/or may pursue other self-help remedies.

District shall indemnify City for all damages, fines, and costs incurred as a result of a waste discharge which has been determined to have originated exclusively within the District. In such instances, District shall reimburse City for fines or costs stemming from injury to City personnel, damages to City facilities, disruption of treatment processes or operations, degradation of sludge quality, NPDES permit violations, and other air, water, and sludge quality violation as a result of the waste discharge.

City shall indemnify District for all damages, fines, and costs incurred as a result of a waste discharge which has been determined to have originated exclusively within the City. In such instances, City shall not hold District financially responsible for fines or costs stemming from injury to City personnel, damages to City facilities, disruption of treatment processes or operations, degradation of sludge quality, NPDES permit violations, and other air, water, and sludge quality violation as a result of the waste discharge.

CHAPTER VII. MODIFICATION.

This Agreement may from time to time be changed, altered or supplemented by and with the consent of the parties hereto by resolution of their respective bodies upon written request of the governing body of either of the parties hereto.

City and District shall periodically (at a minimum of every three years) review their respective ordinances and jointly draft and adopt equivalent amendments to their respective ordinances when necessary to ensure the effective administration and operation of the pretreatment program. Whenever City becomes aware of a problem with the pretreatment program which can be mitigated by a change in the ordinance, City may draft an amendment in prior consultation with the District, which District must then adopt. If District has adopted an identical ordinance as City, then, whenever City amends its ordinance in prior consultation with the District, District shall adopt the identical amendment. If it is later determined that either the City or the District cannot consistently enforce such amendments to the fullest extent possible, either jurisdiction may then request a change in the ordinance.

CHAPTER VIII. CONSTRUCTION.

Whenever it is herein stated that either party shall or will do or perform any act or thing, make any payment, such party will be deemed to have agreed so to do.

CHAPTER IX. RECORDS AND ACCOUNTS.

The City shall keep proper books of records and accounts in which complete and correct entries shall be made of all costs and expenses, receipts and disbursements relating to the acquisition, construction, administration, maintenance, operation and repair of the facilities referred to in the agreement. Said books and records shall, upon written request, be subject to inspection by any duly authorized representative of District. Said books and accounts shall be audited annually by an independent certified public accountant appointed by the City, and a copy of the report of such accountant shall be given to each District. The City shall make an annual report of all receipts and disbursements and furnish a copy to the District. The expense of said audit and report and all record keeping and accounting costs shall be a cost of operation.

CHAPTER X. INSURANCE.

City shall at all times maintain with responsible insurers such insurance against loss or damage to the facilities covered by this agreement, as is customarily maintained with respect to works of like character. The City will also maintain with responsible insurers workman's compensation insurance and insurance against public liability and property damage or in the alternative, self-insure, in whole or in part, against those risks. The premiums on all such insurance, and the cost of administration and lost payment, including risk management functions, pertaining to the WWTD, shall be part of maintenance and operation expense.

CHAPTER XI. MANNER OF GIVING NOTICE.

Notices required or permitted hereunder shall be sufficiently given if in writing, and if either served personally upon or mailed by registered or certified mail to:

CITY CLERK
CITY OF SANTA CRUZ
809 Center Street
Santa Cruz, CA 95060

BOARD OF DIRECTORS
SANTA CRUZ COUNTY SANITATION DISTRICT
701 Ocean Street, Room 410
Santa Cruz, CA 95060

CHAPTER XII. ARBITRATION.

Except as otherwise provided herein, all controversies arising out of the interpretation or application of this agreement or the refusal of either party to perform the whole or any part thereof shall be settled by arbitration in accordance with the provisions of this section, and where not provided by this section in accordance with the statutory provisions of the State of California then in force. The controversy shall be submitted to a board of three arbitrators which shall be appointed, one by the City, one by the District and the third by the first two. The party desiring arbitration shall notify the other party by a written notice stating the following: (1) that it desires arbitration, (2) the controversy to be arbitrated, (3) that it has appointed its nominee, and (4) that it requests the other party to appoint its nominee. Within thirty (30) days from the receipt of said notice, the other party shall appoint its nominee. Within fifteen (15) days after the last party has appointed its nominee, the two nominees shall appoint the third. None of the arbitrators shall be a resident of, or taxpayer in, or own property in, or have a place of business in, or be employed in or by, or have any contract with, or be an officer or employee of, either party. The arbitration board shall hold at least one hearing and at least ten (10) days before said hearing shall give each party written notice thereof. The arbitration shall be restricted to matters relative to that stated in the notice requesting arbitration.

The arbitration board shall have no authority to add to or subtract from this agreement. Each party shall be given an opportunity to be heard and to present evidence. Upon conclusion of the hearing or hearings, the arbitration board shall reduce their findings of fact, conclusions of law and the award to writing, and shall sign the same and deliver one signed copy thereof to each party. Such award shall be final and binding upon both parties. A majority finding shall govern if the arbitrator's determination is not unanimous. Each party shall pay its own expenses, including the expenses of the arbitrator which it nominates, the expenses of the third arbitrator, and administrative costs of the arbitration proceedings shall be shared equally.

Any controversy which can be determined by an engineer's findings and which, under this section, could be submitted to arbitration may, if the parties thereto agree in writing to do so, be submitted to a named engineer who shall be the sole arbitrator. Such engineer shall be a member of the American Society of Civil Engineers and shall be disinterested as herein before in this section required of arbitrators on an arbitration board. He shall proceed in the same manner and shall make findings, conclusions and an award in the manner provided herein for an arbitration board.

CHAPTER XIII. OTHER USERS OF CAPACITY.

A. ANNEXATION TO DISTRICT - Nothing contained in this Agreement shall be deemed to be a restriction upon the District's right to assign its own reserved capacity to other users or to annex territory to the District.

B. ANNEXATIONS, ASSIGNMENT BY CITY. Nothing contained in this agreement shall be deemed to be a restriction upon the City's right to assign its own reserved capacity to other users or to annex territory to the City.

CHAPTER XIV. TERM OF AGREEMENT.

The term of this agreement shall be 50 years, provided, however, that District shall have the option of extending the agreement for a like term. District shall notify City of its intention to exercise its option to renew by a notice in writing served at least 2 years prior to the expiration of the original term.

CHAPTER XV. WAR AND OTHER CONTINGENCIES.

If the City is prevented from completing the construction of facilities referred to herein within the required time, or any further time to which the parties may have agreed, by reason of war, declaration of a state of national emergency, the imposition of restrictions upon the procurement of essential materials, strike, vis major or any other cause beyond the control of the City, then in that event, the fulfillment of the terms of this agreement, and the obligations of the parties hereunder, shall be merely deferred until such time as it is possible for the City to complete said facilities without said causes of interference, but not more than ten (10) years from the date hereof.

CHAPTER XVI. SEVERABILITY.

If any section, subsection, sentence, clause, phrase or work of this agreement, or the application thereof, to either party, or to any other person or circumstance is for any reason held invalid, it shall be deemed severable and the validity of the remainder of the agreement or the application of such provision to the other party, or to any other person or circumstance shall not be affected thereby. Each party hereby declares that it would have entered into this agreement and each section, subsection, sentence, clause, phrase and word thereof irrespective of the fact that one or more section, subsection, sentence, clause, phrase or work, or the application thereof to either party or any other person or circumstance be held invalid.

CHAPTER XVII. DATE OF AGREEMENT.

The date of this agreement is 10/24/90.

IN WITNESS WHEREOF, the Santa Cruz County Sanitation District has caused this instrument to be executed by its respective officials, pursuant to Resolution No. 90-35 adopted by its governing body; and this instrument is executed by the City of Santa Cruz, acting by and through its City Manager, pursuant to Resolution No. 19,514 authorizing such execution.

DATE OF SIGNING:

10/26/90

CITY OF SANTA CRUZ

City Manager

APPROVED AS TO FORM:

City Attorney

DATE OF SIGNING:

9/27/90

SANTA CRUZ COUNTY
SANITATION DISTRICT

Chairman, Board of Directors

ATTESTED:

Secretary

APPROVED AS TO FORM:

10/1/90

District Counsel

DISCITY AG

EXHIBIT "A": DISTRICT OPERATION AND MAINTENANCE COST

Jurisdiction Subscript

d - Santa Cruz County Sanitation District

sc - City of Santa Cruz

sc - City of Scotts Valley

Cost Variables

CW = Cost to operate and maintain WWTP = (WWTP expenditures - CO - CA) 1.1
CO = Cost to operate and maintain ocean outfall including ocean monitoring
CA = Administration cost to operate and maintain WWTP

Flow Variables

MGD = Highest monthly flow in million gallons per day
MG = Total flow for one year in million gallons

BOD Variables

BODC = BOD concentration, annual average in milligrams per liter
BODR = Rate of BOD loading in pounds per day = (MGD)(BODC)(6.24)÷7.48
BODT = Total pounds of BOD for one year in pounds = (MG)(BODC)(62.4)÷7.48

SS Variables

SSC = SS concentration, annual average in milligrams per liter
SSR = Rate of SS loading in pounds per day = (MGD)(SSC)(62.4)÷7.48
SST = Total pounds of SS for one year in pounds = (MG)(SSC)(62.4)÷7.48

$$\text{District Cost} = \frac{2}{3}\,CW\left[.4853\left(\frac{MGD_d}{MGD_d + MGD_{sc}}\right) + .2227\left(\frac{BODR_d}{BODR_d + BODR_{sc}}\right) + .2920\left(\frac{SSR_d}{SSR_d + SSRsc}\right)\right] + \frac{1}{3}\,CW\left[.4853\left(\frac{MG_d}{MG_d + MG_{sc}}\right) + .2227\left(\frac{BODT_d}{BODT_d + BODT_{sc}}\right) + .2920\left(\frac{SST_d}{SST_d + SST_{sc}}\right)\right] + \left(\frac{MG_d}{MG_d + MG_{sc} + MG_{sv}}\right)(1.1\ CO)$$

Santa Cruz County Sanitation District

701 OCEAN STREET, SUITE 410, SANTA CRUZ, CA 95060-4073
(831) 454-2160 FAX (831) 454-2089 TDD: (831) 454-2123

MATT MACHADO, DISTRICT ENGINEER

AGENDA DATE: MAY 16, 2019

BOARD OF DIRECTORS
SANTA CRUZ COUNTY SANITATION DISTRICT
701 Ocean Street, Room 410
Santa Cruz, California 95060

SUBJECT: EMERGENCY PORTER STREET SEWER REPAIR
R2-6473

Members of the Board:

As reported previously to your Board on March 21, 2019, during routine sewer maintenance, Sanitation Operations had a sewer camera lodged in the sewer main on Porter Street in Soquel.

Because the nature of the situation posed an imminent threat to the health and safety of the public, staff contacted Anderson Pacific Engineering Construction Incorporated (Anderson Pacific) of Santa Clara, California on an emergency contract basis to retrieve the sewer camera and make the necessary sewer main repairs. The paving of the road was completed on March 19, 2019 and the final costs are $26,200.09. Sufficient funding is available in the approved 2018/19 budget for Minor Projects (GL 136409-86110/P53812).

