

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



### CITY COUNCIL AGENDA

#### **Regular Meeting - June 13, 2023**

10:00 A.M. CLOSED SESSION, ZOOM/COURTYARD CONFERENCE ROOM

12:15 P.M. CONSENT, CONSENT PUBLIC HEARINGS, PUBLIC HEARINGS, GENERAL BUSINESS AND ORAL COMMUNICATIONS, ZOOM/COUNCIL CHAMBERS

The meeting may be viewed remotely, using any of the following sources:

- Click on Zoom link (no time delay): <https://zoom.us/j/94684401344>
- Online at <http://www.cityofsantacruz.com/government/city-council/council-meetings>
- Online at [Watch - Community Television of Santa Cruz County](#)
- Comcast Channel 25

Or: Call any of the numbers below. If one is busy, try the next one.

- 1-833-548-0276 (Toll Free)
- 1-833-548-0282 (Toll Free)
- 1-877-853-5247 (Toll Free)
- 1-669-900-9128
  
- Enter the meeting ID number: 946 8440 1344
- When prompted for a Participant ID, press #.
- Press \*9 on your phone to “raise your hand” when the Mayor calls for public comment.
- It will be your turn to speak when the Mayor calls on you. Press \*6 to unmute yourself. The timer will then be set.

Correspondence to be included in the agenda packet must be received by 5:00 pm on Monday,  
June 12<sup>th</sup>

#### **PLEASE NOTE:**

- Council may take a break(s) as needed.
- Requests for extra speaking time on items other than Oral Communications must be made by 5:00 p.m. on Sunday, June 11<sup>th</sup> by emailing the Mayor and the City Clerk. Approval will be confirmed via email.

[fkeeley@cityofsantacruz.com](mailto:fkeeley@cityofsantacruz.com)

[bbush@cityofsantacruz.com](mailto:bbush@cityofsantacruz.com)

The City of Santa Cruz does not discriminate against persons with disabilities. Out of consideration for people with chemical sensitivities we ask that you attend fragrance free. Upon request, the agenda can be provided in a format to accommodate special needs. Additionally, if you wish to attend this public meeting and will require assistance such as an interpreter for American Sign Language, Spanish, or other special equipment, please call the City Clerk's Department at 420-5030 at least five days in advance so that we can arrange for such special assistance, or email [CityClerk@cityofsantacruz.com](mailto:CityClerk@cityofsantacruz.com). The Cal-Relay system number: 1-800-735-2922.

Si desea asistir a esta reunión pública y necesita ayuda - como un intérprete de lenguaje de señas americano, español u otro equipo especial - favor de llamar al Departamento de la Secretaría de la Ciudad al 420-5030 al menos cinco días antes para que podamos coordinar dicha asistencia especial o envíe un correo electrónico a [cityclerk@cityofsantacruz.com](mailto:cityclerk@cityofsantacruz.com). El número del sistema Cal-Relay es: 1-800-735-2922.

**Agenda and Agenda Packet Materials:** The City Council agenda and the complete agenda packet containing public records, which are not exempt from disclosure pursuant to the California Public Records Act, are available for review on the City's website: [www.cityofsantacruz.com/government/city-council-meetings](http://www.cityofsantacruz.com/government/city-council-meetings) and at the Office of the City Clerk located at 809 Center Street, Room 9, Santa Cruz, California, during normal business hours.

**Agenda Materials Submitted after Publication of the Agenda Packet