It is therefore recommended for your Board to take the following actions:

1. Find that the emergency did not permit a delay resulting from a competitive solicitation for bids, and that the action was necessary to respond to the emergency; and

2. Ratify the emergency force account repair contract for Anderson Pacific in a not-to-exceed amount of $26,200.09.

Yours truly,

MATT MACHADO
District Engineer

BB/tlp:B2025.docx
Attachments

Contract No. 19D0351

INDEPENDENT CONTRACTOR AGREEMENT (PREVAILING WAGE NO-BID)

This Contract, which is effective on the date it is fully executed, is between the SANTA CRUZ COUNTY SANITATION DISTRICT, hereinafter called DISTRICT, and Anderson Pacific Engineering, Inc., hereinafter called CONTRACTOR. The parties agree as follows:

1. **DUTIES.** CONTRACTOR agrees to exercise special skill to accomplish the following results: emergency work to retrieve a sewer camera and repair the gravity sewer main on Porter Street, reference R2-6473 for the DISTRICT (hereinafter "the project").

2. **COMPENSATION.** In consideration for CONTRACTOR accomplishing said result, DISTRICT agrees to pay CONTRACTOR as follows: Payment not to exceed $26,200.09, processed for payment in full after project completion, receipt of invoice, and approval of project manager.

If this Contract is for the creation, construction, alteration, repair or improvement of any public structure, building, road or other improvement of any kind and the total compensation payable under this Contract will exceed $5000, five percent (5%) retention shall be withheld from progress payments and released as provided by Public Contract Code sections 9203 and 7107.

3. **TERM.** The term of this Contract shall be: Board approval through completion of project. If this Contract is placed on the DISTRICT's Continuing Agreement List before the Contract term expires, the parties agree to extend the terms and conditions of the Contract as set forth herein, and as reflected in any executed amendment hereto, until the Contract is thereafter terminated.

4. **EARLY TERMINATION.** DISTRICT may terminate this Contract at any time by giving thirty (30) days' written notice to the CONTRACTOR. CONTRACTOR may terminate this Contract for cause, after providing DISTRICT thirty (30) days' written notice and opportunity to cure, specifying in detail the cause for termination.

5. **INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS.** To the fullest extent permitted by applicable law, CONTRACTOR shall exonerate, indemnify, defend, and hold harmless DISTRICT (which for the purpose of paragraphs 5 and 6 shall include, without limitation, its officers, agents, employees and volunteers) from and against:

A. Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which DISTRICT may sustain or incur or which may be imposed upon it as a result of, arising out of, or in any manner connected with the CONTRACTOR'S performance under the terms of this Contract, excepting any liability arising out of the sole negligence of the DISTRICT. Such indemnification includes any damage to the person(s), or property(ies) of CONTRACTOR and third persons.

B. Any and all Federal, State, and Local taxes, charges, fees, or contributions required to be paid with respect to CONTRACTOR and CONTRACTOR'S officers, employees and agents engaged in the performance of this Contract (including, without limitation, unemployment insurance, social security and payroll tax withholding).

DISTRICT shall provide timely notice to CONTRACTOR of third party claims relating to this Contract, as required by applicable law.

6. **INSURANCE.** CONTRACTOR, at its sole cost and expense, for the full term of this Contract (and any extensions thereof), shall obtain and maintain, at minimum, compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects DISTRICT and any insurance or self-insurance maintained by DISTRICT shall be considered in excess of CONTRACTOR'S insurance coverage and shall not contribute to it. If CONTRACTOR normally carries insurance in an amount greater than the minimum amount required by the DISTRICT for this Contract, that greater amount shall become the minimum required amount of insurance for purposes of this Contract. Therefore, CONTRACTOR hereby acknowledges and agrees that any and all insurances carried by it shall be deemed liability coverage for any and all actions it performs in connection with this Contract. Insurance is to be obtained from insurers reasonably acceptable to the DISTRICT.

If CONTRACTOR utilizes one or more subcontractors in the performance of this Contract, CONTRACTOR shall obtain and maintain Contractor's Protective Liability Insurance as to each subcontractor or otherwise provide evidence of insurance coverage from each subcontractor equivalent to that required of CONTRACTOR in this Contract, unless CONTRACTOR and DISTRICT both initial here: ____ / ____.

A. Types of Insurance and Minimum Limits

(1) Workers' Compensation Insurance in the minimum statutorily required coverage amounts. This insurance coverage shall be required unless the CONTRACTOR has no employees and certifies to this fact by initialing here: _____.

(2) Automobile Liability Insurance for each of CONTRACTOR'S vehicles used in the performance of this Contract, including owned, non-owned (e.g. owned by CONTRACTOR'S employees), leased or hired vehicles, in the minimum amount of $500,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage is required unless the CONTRACTOR does not drive a vehicle in conjunction with any part of the performance of this Contract and CONTRACTOR and DISTRICT both certify to this fact by initialing here ____ / ____.

(3) Comprehensive or Commercial General Liability Insurance coverage at least as broad as the most recent ISO form CG 00 01, with a minimum limit of $1,000,000 per occurrence and $2,000,000 aggregate, including coverage for: (a) products and completed operations; (b) bodily and personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.

(4) Professional Liability Insurance in the minimum amount of $1,000,000.00 combined single limit, if, and only if, this Subparagraph is initialed by CONTRACTOR and DISTRICT ____ /____.

B. Other Insurance Provisions

(1) If any insurance coverage required in this Contract is provided on a "Claims Made" rather than "Occurrence" form, CONTRACTOR agrees that the retroactive date thereof shall be no later than the date first written above (in the first paragraph on page 1), and that it shall maintain the required coverage for a period of three (3) years after the expiration of this Contract (hereinafter "post Contract coverage") and any extensions thereof. CONTRACTOR may maintain the required post Contract coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon post Contract coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Contract. For purposes of interpreting this requirement, a cost not exceeding 100% of the last

annual policy premium during the term of this Contract in order to purchase prior acts or tail coverage for post Contract coverage shall be deemed to be reasonable.

(2) All policies of Comprehensive or Commercial General Liability Insurance shall be endorsed to cover the SANTA CRUZ COUNTY SANITATION DISTRICT, its officials, employees, agents and volunteers as additional insureds with respect to liability arising out of the work or operations and activities performed by or on behalf of CONTRACTOR, including materials, parts or equipment furnished in connection with such work or operations. Endorsements shall be at least as broad as ISO Form CG 20 10 11 85, or both CG 20 10 10 01 and CG 20 37 10 01, covering both ongoing operations and products and completed operations.

(3) All required insurance policies shall be endorsed to contain the following clause: "This insurance shall not be canceled until after thirty (30) days' prior written notice (10 days for nonpayment of premium) has been given to:

SANTA CRUZ COUNTY SANITATION DISTRICT
Attn: Terra Prestwich
701 Ocean Street, Room 410
Santa Cruz, CA 95060

Should CONTRACTOR fail to obtain such an endorsement to any policy required hereunder, CONTRACTOR shall be responsible to provide at least thirty (30) days' notice (10 days for nonpayment of premium) of cancellation of such policy to the DISTRICT as a material term of this Contract.

(4) CONTRACTOR agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide DISTRICT on or before the effective date of this Contract with Certificates of Insurance and endorsements for all required coverages. However, failure to obtain the required documents prior to the work beginning shall not waive the CONTRACTOR's obligation to provide them. All Certificates of Insurance and endorsements shall be delivered or sent to:

SANTA CRUZ COUNTY SANITATION DISTRICT
Attn: Terra Prestwich
701 Ocean Street, Room 410
Santa Cruz, CA 95060

(5) CONTRACTOR hereby grants to DISTRICT a waiver of any right of subrogation which any insurer of said CONTRACTOR may acquire against the DISTRICT by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the DISTRICT has received a waiver of subrogation endorsement from the insurer.

7. **EQUAL EMPLOYMENT OPPORTUNITY.** During and in relation to the performance of this Contract, CONTRACTOR agrees as follows:

A. The CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, ancestry, physical or mental disability, medical condition (including cancer-related and genetic characteristics), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. The CONTRACTOR agrees to post in conspicuous places, available to

employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

B. If this Contract provides compensation in excess of $50,000 to CONTRACTOR and if CONTRACTOR employs fifteen (15) or more employees, the following requirements shall apply:

(1) The CONTRACTOR shall, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, national origin, ancestry, physical or mental disability, medical condition (including cancer-related and genetic characteristics), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment; advertising, layoff or termination, rates of pay or other forms of compensation, selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. In addition, the CONTRACTOR shall make a good faith effort to consider Minority/Women/Disabled Owned Business Enterprises in CONTRACTOR'S solicitation of goods and services. Definitions for Minority/Women/Disabled Owned Business Enterprises are available from the DISTRICT General Services Purchasing Division.

(2) In the event of the CONTRACTOR'S non-compliance with the non-discrimination clauses of this Contract or with any of the said rules, regulations, or orders said CONTRACTOR may be declared ineligible for further contracts with the DISTRICT.

(3) The CONTRACTOR shall cause the foregoing provisions of subparagraphs 7B(1) and 7B(2) to be inserted in all subcontracts for any work covered under this Contract by a subcontractor compensated more than $50,000 and employing more than fifteen (15) employees, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

8. INDEPENDENT CONTRACTOR STATUS. CONTRACTOR and DISTRICT have reviewed and considered the principal test and secondary factors below and agree that CONTRACTOR is an independent contractor and not an employee of DISTRICT. CONTRACTOR is responsible for all insurance (workers' compensation, unemployment, etc.) and all payroll related taxes. CONTRACTOR is not entitled to any employee benefits. DISTRICT agrees that CONTRACTOR shall have the right to control the manner and means of accomplishing the result contracted for herein.

PRINCIPAL TEST: The CONTRACTOR rather than DISTRICT has the right to control the manner and means of accomplishing the result contracted for.

SECONDARY FACTORS: (a) The extent of control which, by agreement, DISTRICT may exercise over the details of the work is slight rather than substantial; (b) CONTRACTOR is engaged in a distinct occupation or business; (c) In the locality, the work to be done by CONTRACTOR is usually done by a specialist without supervision, rather than under the direction of an employer; (d) The skill required in the particular occupation is substantial rather than slight; (e) The CONTRACTOR rather than the DISTRICT supplies the instrumentalities, tools and work place; (f) The length of time for which CONTRACTOR is engaged is of limited duration rather than indefinite; (g) The method of payment of CONTRACTOR is by the job rather than by the time; (h) The work is part of a special or permissive activity, program, or project, rather than part of the regular business of DISTRICT; (i) CONTRACTOR and DISTRICT believe they are creating an independent contractor relationship rather than an employer-employee relationship; and (j) The DISTRICT conducts public business.

It is recognized that it is not necessary that all secondary factors support creation of an independent contractor relationship, but rather that overall there are significant secondary factors that indicate that CONTRACTOR is an independent contractor.

By their signatures on this Contract, each of the undersigned certifies that it is his or her considered judgment that the CONTRACTOR engaged under this Contract is in fact an independent contractor.

9. **NONASSIGNMENT.** CONTRACTOR shall not assign the Contract without the prior written consent of the DISTRICT.

10. **ACKNOWLEDGMENT.** CONTRACTOR shall acknowledge in all reports and literature that the SANTA CRUZ COUNTY SANITATION DISTRICT Board of Directors has provided funding to the CONTRACTOR.

11. **RETENTION AND AUDIT OF RECORDS.** CONTRACTOR shall retain records pertinent to this Contract for a period of not less than five (5) years after final payment under this Contract or until a final audit report is accepted by DISTRICT, whichever occurs first. CONTRACTOR hereby agrees to be subject to the examination and audit by the SANTA CRUZ COUNTY SANITATION DISTRICT Auditor-Controller-Treasurer-Tax Collector, the Auditor General of the State of California, or the designee of either for a period of five (5) years after final payment under this Contract.

12. **PRESENTATION OF CLAIMS.** Presentation and processing of any or all claims arising out of or related to this Contract shall be made in accordance with the provisions contained in Chapter 1.05 of the SANTA CRUZ COUNTY SANITATION DISTRICT Code, which by this reference is incorporated herein.

13. **ATTACHMENTS.** Should a conflict arise between language in the body of this Contract and any attachment to this Contract, the language in the body of this Contract controls. This Contract includes the following attachments:

Invoice dated April 10, 2019

14. **PREVAILING WAGE.** This agreement is covered under Prevailing Wage provisions if this section is initialed by DISTRICT_____.

This agreement is subject to the Prevailing Wage provisions and provisions relating to certified payroll records and apprenticeship of the Labor Code of California and Department of Industrial Relations regulations. There shall be paid to each worker of the CONTRACTOR, or any of his subcontractors engaged in work on the project, not less than the prevailing wage rate regardless of any contractual relationship that may be alleged to exist between the Contractor or subcontractor of such worker. Holiday and overtime work, when permitted by law, shall be paid at a rate of at least one and one-half (1 ½) times the above specified rate of per diem wages, unless otherwise specified. Non-compliance during the term of the contract will be considered a material breach and may result in termination of the Agreement or pursuit of other legal or administrative remedies. To the fullest extent permitted by law, CONTRACTOR shall indemnify and hold DISTRICT harmless against any claims, or demands, or liability arising from failure to comply with all applicable requirements under the Prevailing Wage and related requirements.

15. **LICENSE, REGISTRATION, AND CSLB NOTICE.** CONTRACTOR shall maintain all required licenses throughout the term of this Contract. CONTRACTOR shall be registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. **NOTICE**: Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

16. **NON-BINDING UNTIL APPROVED.** Regardless of whether this Contract has been signed by all parties, if the total compensation identified in Paragraph 2 of this Contract is greater than $35,000, this Contract is not binding on any party until the Contract has been approved by the SANTA CRUZ COUNTY SANITATION DISTRICT Board of Directors.

17. **MISCELLANEOUS.** This written Contract, along with any attachments, is the full and complete integration of the parties' agreement forming the basis for this Contract. The parties agree that this written Contract supersedes any previous written or oral agreements between the parties, and any modifications to this Contract must be made in a written document signed by all parties. The unenforceability, invalidity or illegality of any provision(s) of this Contract shall not render the other provisions unenforceable, invalid or illegal. Waiver by any part of any portion of this Contract shall not constitute a waiver of any other portion thereof. Any arbitration, mediation, or litigation arising out of this Contract shall occur only in the COUNTY, notwithstanding the fact that one of the contracting parties may reside outside of the COUNTY. This Contract shall be governed by, and interpreted in accordance with, California law.

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SIGNATURE PAGE

Contract No. 19D0351

INDEPENDENT CONTRACTOR AGREEMENT
(PREVAILING WAGE NO-BID)

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

2. ANDERSON PACIFIC ENGINEERING, INC.

By: _____
SIGNED

_____
PRINTED

4. SANTA CRUZ COUNTY SANITATION DISTRICT

By: _____
SIGNED

MATT MACHADO
PRINTED

Company Name: Anderson Engineering Construction, Inc.

Address: 1390 Norman Avenue
Santa Clara, CA 95054-2047

Telephone: 408-970-9900

Fax: 408-970-9975

Email: billing@andpac.com

3. APPROVED AS TO INSURANCE:

_____
Risk Management

1. APPROVED AS TO FORM:

_____
Office of the DISTRICT Counsel

DISTRIBUTION:
- Sanitation Operations
- *Contractor*
- Fiscal

B2026.docx

ANDERSON PACIFIC Engineering Construction, Inc.

1390 Norman Avenue
Santa Clara, CA 95054-2047
P: (408) 970-9900
F: (408) 970-9975
billing@andpac.com
www.andpac.com

Bill To:	Santa Cruz County - Sanitation District .	Phone:	831-477-3945	Invoice #:	1998-04
Address:	701 Ocean Street, Room 410	Fax:	831-454-2089	Invoice Date:	4/10/2019
	Santa Cruz CA, 95060	Email:	Beatriz.Barranco@santacruzcounty.us		

Invoice For: R2-6473 - Emergency Sewer Repair - W. Walnut/Porter

Item #	Description	Qty	Unit Price	% Billed	Price
1	DEWR 1998-04-01 -03/12/2019	1	$ 15,174.13	100%	$ 15,174.13
2	DEWR 1998-04-02 -03/14/2019	1	$ 6,569.45	100%	$ 6,569.45
3	DEWR 1998-04-03 -03/19/2019	1	$ 4,457.41	100%	$ 4,457.41
				Invoice Subtotal	$ 26,200.99
				Other	-
				Less Previously Paid	-
				TOTAL DUE	$ 26,200.99

Make all checks payable to ANDERSON PACIFIC Engineering Construction, Inc..
Total due in 30 days. Overdue accounts subject to a service charge of 2% per month.

Santa Cruz County Sanitation District

701 OCEAN STREET, SUITE 410, SANTA CRUZ, CA 95060-4073
(831) 454-2160 FAX (831) 454-2089 TDD: (831) 454-2123

MATT MACHADO, DISTRICT ENGINEER

AGENDA DATE: MAY 16, 2019

BOARD OF DIRECTORS
SANTA CRUZ COUNTY SANITATION DISTRICT
701 Ocean Street, Room 410
Santa Cruz, California 95060

SUBJECT: EMERGENCY SEWER MAIN REPAIR ON EAST CLIFF AND 12TH AVENUE R2-6474

Members of the Board:

As reported previously to your Board on March 21, 2019, a sinkhole was reported by the Santa Cruz County Public Works Roads division on March 19, 2019 at the intersection of East Cliff Avenue and 12th Avenue. Sanitation Operations staff investigated and determined that the 15-inch transite sewer main had a void.

Since the nature of the situation posed an imminent threat to the health and safety of the public, staff contacted Anderson Pacific Engineering Construction Incorporated (Anderson Pacific) of Santa Clara, California on an emergency contract basis to make the necessary repairs to the sewer main. The final costs are $21,261.55. Sufficient funding is available in the approved 2018/19 budget for Minor Projects (GL 136409-86110/P53812).

It is therefore recommended for your Board to take the following actions:

1. Find that the emergency did not permit a delay resulting from a competitive solicitation for bids, and that the action was necessary to respond to the emergency; and

2. Ratify the emergency force account repair contract for Anderson Pacific in a not-to-exceed amount of $21,261.55.

Yours truly,

MATT MACHADO
District Engineer

BB/tlp:B2023.docx
Attachments

Contract No. 19D0354

INDEPENDENT CONTRACTOR AGREEMENT (PREVAILING WAGE NO-BID)

This Contract, which is effective on the date it is fully executed, is between the SANTA CRUZ COUNTY SANITATION DISTRICT, hereinafter called DISTRICT, and Anderson Pacific Engineering, Inc., hereinafter called CONTRACTOR. The parties agree as follows:

1. **DUTIES.** CONTRACTOR agrees to exercise special skill to accomplish the following results: emergency work on East Cliff Drive and 12th Avenue, reference R2-6474 for the DISTRICT (hereinafter "the project").

2. **COMPENSATION.** In consideration for CONTRACTOR accomplishing said result, DISTRICT agrees to pay CONTRACTOR as follows: Payment not to exceed $21,261.55, processed for payment in full after project completion, receipt of invoice, and approval of project manager.

If this Contract is for the creation, construction, alteration, repair or improvement of any public structure, building, road or other improvement of any kind and the total compensation payable under this Contract will exceed $5000, five percent (5%) retention shall be withheld from progress payments and released as provided by Public Contract Code sections 9203 and 7107.

3. **TERM.** The term of this Contract shall be: Board approval through completion of project. If this Contract is placed on the DISTRICT's Continuing Agreement List before the Contract term expires, the parties agree to extend the terms and conditions of the Contract as set forth herein, and as reflected in any executed amendment hereto, until the Contract is thereafter terminated.

4. **EARLY TERMINATION.** DISTRICT may terminate this Contract at any time by giving thirty (30) days' written notice to the CONTRACTOR. CONTRACTOR may terminate this Contract for cause, after providing DISTRICT thirty (30) days' written notice and opportunity to cure, specifying in detail the cause for termination.

5. **INDEMNIFICATION FOR DAMAGES, TAXES AND CONTRIBUTIONS.** To the fullest extent permitted by applicable law, CONTRACTOR shall exonerate, indemnify, defend, and hold harmless DISTRICT (which for the purpose of paragraphs 5 and 6 shall include, without limitation, its officers, agents, employees and volunteers) from and against:

A. Any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which DISTRICT may sustain or incur or which may be imposed upon it as a result of, arising out of, or in any manner connected with the CONTRACTOR'S performance under the terms of this Contract, excepting any liability arising out of the sole negligence of the DISTRICT. Such indemnification includes any damage to the person(s), or property(ies) of CONTRACTOR and third persons.

B. Any and all Federal, State, and Local taxes, charges, fees, or contributions required to be paid with respect to CONTRACTOR and CONTRACTOR'S officers, employees and agents engaged in the performance of this Contract (including, without limitation, unemployment insurance, social security and payroll tax withholding).

DISTRICT shall provide timely notice to CONTRACTOR of third party claims relating to this Contract, as required by applicable law.

6. **INSURANCE.** CONTRACTOR, at its sole cost and expense, for the full term of this Contract (and any extensions thereof), shall obtain and maintain, at minimum, compliance with all of the following insurance coverage(s) and requirements. Such insurance coverage shall be primary coverage as respects DISTRICT and any insurance or self-insurance maintained by DISTRICT shall be considered in excess of CONTRACTOR'S insurance coverage and shall not contribute to it. If CONTRACTOR normally carries insurance in an amount greater than the minimum amount required by the DISTRICT for this Contract, that greater amount shall become the minimum required amount of insurance for purposes of this Contract. Therefore, CONTRACTOR hereby acknowledges and agrees that any and all insurances carried by it shall be deemed liability coverage for any and all actions it performs in connection with this Contract. Insurance is to be obtained from insurers reasonably acceptable to the DISTRICT.

If CONTRACTOR utilizes one or more subcontractors in the performance of this Contract, CONTRACTOR shall obtain and maintain Contractor's Protective Liability Insurance as to each subcontractor or otherwise provide evidence of insurance coverage from each subcontractor equivalent to that required of CONTRACTOR in this Contract, unless CONTRACTOR and DISTRICT both initial here: ____/____.

A. Types of Insurance and Minimum Limits

(1) Workers' Compensation Insurance in the minimum statutorily required coverage amounts. This insurance coverage shall be required unless the CONTRACTOR has no employees and certifies to this fact by initialing here: _____.

(2) Automobile Liability Insurance for each of CONTRACTOR'S vehicles used in the performance of this Contract, including owned, non-owned (e.g. owned by CONTRACTOR'S employees), leased or hired vehicles, in the minimum amount of $500,000 combined single limit per occurrence for bodily injury and property damage. This insurance coverage is required unless the CONTRACTOR does not drive a vehicle in conjunction with any part of the performance of this Contract and CONTRACTOR and DISTRICT both certify to this fact by initialing here ____/____.

(3) Comprehensive or Commercial General Liability Insurance coverage at least as broad as the most recent ISO form CG 00 01, with a minimum limit of $1,000,000 per occurrence and $2,000,000 aggregate, including coverage for: (a) products and completed operations; (b) bodily and personal injury, (c) broad form property damage, (d) contractual liability, and (e) cross-liability.

(4) Professional Liability Insurance in the minimum amount of $1,000,000.00 combined single limit, if, and only if, this Subparagraph is initialed by CONTRACTOR and DISTRICT ____/____.

B. Other Insurance Provisions

(1) If any insurance coverage required in this Contract is provided on a "Claims Made" rather than "Occurrence" form, CONTRACTOR agrees that the retroactive date thereof shall be no later than the date first written above (in the first paragraph on page 1), and that it shall maintain the required coverage for a period of three (3) years after the expiration of this Contract (hereinafter "post Contract coverage") and any extensions thereof. CONTRACTOR may maintain the required post Contract coverage by renewal or purchase of prior acts or tail coverage. This provision is contingent upon post Contract coverage being both available and reasonably affordable in relation to the coverage provided during the term of this Contract. For purposes of interpreting this requirement, a cost not exceeding 100% of the last

annual policy premium during the term of this Contract in order to purchase prior acts or tail coverage for post Contract coverage shall be deemed to be reasonable.

(2) All policies of Comprehensive or Commercial General Liability Insurance shall be endorsed to cover the SANTA CRUZ COUNTY SANITATION DISTRICT, its officials, employees, agents and volunteers as additional insureds with respect to liability arising out of the work or operations and activities performed by or on behalf of CONTRACTOR, including materials, parts or equipment furnished in connection with such work or operations. Endorsements shall be at least as broad as ISO Form CG 20 10 11 85, or both CG 20 10 10 01 and CG 20 37 10 01, covering both ongoing operations and products and completed operations.

(3) All required insurance policies shall be endorsed to contain the following clause: "This insurance shall not be canceled until after thirty (30) days' prior written notice (10 days for nonpayment of premium) has been given to:

SANTA CRUZ COUNTY SANITATION DISTRICT
Attn: Terra Prestwich
701 Ocean Street, Room 410
Santa Cruz, CA 95060

Should CONTRACTOR fail to obtain such an endorsement to any policy required hereunder, CONTRACTOR shall be responsible to provide at least thirty (30) days' notice (10 days for nonpayment of premium) of cancellation of such policy to the DISTRICT as a material term of this Contract.

(4) CONTRACTOR agrees to provide its insurance broker(s) with a full copy of these insurance provisions and provide DISTRICT on or before the effective date of this Contract with Certificates of Insurance and endorsements for all required coverages. However, failure to obtain the required documents prior to the work beginning shall not waive the CONTRACTOR's obligation to provide them. All Certificates of Insurance and endorsements shall be delivered or sent to:

SANTA CRUZ COUNTY SANITATION DISTRICT
Attn: Terra Prestwich
701 Ocean Street, Room 410
Santa Cruz, CA 95060

(5) CONTRACTOR hereby grants to DISTRICT a waiver of any right of subrogation which any insurer of said CONTRACTOR may acquire against the DISTRICT by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the DISTRICT has received a waiver of subrogation endorsement from the insurer.

7. **EQUAL EMPLOYMENT OPPORTUNITY.** During and in relation to the performance of this Contract, CONTRACTOR agrees as follows:

A. The CONTRACTOR shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, ancestry, physical or mental disability, medical condition (including cancer-related and genetic characteristics), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. The CONTRACTOR agrees to post in conspicuous places, available to

employees and applicants for employment, notice setting forth the provisions of this non-discrimination clause.

B. If this Contract provides compensation in excess of $50,000 to CONTRACTOR and if CONTRACTOR employs fifteen (15) or more employees, the following requirements shall apply:

(1) The CONTRACTOR shall, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, national origin, ancestry, physical or mental disability, medical condition (including cancer-related and genetic characteristics), marital status, sexual orientation, age (over 18), veteran status, gender, pregnancy, or any other non-merit factor unrelated to job duties. Such action shall include, but not be limited to, the following: recruitment; advertising, layoff or termination, rates of pay or other forms of compensation, selection for training (including apprenticeship), employment, upgrading, demotion, or transfer. In addition, the CONTRACTOR shall make a good faith effort to consider Minority/Women/Disabled Owned Business Enterprises in CONTRACTOR'S solicitation of goods and services. Definitions for Minority/Women/Disabled Owned Business Enterprises are available from the DISTRICT General Services Purchasing Division.

(2) In the event of the CONTRACTOR'S non-compliance with the non-discrimination clauses of this Contract or with any of the said rules, regulations, or orders said CONTRACTOR may be declared ineligible for further contracts with the DISTRICT.

(3) The CONTRACTOR shall cause the foregoing provisions of subparagraphs 7B(1) and 7B(2) to be inserted in all subcontracts for any work covered under this Contract by a subcontractor compensated more than $50,000 and employing more than fifteen (15) employees, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

8. INDEPENDENT CONTRACTOR STATUS. CONTRACTOR and DISTRICT have reviewed and considered the principal test and secondary factors below and agree that CONTRACTOR is an independent contractor and not an employee of DISTRICT. CONTRACTOR is responsible for all insurance (workers' compensation, unemployment, etc.) and all payroll related taxes. CONTRACTOR is not entitled to any employee benefits. DISTRICT agrees that CONTRACTOR shall have the right to control the manner and means of accomplishing the result contracted for herein.

PRINCIPAL TEST: The CONTRACTOR rather than DISTRICT has the right to control the manner and means of accomplishing the result contracted for.

SECONDARY FACTORS: (a) The extent of control which, by agreement, DISTRICT may exercise over the details of the work is slight rather than substantial; (b) CONTRACTOR is engaged in a distinct occupation or business; (c) In the locality, the work to be done by CONTRACTOR is usually done by a specialist without supervision, rather than under the direction of an employer; (d) The skill required in the particular occupation is substantial rather than slight; (e) The CONTRACTOR rather than the DISTRICT supplies the instrumentalities, tools and work place; (f) The length of time for which CONTRACTOR is engaged is of limited duration rather than indefinite; (g) The method of payment of CONTRACTOR is by the job rather than by the time; (h) The work is part of a special or permissive activity, program, or project, rather than part of the regular business of DISTRICT; (i) CONTRACTOR and DISTRICT believe they are creating an independent contractor relationship rather than an employer-employee relationship; and (j) The DISTRICT conducts public business.

It is recognized that it is not necessary that all secondary factors support creation of an independent contractor relationship, but rather that overall there are significant secondary factors that indicate that CONTRACTOR is an independent contractor.

By their signatures on this Contract, each of the undersigned certifies that it is his or her considered judgment that the CONTRACTOR engaged under this Contract is in fact an independent contractor.

9. **NONASSIGNMENT.** CONTRACTOR shall not assign the Contract without the prior written consent of the DISTRICT.

10. **ACKNOWLEDGMENT.** CONTRACTOR shall acknowledge in all reports and literature that the SANTA CRUZ COUNTY SANITATION DISTRICT Board of Directors has provided funding to the CONTRACTOR.

11. **RETENTION AND AUDIT OF RECORDS.** CONTRACTOR shall retain records pertinent to this Contract for a period of not less than five (5) years after final payment under this Contract or until a final audit report is accepted by DISTRICT, whichever occurs first. CONTRACTOR hereby agrees to be subject to the examination and audit by the SANTA CRUZ COUNTY SANITATION DISTRICT Auditor-Controller-Treasurer-Tax Collector, the Auditor General of the State of California, or the designee of either for a period of five (5) years after final payment under this Contract.

12. **PRESENTATION OF CLAIMS.** Presentation and processing of any or all claims arising out of or related to this Contract shall be made in accordance with the provisions contained in Chapter 1.05 of the SANTA CRUZ COUNTY SANITATION DISTRICT Code, which by this reference is incorporated herein.

13. **ATTACHMENTS.** Should a conflict arise between language in the body of this Contract and any attachment to this Contract, the language in the body of this Contract controls. This Contract includes the following attachments:

Invoice dated April 26, 2019

14. **PREVAILING WAGE.** This agreement is covered under Prevailing Wage provisions if this section is initialed by DISTRICT_____.

This agreement is subject to the Prevailing Wage provisions and provisions relating to certified payroll records and apprenticeship of the Labor Code of California and Department of Industrial Relations regulations. There shall be paid to each worker of the CONTRACTOR, or any of his subcontractors engaged in work on the project, not less than the prevailing wage rate regardless of any contractual relationship that may be alleged to exist between the Contractor or subcontractor of such worker. Holiday and overtime work, when permitted by law, shall be paid at a rate of at least one and one-half (1 ½) times the above specified rate of per diem wages, unless otherwise specified. Non-compliance during the term of the contract will be considered a material breach and may result in termination of the Agreement or pursuit of other legal or administrative remedies. To the fullest extent permitted by law, CONTRACTOR shall indemnify and hold DISTRICT harmless against any claims, or demands, or liability arising from failure to comply with all applicable requirements under the Prevailing Wage and related requirements.

15. **LICENSE, REGISTRATION, AND CSLB NOTICE.** CONTRACTOR shall maintain all required licenses throughout the term of this Contract. CONTRACTOR shall be registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5. **NOTICE**: Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

16. **NON-BINDING UNTIL APPROVED.** Regardless of whether this Contract has been signed by all parties, if the total compensation identified in Paragraph 2 of this Contract is greater than $35,000, this Contract is not binding on any party until the Contract has been approved by the SANTA CRUZ COUNTY SANITATION DISTRICT Board of Directors.

17. **MISCELLANEOUS.** This written Contract, along with any attachments, is the full and complete integration of the parties' agreement forming the basis for this Contract. The parties agree that this written Contract supersedes any previous written or oral agreements between the parties, and any modifications to this Contract must be made in a written document signed by all parties. The unenforceability, invalidity or illegality of any provision(s) of this Contract shall not render the other provisions unenforceable, invalid or illegal. Waiver by any part of any portion of this Contract shall not constitute a waiver of any other portion thereof. Any arbitration, mediation, or litigation arising out of this Contract shall occur only in the COUNTY, notwithstanding the fact that one of the contracting parties may reside outside of the COUNTY. This Contract shall be governed by, and interpreted in accordance with, California law.

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SIGNATURE PAGE

Contract No. 19D0354

INDEPENDENT CONTRACTOR AGREEMENT
(PREVAILING WAGE NO-BID)

IN WITNESS WHEREOF, the parties hereto have set their hands the day and year first above written.

2. ANDERSON PACIFIC ENGINEERING, INC.

By: _____
SIGNED

_____
PRINTED

4. SANTA CRUZ COUNTY SANITATION DISTRICT

By: _____
SIGNED

MATT MACHADO
PRINTED

Company Name: Anderson Engineering Construction, Inc.

Address: 1390 Norman Avenue
Santa Clara, CA 95054-2047

Telephone: 408-970-9900

Fax: 408-970-9975

Email: billing@andpac.com

3. APPROVED AS TO INSURANCE:

_____
Risk Management

1. APPROVED AS TO FORM:

_____
Office of the DISTRICT Counsel

DISTRIBUTION:
- Sanitation Operations
- *Contractor*
- Fiscal

B2020.docx

ANDERSON PACIFIC Engineering Construction, Inc.

1390 Norman Avenue
Santa Clara, CA 95054-2047
P: (408) 970-9900
F: (408) 970-9975
billing@andpac.com
www.andpac.com

Bill To:	Santa Cruz County - Sanitation District	Phone:	831-477-3945	Invoice #:	1998-05
Address:	701 Ocean Street, Room 410	Fax:	831-454-2089	Invoice Date:	4/26/2019
	Santa Cruz CA, 95060	Email:	Beatriz.Barranco@santacruzcounty.us		

Invoice For: R2-6474 - Emergency Sewer Repair - E. Cliff/12th

Item #	Description	Qty	Unit Price	% Billed	Price
1	DEWR 1998-05-01 -03/19/2019	1	$ 10,925.67	100%	$ 10,925.67
2	DEWR 1998-05-02 -03/20/2019	1	$ 6,262.81	100%	$ 6,262.81
3	DEWR 1998-05-03 -03/28/2019	1	$ 4,073.07	100%	$ 4,073.07

Invoice Subtotal	$ 21,261.55
Other	-
Less Previously Paid	-
TOTAL DUE	$ 21,261.55

Make all checks payable to ANDERSON PACIFIC Engineering Construction, Inc..
Total due in 30 days. Overdue accounts subject to a service charge of 2% per month.

Santa Cruz County Sanitation District

701 OCEAN STREET, SUITE 410, SANTA CRUZ, CA 95060-4073
(831) 454-2160 FAX (831) 454-2089 TDD: (831) 454-2123

MATT MACHADO, DISTRICT ENGINEER

AGENDA DATE: MAY 16, 2019

BOARD OF DIRECTORS
SANTA CRUZ COUNTY SANITATION DISTRICT
701 Ocean Street, Room 410
Santa Cruz, California 95060

SUBJECT: SOQUEL VILLAGE PIPE REHABILIATION PROJECT
AWARD OF CONTRACT

Members of the Board:

On April 18, 2019 the District received three bids for construction of the Soquel Village Sewer Pipe Rehabilitation project. A summary of the bids is attached for your information.

The engineer's estimate for the project was $802,250. The low bidder is APB General Engineering (APB), of Concord, CA, in the amount of $648,100.00, not including contingencies and overhead.

The bid by APB was found to be complete with the exception that they detached the Proposal from Special Provisions when they submitted the bid. APB has since submitted a letter stating that they will abide by the Special Provisions that were part of the original bid documents. District Counsel reviewed the bid and found that the discrepancy in the low bid to be immaterial.

The second lowest bidder, Graniterock, of San Jose, California has filed a protest alleging that the bid provided by APB was non-responsive due to them not including the Special Provisions with their bid package. The protest letter is attached. Graniterock's bid for the project was $828,512.

District staff is recommending the Board waive the discrepancy in the APB bid and reject the protest letter filed by Graniterock. We are basing this recommendation on the fact that a bid which substantially conforms to a call for bids may, though it is not technically responsive, be accepted if the variance cannot have affected the amount of the bid or gave a bidder an advantage or benefit over other bidders.

Sufficient funding for this project is included in the 2018/2019 District Budget in the 2019 Pipe Rehabilitation project (GL136409-86110/P53811).

It is therefore recommended that the Board of Directors take the following actions:

1. Reject the protest letter filed by Graniterock on April 22, 2019;
2. Waive the discrepancy as immaterial;
3. Accept the bid of APB General Engineering, in the amount of $648,100.00 and authorize the award of contract;
4. Authorize the District Engineer to sign said contract on behalf of the Santa Cruz County Sanitation District;
5. Approve the attached contract change order policy for the project; and
6. Direct the District Secretary to process said contract and take any other related actions necessary.

Yours truly,

MATT MACHADO
District Engineer

MB/tlp:B2021
Attachments: Bid Summary
Graniterock Protest Letter
Contract Change Order Policy

Copy to: Carisa Duran, Construction Manager
Fiscal
APB General Engineering
Mirna Guerrero

SOQUEL VILLAGE PIPE REHABILIATION PROJECT
BID OPENING: April 18, 2019
ENGINEER'S ESTIMATE: $802,000.00
SUMMARY OF BIDS

CONTRACTOR: Name & City	Bid Amount
APB, Genereal Engineering, Concord	$648,100.00
Graniterock, San Jose	$828,512.00
Glosage Engineering Inc.	$1,070,947.00

Graniterock

April 22, 2019

Kent Edler, District Engineer
Santa Cruz County Sanitation District
701 Ocean Street, Rm 410
Santa Cruz, CA 95060

Project: Soquel Village Sewer Pipe Rehabilitation Project

Subject: Bid Protest

On Thursday, April 18th 2019, Granite Rock Company (Graniterock) submitted the second-lowest bid on the above-mentioned project. APB General Engineering (APB) submitted the apparent low bid. Graniterock herby protests APB's bid for detaching the proposal from the special provisions contrary to the bid instructions.

Item 1 of section 10-1.01 Instructions to Bidders states: "Do not detach the proposal from the special provisions. All portions of the Proposal must be completed before the bid is submitted. Failure to do so may result in the bid being rejected as non-responsive.... Failure to submit all required documents may result in the bid being rejected as nonresponsive." The specifications state that the proposal shall not be detached from the special provisions in numerous locations such as the cover page to the special provisions, the third paragraph of section 2-1.01 Proposal Forms, and on the first page of the proposal itself.

Graniterock has contacted the County many times for previous bids to request that the County change their specifications to allow the contractor to submit only the proposal forms. Each time we have been told that we need to follow the specifications or be found nonresponsive.

Graniterock submitted the proposal as outlined in the Instructions to bidders and did not detach the proposal from the special provisions. APB should be found nonresponsive as stated in the contract documents and the contract should be awarded to Graniterock as the lowest responsive, responsible bidder.

Please contact me at 408-574-1400 if you would like to discuss this matter further.

Sincerely,
Graniterock
Construction Division

Rob Snyder
Chief Estimator

Material Supplier / Engineering Contractor
License #22
DIR #1000000239

Construction Headquarters
5225 Hellyer Avenue, Suite 220
San Jose, CA 95138
Phone 408.574.1400
Fax 408.365.8349

SF Bay Area
875 Mahler Road, Suite 280
Burlingame, CA 94010
Phone 650.615.0306
Fax 650.615.0338

East Bay
5650 Imhoff Drive, Suite E
Concord, CA 94520
Phone 408.574.1400

Monterey Bay
P.O. Box 50001, Watsonville, CA 95077
411 Walker Street, Watsonville, CA 95076
Phone 831.768.2700
Fax 831.768.2701

Contract Change Order Policy

Contract Name: APB GENERAL ENGINEERING

Where unexpected site or other conditions cause a need for work not covered by the contract, the District Engineer is hereby granted the authority to approve and execute certain contract change orders for the referenced contract subject to the limitations specified herein.

A. Change orders may be approved in an amount not to exceed five thousand dollars ($5,000) for contracts of fifty thousand dollars ($50,000) or less, or 10% for contracts over fifty thousand dollars ($50,000) but not to exceed two hundred fifty thousand dollars ($250,000). In no event shall a change or addition to the work exceed a total net addition of twenty five thousand dollars ($25,000).

B. For contracts whose original cost exceeds two hundred fifty thousand dollars ($250,000), the extra cost for any change or addition to the work so ordered shall not exceed twenty-five thousand dollars ($25,000), plus 5 percent of the amount of the original contract cost in excess of two hundred fifty thousand dollars ($250,000). In no event shall any change or alteration exceed two hundred ten thousand dollars ($210,000).

B2022
CCO Policy.docx

Santa Cruz County Sanitation District

701 OCEAN STREET, SUITE 410, SANTA CRUZ, CA 95060-4073
(831) 454-2160 FAX (831) 454-2089 TDD: (831) 454-2123

MATT MACHADO, DISTRICT ENGINEER

AGENDA DATE: MAY 16, 2019

BOARD OF DIRECTORS
SANTA CRUZ COUNTY SANITATION DISTRICT
701 Ocean Street, Room 410
Santa Cruz, California 95060

SUBJECT: REQUEST FOR PROPOSAL FOR CLOSED-CIRCUIT TELEVISING OF SEWER MAINS AND MANHOLES

Members of the Board:

In 2009, the District prepared and implemented the Sewer System Management Plan (SSMP) that covers the management, planning, design, as well as operation and maintenance of the District's sanitary system. The SSMP was first adopted in 2009 and most recently updated in 2017. The District's intentions are to perform Closed-Circuit Televising (CCTV) inspection of the sewer mains on a ten-year cycle with the first round of inspections completed by December 31, 2019.

Identifying sewer mains and manholes with structural deficiencies will help to develop a Full Condition Assessment Report, better inform our Capital Improvement Program, and maintain the District in compliance with the State Water Resources Control Board Statewide General Waste Discharge Requirements.

District Operations staff routinely performs CCTV inspection of the sewer mains for pipe segments 12-inches in diameter and smaller. However, more specialized equipment is required to perform CCTV inspections of sewer mains greater than 12-inches in diameter.

In order to work towards the District's goal to inspect the sewer mains and manholes, staff is recommending the solicitation of services of companies that specializes in CCTV of larger diameter sewer lines. The selection process will be initiated through a Request for Proposals (RFP) process. At completion of the RFP review process, a contract will be brought back to the Board for final review and approval.

It is therefore recommended that your Board take the following actions:

1. Approve the attached Request for Proposals for Closed-Circuit Televising of Sewer Mains and Manholes; and

2. Direct staff to proceed with the consultant selection process and return to your Board at a future date for approval of the consultant contract.

Yours truly,

MATT MACHADO
District Engineer

BB/tlp:B2027.docx
Attachments

Santa Cruz County Sanitation District

701 OCEAN STREET, SUITE 410, SANTA CRUZ, CA 95060-4073
(831) 454-2160 FAX (831) 454-2089 TDD: (831) 454-2123

MATT MACHADO, DISTRICT ENGINEER

AGENDA DATE: MAY 16, 2019

BOARD OF DIRECTORS
SANTA CRUZ COUNTY SANITATION DISTRICT
701 Ocean Street, Room 410
Santa Cruz, California 95060

SUBJECT: PROPOSED 2019/2020
SANTA CRUZ COUNTY SANITATION DISTRICT BUDGET

Members of the Board:

Attached for your review is the proposed District budget for the 2019/2020 fiscal year. This budget is based on the new sewer service charge rates which were adopted by your Board today, May 16, 2019. The proposed budget has expected expenditures and contingencies of $52.5 million and reserves of $4.1 million for a total of $56.6 million. This includes expenditures of $20.5 million in operating expenses (including $6.4 million for the District's share of operating the City of Santa Cruz wastewater treatment plant and ocean outfall), $0.8 million in loan payments, $10.0 million in wastewater capital improvement projects, and $21.1 million in construction improvement projects.

The following projects are among those proposed to be under construction in 2019/2020 or are currently under construction in 2018/2019:

1) Soquel Pump Station Force Main Replacement
2) Capitola / Jewel Box Sewer Improvements
3) 2019 Rehabilitation Project (Soquel Village)
4) Valencia Creek Sewer Relocation
5) Schwann Pump Station Generator Room
6) SCCSD 2020 Pipe Rehabilitation Project
7) Lower Rodeo Gulch Trunkline Project

FIXED ASSETS

This year's proposed fixed assets budget includes funding for new service vehicles, a small dump truck, a combination jet/vacuum truck, wet well mixers, motorized valves, and closed-caption video cameras. The fixed assets are further detailed on page 2 of the budget.

OVERHEAD

The department overhead of 15.00 percent includes administrative service salaries within the Public Works Department (personnel, fiscal, safety, MIS, and clerical) and executive salaries for staff providing oversight of the District as well as County Overhead (A-87 Cost Plan). The County overhead charges allocates the cost related to central support departments such as County Counsel, Personnel Department, Auditor-Controller-Treasurer-Tax Collector, Purchasing, and other miscellaneous departments that provide a direct service to the District, as well as general costs for such items as facilities management, building use allowance, communications, and warehouse storage. There is also a 21.70 percent Division overhead that pays for insurance, training, salaries not billable to specific projects, and other indirect costs.

The following budgetary items reflect significant differences between the current and proposed budget amounts (see explanation below):

625175 OPERATING FUND (50/175)

BUDGET NO.	ITEM	17/18 ACTUAL	18/19 ADOPTED	19/20 RECOMMENDED	EXPLANATION
53166	City of Santa Cruz Treatment Costs	$5,635,494	$5,140,000	$6,389,000	This increase is due to new capital improvement projects at the treatment plant.
53174	Source Control Program	$284,030	$300,000	$482,000	This increase is due to the filling of the vacant supervisor position.
53246	Motorized Valves	$0	$25,000	$80,000	This increase is to fund the replacement of aging valves.
53299	Dump Truck	$0	$0	$140,000	Operations requires a new dump truck to replace an older 1983 dump truck.
NEW #	Combo Truck	$0	$300,000	$435,000	Operations did not use the $300k last fiscal year for a flush truck, and now will use these funds for a combination jet/vacuum truck.

625195 SCCSD WASTEWATER CAPITAL IMPROVEMENT FUND (50/195)

BUDGET NO.	ITEM	17/18 ACTUAL	18/19 ADOPTED	19/20 RECOMMENDED	EXPLANATION
54002	D.A. Porath Facility Improvements	$0	$150,000	$600,000	This increase is to fund HVAC improvements at the Lode Street Facility.
54005	Transmission Line Inspection	$0	$50,000	$500,000	This increase will be to fund CCTV inspections of the District's large diameter sewer transmission lines.
54006	Basin Flow Monitoring	$7,036	$300,000	$182,460	This District is completing this stage of Infiltration/Inflow monitoring and reporting in 18/19.
54046	Hidden Beach Pump Station Manhole Rehabilitation	$0	$350,000	$500,000	This increase is to fund access improvements at the Hidden Beach Pump Station along with the manhole rehabilitation work.

136409 SCCSD CONSTRUCTION IMPROVEMENT FUND (50/185)

BUDGET NO.	ITEM	17/18 ACTUAL	18/19 ADOPTED	19/20 RECOMMENDED	EXPLANATION
53811	2019 Pipe Rehabilitation	$0	$2,290,000	$850,000	The 2019 project scope was reduced, and the remaining work will be completed as the 2020 Pipe Rehabilitation Project.
53826	2020 Pipe Rehabilitation	$0	$0	$6,000,000	This will fund the design and construction of aging sewer mains in areas where contamination of water resources is of higher likelihood than other places in the District.
53824	Cabrillo Park Sewer Replacement	$0	$350,000	$659,570	This is to fund construction of the Phase 1 high-priority project and the design and some construction of the Phase 2 project.
53827	Lower Rodeo Gulch Trunkline	$0	$0	$1,431,089	This is to pay for the design and environmental permitting of the project, and possibly a portion of construction.
53876	Upper Rodeo Gulch Trunkline & Soquel Bridge Sewer Replacement	$0	$1,200,000	$800,000	This is to pay for the design and environmental permitting of the project. Construction will follow in a subsequent year once funding is obtained.
53880	East Cliff, Portola, and Richmond Sewer Replacement	$137,689	$4,000,000	$60,000	This is to fund the remaining design; construction will follow in a subsequent year once funding is obtained.
53892	Arana Trunkline	$0	$600,000	$250,000	This is to fund the remaining design; construction will follow in a subsequent year once funding is obtained.

The final budget hearing is set for 4:45 p.m., Thursday, June 13, 2019, at the District's D. A. Porath Sanitation Facility. The attached Notice of Public Hearing will be published in the Santa Cruz Sentinel 15 days and 7 days prior to the budget hearing.

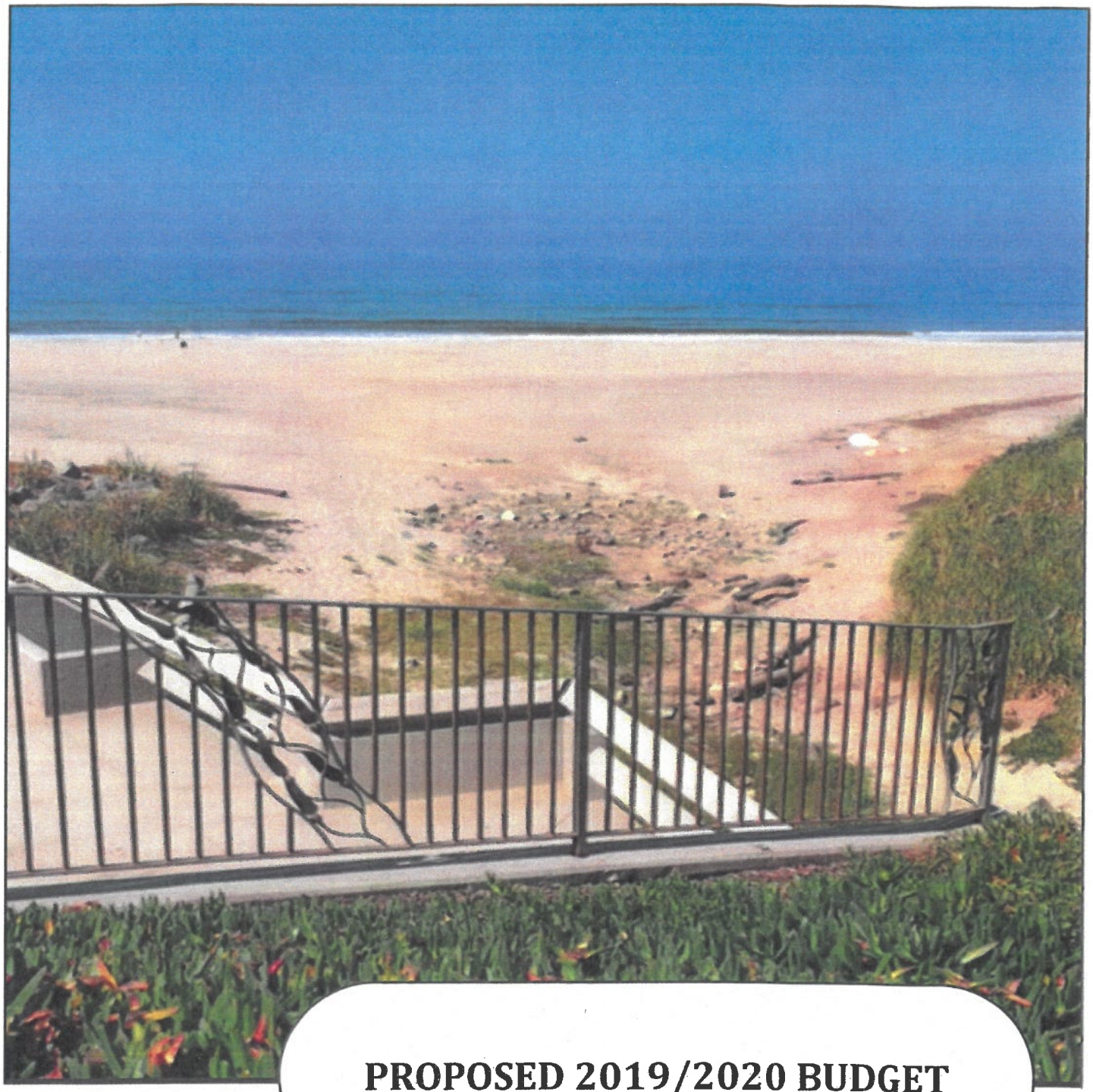
It is therefore recommended that your Board accept this proposed budget and direct the District Secretary to publish the Notice of Public Hearing.

Yours truly,

MATT MACHADO
District Engineer

AT:tlp/B2013.doc
Attachment

Copy to: Mark Dettle, Director, City of Santa Cruz, Public Works



PROPOSED 2019/2020 BUDGET

SANTA CRUZ COUNTY SANITATION DISTRICT

PUBLIC HEARING

4:45 P.M., JUNE 13, 2019

D.A. PORATH SANITATION FACILITY

2750 LODE STREET, SANTA CRUZ, CALIFORNIA

SANTA CRUZ COUNTY SANITATION DISTRICT
PROPOSED BUDGET 2019/2020

625175 SCCSD OPERATING FUND (50/175)

The Operating Fund is responsible for funding the expenses for the general operations of the District. No sewer connection fee revenue can be used to fund these operations pursuant to State guidelines.

				17/18 Actual	18/19 Adopted	18/19 Est Act	19/20 Recommended	% Change
EXPENDITURES:								
P53166	62330	SCCSD-Sewage Treatment - City Of Santa Cruz	Engr	5,635,495	5,140,000	4,781,962	6,389,000	24%
Maintenance and Operations:								
P53107	62330	Public Outreach	Opns	93,379	50,000	85,000	52,000	4%
P53110	62330	Permit Reviews	Opns	1,130	6,000	6,200	6,200	3%
P53113	62330	Spill Response-Private Prop	Opns	4,909	10,000	3,000	10,000	0%
P53115	62330	Spill Response-Main Sewer Spill	Opns	6,064	15,000	6,000	15,000	0%
P53128	62330	Pump Stations	Opns	1,833,097	1,808,400	1,800,000	1,950,000	8%
P53130	62330	Collection System	Opns	2,167,255	1,952,250	1,952,250	2,030,340	4%
P53132	62330	East Cliff Facility	Opns	1,538,786	1,582,350	1,500,000	1,645,644	4%
P53133	62330	Electrical	Opns	1,653,164	1,952,250	1,800,000	2,030,340	4%
P53136	62330	Sulfide Control	Opns	913,239	950,000	925,000	975,000	3%
P53138	62330	Utilities	Opns	610,694	750,000	834,000	900,000	20%
P53140	62330	Tree Trimming	Opns	21,773	75,000	10,000	75,000	0%
P53142	62330	Source Control Lab Work	Opns	13,908	25,000	25,000	26,000	4%
P53144	62330	Emergency - Sewer Repair Portola	Opns	-	-	3,077	-	0%
P53174	62330	Source Control Program	Opns	284,030	300,000	360,000	482,000	61%
P53190	62330	Infiltration/Inflow Reduction	Both	202,409	125,000	139,500	-	-100%
P53193	62330	Green Business Program	Opns	41,880	120,000	35,000	120,000	0%
P53194	62330	Operations Lab Work	Opns	6,083	25,000	10,000	25,000	0%
P53195	62330	Annual Cathodic Protection Testing & Repairs	Opns	10,922	35,000	30,000	36,000	3%
P53198	62330	Permit Fees	Opns	48,375	40,000	43,000	40,000	0%
P53153	62330	Lateral Replacement Program	Opns	-	-	-	15,000	0%
Engineering:								
Various	62330	Permit Reviews	Engr	185	1,000	87	7,000	600%
P53164	62330	General Engineering	Engr	1,690,549	1,644,000	1,540,000	1,762,000	7%
P53168	62330	Service Charge Administration	Engr	2,128	75,000	75,000	75,000	0%
Salaries and Wages:								
P53102	62330	Salaries-Secretaries	Engr	144,465	169,537	169,537	175,565	4%
P53104	62330	Salaries-Directors	Engr	3,791	5,500	5,500	5,500	0%
Miscellaneous:								
P53105	62330	Printing & Mailing	Engr	23,676	20,000	11,000	20,000	0%
P53106	62330	Office Expenses	Engr	15,246	35,000	19,970	37,970	8%
P53108	62330	Telephone & Communications	Engr	38,650	30,000	39,000	41,000	37%
P53170	62330	Accounting & Audit Fees	Engr	9,795	16,000	16,000	16,000	0%
P53178	62330	Legal Costs & Fees	Engr	133,653	70,000	90,000	80,000	14%
P53182	62330	Travel & Transportation	Both	2,419	2,500	1,500	2,500	0%
P53171	62330	IRWM Coordination	Engr	-	10,000	11,200	10,000	0%
P53188	62330	Codification Of Ordinances	Engr	529	5,000	2,000	7,500	50%
P53165	62330	SSMP	Opns	4,810	15,000	15,000	15,000	0%
P53196	62330	Revenue Study	Engr	14,830	28,000	25,953	30,000	7%
Computers:								
P53180	62330	Systems & Programming	MIS	7,272	20,000	50,000	50,000	150%
P53186	62330	Computers-Software	MIS	161,634	150,000	120,000	150,000	0%
P53192	62330	Computers-Facility Computer Mapping	MIS	-	50,000	675	50,000	0%
Routine Equipment Repair & Replacement:								
P53152	62330	East Cliff Pump Station and Line Equip	Opns	119,102	260,000	145,000	200,000	-23%
Fixed Assets:								
See Pg2	86204	Equipment		90,434	200,000	166,627	215,000	8%
See Pg2	86209	Mobile Equipment		-	735,984	428,592	715,000	-3%
Contingencies:								
53499	98700	Contingencies		-	50,000	50,000	50,000	0%
TOTAL EXPENDITURES				17,549,758	18,553,771	17,331,630	20,537,559	11%
SOURCE OF FUNDS:								
	34400	Fund Balance		1,295,826	1,432,115	1,432,115	1,220,391	-15%
	41322	Plan Checking Fees		5,350	5,000	11,000	10,000	100%
	42047	Other Charges Current Services		5,821	5,000	3,000	3,000	-40%
	42384	Other Revenues, Transfers and Adjustments			5,000	250	1,000	-80%
	42450	Sales of Fixed Assets-Non Taxable			1,000			
	42462	Transfer from Revenue Trust		17,674,875	17,105,656	17,105,656	19,303,168	13%
AVAILABLE FUNDS				18,981,872	18,553,771	18,552,021	20,537,559	11%

Engr = Engineering
Opns = Operations
Both = Engineering & Operations
MIS = Management Information Services

SANTA CRUZ COUNTY SANITATION DISTRICT
PROPOSED BUDGET 2019/2020

625175 SCCSD OPERATING FUND - SCHEDULE OF FIXED ASSETS

		Equipment			17/18 Actual	18/19 Adopted	18/19 Est Act	19/20 Recommended
P53226	86204	Emergency Diesel Generators (4)	R	Opns	65,817	-	7,127	
P53240	86204	Network Equipment	R	MIS	-	40,000	28,000	35,000
P53246	86204	Motorized Valves	N	Opns	-	25,000	90,000	80,000
P53248	86204	Gas Detectors	N	Opns	17,342	45,000	3,500	25,000
P53257	86204	Security Cameras & Screen	R	Opns	7,275	-	-	-
P50256	86204	Radios	R	Opns	-	20,000	8,000	20,000
P53258	86204	Cameras -TV'ing Sewer Mains	R	Opns	-	30,000	30,000	30,000
P53227	86204	Hoisting Equipment HJHGK	R	Opns	-	40,000		
P53267	86204	Mixers	R	Opns	-	-	-	25,000
Subtotal					90,434	200,000	166,627	215,000
		Mobile Equipment						
P53293	86209	3/4 Ton Truck	R	Opns	-	35,000	38,000	-
P53299	86209	Dump Truck	R	Opns	-	-	-	140,000
P53282	86209	4WD Truck	R	Opns	-	-	-	50,000
P53287	86209	Vac Truck	R	Opns	-	188,877	211,542	-
P53285	86209	F550 Trucks w/ Boom	R	Opns	-	132,107	131,050	-
New #	86209	4WD Truck	R	Engr	-	80,000	48,000	90,000
New #	86209	Combo Truck	N	Opns	-	300,000	-	435,000
Subtotal					-	735,984	428,592	715,000
TOTAL					90,434	935,984	595,219	930,000

N = New
R = Replacement
E = Existing

SANTA CRUZ COUNTY SANITATION DISTRICT
PROPOSED BUDGET 2019/2020

625195 SCCSD WASTEWATER CAPITAL IMPROVEMENT FUND (50/195)

The Wastewater Capital Improvement fund is required by the provisions of the Clean Water Grants we accepted to build the East Cliff and Aptos Transmission Projects. The fund receives cash, which represents the depreciation on the facilities constructed with Clean Water grant funds. These funds are accumulated so that the facilities can be repaired or reconditioned to insure continued use.

EXPENDITURES:			17/18 Actual	18/19 Adopted	18/19 Est Act	19/20 Recommended	% Change
P54002	86110 DA Porath - Facility Improvements	Opns	-	150,000	158,935	600,000	300%
P54004	86110 DA Porath - Butterfly Habitat Plan	Engr	(1,087)	10,000	-	10,000	0%
P54005	86110 Transmission Line Inspection	Both	-	50,000	-	500,000	900%
P54006	86110 Basin Flow Monitoring Program	Engr	7,037	300,000	-	182,460	-39%
P54009	86110 Lode St - HVAC, Electrical, Plumbing & Structural	Comp	-	50,000	-	-	-100%
P54018	86110 Flow Meter Replacement & Repairs	Opns	19,672	100,000	2,000	200,000	100%
P54023	86110 SCADA System Improvements	Opns	64,272	100,000	50,000	200,000	100%
P54025	86110 Aptos (New Brighton) Transmission Line Relocatio	Engr	3,869	5,000	5,000	50,000	900%
P54038	86110 Pump Station Sewage Level Monitoring Imprvmnt	Opns	15,763	25,000	-	87,698	251%
P54039	86110 Brommer and Hidden Beach Pump Station Upgrad	Engr	1,402		-	-	0%
P54041	86110 Concrete Repairs at Various Pump Stations	Engr	598,839	100,000	26,479	-	-100%
P54042	86110 DA Porath Sanitation Facility Clarifier	Both	1,073		-	-	0%
P54046	86110 Hidden Beach Pump Station Manhole Rehabilitatio	Engr	-	350,000	-	500,000	43%
P54048	86110 Santa Cruz Harbor Transmission Main Rehabilitati	Engr	17,687	800,000	100,000	800,000	0%
P54051	86110 Soquel Pump Station Force Main Replacement	Engr	69,894	8,388,926	837,257	6,500,000	-23%
P54052	86110 Neary Lagoon Force Main Rehabilitation	Engr	378,323	-	(9,200)	-	0%
P54054	86110 DA Porath Facillity Wet Weather Retention Basin	Engr	2,191	-	-	-	0%
P54055	86110 East Cliff Transmission Repairs/Replacement	Engr	2,149	246,036	-	-	-100%
P54058	86110 Capitola / Jewel Box Sewer Improvements	Engr	859	-	861	-	0%
P54059	86110 Hidden Beach Way Sewer Extension	Engr	202,242	-	(2,175)	-	0%
P54060	86110 38th Avenue Pipe Repairs	Engr	-	-	-	100,000	0%
P54063	86110 Sears Circle Emergency Repair	Engr	(2,230)	-	-	-	0%
P54062	86110 East Cliff Transmission Secondary Forcemain Fea	Engr	171,642	260,552	10,000	300,000	15%
P54064	86110 Upper Harbor Sewer Replacement	Engr	129,846		-	-	0%
P54099	86110 Wastewater Capital Reserves	Engr	-	297,827	-	300,000	1%
TOTAL EXPENDITURES			1,683,442	11,233,341	1,179,157	10,330,158	-8%
SOURCE OF FUNDS:							
34400	Fund Balance		1,436,825	2,909,521	2,909,521	3,750,397	29%
40810	ST-Natural Disastor Assistance		208,244	-	-	-	0%
40877	SWRCB Prop 40 - Soquel P.S. (P54051)		-	1,931,731	627,945	520,853	-73%
41093	FED-FEMA		757,253	-	-	-	0%
42506	Loan Proceeds - Soquel P.S. (P54051)			5,000,000	-	5,000,000	0%
42462	Transfer from Revenue Trust Fund		2,190,641	1,392,088	1,392,088	1,058,908	-24%
AVAILABLE FUNDS			4,592,963	11,233,341	4,929,554	10,330,158	-8%

Comp = Complete
Del = Deleted
SCADA = Supervisory Control & Data Acquisition

SANTA CRUZ COUNTY SANITATION DISTRICT
PROPOSED BUDGET 2019/2020

136409 SCCSD CONSTRUCTION IMPROVEMENT FUND (50/185)
The Construction Improvement Fund was established to construct needed improvements in the District.

		EXPENDITURES:		17/18 Actual	18/19 Adopted	18/19 Est Act	19/20 Recommended	% Change
P53802	86110	Pump Station Repair/Modifications	Opns	39,451	50,000	20,000	98,961	98%
P53803	86110	Jewel Box Sewer Replacement	Engr	45,886	7,000,000	60,000	6,894,112	-2%
P53804	86110	Cathodic Protection Construction	Opns	-	100,000	5,000	100,000	0%
P53806	86110	Aptos Esplanade Replacement Sewer	Engr	-	-	545	-	0%
P53809	86110	Arana P.S. Reconstruction	Engr	28,968	500,000	175,000	400,000	-20%
P53810	86110	Schwan Pump Station Generator Room	Engr	-	350,000	71,645	417,000	19%
P53811	86110	2019 Pipe Rehabilitation	Engr	-	2,290,000	100,000	850,000	-63%
P53826	86110	2020 Pipe Rehabilitation	Engr	-	-	-	6,000,000	0%
P53812	86110	Minor Projects	Engr	271,175	250,000	200,000	300,000	20%
P53813	86110	Electrical Panel Upgrades At Various Pump Stations	Opns	19,298	100,000	(1,005)	-	-100%
P53816	86110	Arana Trunkline Emergency Repair	Engr	1,593,505	900,000	140,773	-	-100%
P53817	86110	Consulting Engineering Services	Engr	190,830	450,000	63,000	400,000	-11%
P53824	86110	Cabrillo Park Sewer Replacement	Engr	-	350,000	115,000	659,570	88%
P53825	86110	Clares and E. Cliff MH Lining	Engr	-	-	27,888	-	0%
P53827	86110	Lower Rodeo Trunkline	Engr	-	-	-	1,431,089	0%
P53840	86110	Road/Trench Repairs	Engr	-	50,000	-	-	-100%
P53858	86110	Capitola Area Improvements	Engr	-	50,000	-	-	-100%
P53866	86110	14Th & 16Th Avenues Pump Station Abandoments	Engr	5,256	20,000	28,749	-	-100%
P53870	86110	Valencia Creek Sewer Relocation	Engr	2,823	2,060,000	51,292	2,154,000	5%
P53876	86110	Upper Rodeo Gulch Trunkline & Soquel Sewer Bridge Repl	Engr	-	1,200,000	64,645	800,000	-33%
P53877	86110	Searidge Drive Sewer	Engr	-		691	-	0%
P53881	86110	East Cliff, Portola & Richmond Drives Sewer Replacement	Engr		4,000,000	4,433	60,000	-99%
P53884	86110	Trunkline Right Of Way	Opns	7,797	20,000	323	20,000	0%
P53886	86110	Borregas Gulch Trunkline Replacement - Phase II	Engr	-	1,000,000	-	-	-100%
P53892	86110	Arana Trunkline Design	Engr	-	600,000	65,075	250,000	-58%
P53897	86110	Noble Gulch Trunkline Relocation	Engr	5,323	10,000	-	-	-100%
P53997	74425	Interest Expense (Valencia and Jewel Box)		-	-	-	160,810	0%
P53999	98700	Contingencies		-	61,268	-	100,000	63%
TOTAL EXPENDITURES				2,210,312	21,411,268	1,193,054	21,095,542	-1%
SOURCE OF FUNDS:								
	34400	Fund Balance		1,822,370	2,339,802	2,339,802	6,016,368	157%
	40877	ST-Prop 40		-		30,700	-	0%
	40894	ST-Other		-	155,902	-	-	-100%
	42506	Loan Proceeds - SRF for Valencia (53870)		-	2,000,000	-	2,154,000	8%
	42506	Loan Proceeds - SRF for Borregas (53886)		-	1,000,000	-	-	-100%
	42506	Loan Proceeds - SRF for E. Cliff, Portola & Richomnd (53881)		-	4,000,000	-	-	-100%
	42506	Loan Proceeds - Ibank for Jewel Box (P53803)		-	7,000,000		6,930,000	-1%
	42462	Transfer from Revenue Trust		2,758,180	4,915,564	4,838,920	5,995,174	22%
AVAILABLE FUNDS				4,580,550	21,411,268	7,209,422	21,095,542	-1%

SANTA CRUZ COUNTY SANITATION DISTRICT
PROPOSED BUDGET 2019/2020

625210 SCCSD TREATMENT PLANT FUND (50/210)

The Treatment Plant Fund was originaly established to receive proceeds from the sale of certificates of participation to finance the District's share of the secondary treatment plant construction project by the City of Santa Cruz which was completed in fiscal year 2001-02. The fund is now used for payment of the debt service relating to this project.

In December of 2013 the city of Santa Cruz refinanced this debt. Accrued interest and debt restructuring costs of $144,178 were added to the new principle balance and the interest rate was redued from 2.8% to 1.6% for a net savings of approximately $207,000 over the life of the debt.

The SRF Loan principle balance was $1,563,340 at June 30, 2018 and was retired in 2019.

EXPENDITURES:	17/18 Actual	18/19 Adopted	18/19 Est Act	19/20 Recommended
P54603 74110 SRF Loan Principle Payment - Secondary Plant	1,532,420	1,563,340	1,563,340	-
P54604 74425 SRF Loan Interest Payment - Secondary Plant	43,427	12,507	12,507	-
P54620 90000 Operating Transfer Out	36,343			
TOTAL EXPENDITURES	1,612,190	1,575,847	1,575,847	-

SOURCE OF FUNDS:

34400 Fund Balance	-	309,122	232,062	-
40430 Interest	48,555			
42384 Other Revenue	33,644			
42462 Transfer from Revenue Trust	1,839,112	1,266,725	1,343,785	
AVAILABLE FUNDS	1,921,312	1,575,847	1,575,847	-

SRF = State Revolving Fund

SANTA CRUZ COUNTY SANITATION DISTRICT
PROPOSED BUDGET 2019/2020

625177 SCCSD CLEAN WATER STATE REVOLVING FUND DEBT SERVICE FUND (50/177)

This fund was established during the 2011/12 fiscal year to receive the transfers from the Revenue Trust for the payment principal and interest to repay the money borrowed through the Clean Water State Revolving Fund, Finance Agreement N 09-848-550-0. The total amount borrowed was $11,981,910 and the principal balance on June 30, 2018 was $9,239,477. The debt will be retired in 2032.

EXPENDITURES:			17/18 Actual	18/19 Adopted	18/19 Est Act	19/20 Recommended
54610	74110	Principal	545,684	559,325	559,326	573,309
54611	74310	Interest	244,629	230,987	230,987	217,004
TOTAL EXPENDITURES			790,313	790,312	790,313	790,313
SOURCE OF FUNDS:						
	34400	Fund Balance (Restricted)	30	1,954	1,954	5,585
	40430	Interest	2,554	-	6,001	2,000
	42462	Transfer from Revenue Trust	789,683	788,358	787,943	782,728
AVAILABLE FUNDS			792,267	790,312	795,898	790,313

SANTA CRUZ COUNTY SANITATION DISTRICT
PROPOSED BUDGET 2019/2020

625205 SCCSD REVENUE TRUST (50/205)

The Revenue Trust was created to receive the general revenue for Santa Cruz County Sanitation District. It makes payments to the Debt Service, Operating, Wastewater Capital Improvement and Construction Improvement Funds as needed to fund those activities.

		EXPENDITURES:	17/18 Actual	18/19 Adopted	19/20 Est Act	19/20 Proposed	% Change
Transfers to:							
54500	90000	Operating Fund (625175)	17,674,875	17,105,656	17,105,656	19,303,168	13%
54500	90000	Wastewater Capital Improvement Fund (625195)	2,190,641	1,392,088	1,392,088	1,058,908	-24%
54500	90000	Construction Improvement Fund (136409)	2,758,180	4,915,564	4,838,920	5,995,174	22%
54500	90000	Treatment Plant Fund (625210)	1,575,847	1,266,725	1,343,785	-	-100%
54500	90000	2005 Debt Service Fund (136418)	499,352	-	-	-	0%
54500	90000	Clean Water State Revolving Fund loan (625177)	789,683	788,358	787,943	782,728	-1%
TOTAL EXPENDITURES			25,488,578	25,468,392	25,468,392	27,139,978	7%
SOURCE OF FUNDS (FOR TRANSFERS):							
	34400	Beginning Fund Balance (Unrestricted)	3,836,858	3,237,597	3,237,597	3,596,978	11%
		Revenues					
	40430	Interest	142,344	125,000	200,000	150,000	20%
	41841	Disctrict Buy-In Connection Fees	10,028				0%
	41842	Connection Fees	369,848	225,000	309,273	400,000	78%
	41866	Sewer Service Charges	24,366,925	25,318,000	25,318,000	26,793,000	6%
	42367	Contributions From Other Funds	172				0%
	42384	Other Revenues		262,796		-	-100%
		Revenues Subtotal	24,889,317	25,930,795	25,827,273	27,343,000	5%
SOURCE OF FUNDS SUBTOTAL			28,726,175	29,168,392	29,064,870	30,939,978	6%
		Reserves		(3,700,000)		(3,800,000)	3%
AVAILABLE FUNDS			28,726,175	25,468,392	29,064,870	27,139,978	7%

SANTA CRUZ COUNTY SANITATION DISTRICT
PROPOSED BUDGET 2019/2020

		19/20 Recommended
USES OF FUNDS		
Expenditures		
625175	Operating Fund	20,537,559
625195	Wastewater Capital Impr Projects	10,030,158
136409	Construction Improvement Fund	21,095,543
625210	Secondary Treatment Plant Fund	-
625177	Clean Water State Revovling Fund DS	790,313
	Total Expenditures	52,453,573
Reserves		
625195	Wastewater Capital Improvement	300,000
625205	Revenue Trust	3,800,000
	Total Reserves	4,100,000
TOTAL EXPENDITURES AND RESERVES		56,553,573
SOURCES OF FUNDS		
Fund Balances		
625175	Operating Fund	1,220,391
625195	Wastewater Capital Improvement	3,750,397
136409	Construction Improvement Fund	6,016,368
625177	Clean Water State Revolving Fund DS	5,585
625205	Revenue Trust	3,596,978
	Total Fund Balance	14,589,720
Revenues		
625175	Plan Checking Fees	10,000
625175	Other Charges Current Services	3,000
625175	Other Revenues, Transfers and Adjustments	1,000
625175	Sale of Fixed Assets	-
625195	SRF Prop 40 & Prop 50 Grants	520,853
625195	Loan Proceeds	5,000,000
136409	Loan Proceeds	9,084,000
625210	Interest	-
136418	Interest	-
625177	Interest	2,000
625205	Interest	150,000
625205	Connection Fees	400,000
625205	Sewer Service Charges	26,793,000
625205	Other Revenue	-
625205	Transfers In	-
	Total Revenues	41,963,853
TOTAL FUND BALANCES AND REVENUES		56,553,573
DIFF THIS SCHEDULE		0.00

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that Thursday, June 13, 2019, at 4:45 p.m., in the Santa Cruz County Sanitation District D. A. Porath Sanitation Facility meeting room, 2750 Lode Street, Santa Cruz, California, is hereby fixed as the time and place for Santa Cruz County Sanitation District, Board of Directors, to consider their proposed 2019-2020 budget.

NOTICE IS FURTHER GIVEN that the Board of Directors of the District will hear and consider all protests and objections to said budget.

BY ORDER OF the Board of Directors of the Santa Cruz County Sanitation District.

Dated: _____

Terra Prestwich
District Secretary

As a courtesy to those persons affected, please attend the meeting smoke and scent free. The Santa Cruz County Sanitation District complies with the Americans with Disabilities Act (ADA). The Board of Directors Chambers is located in an accessible facility. Persons with disabilities may request a copy of the agenda in an alternative format. If you need special assistance or accommodations to attend this meeting, please contact the District at 454-2160 (TDD/TTY- CALL 711) at least 72 hours in advance of the meeting, to make arrangements. If you have a question about an agenda item, please call District staff at 454-2160. Agenda documents, including those received after the publication of these agenda materials may be reviewed at the office of the District Secretary, Room 410 of the County Government Center Building at 701 Ocean Street, Santa Cruz, California.

PUBLIC HEARING – BUDGET.DOCX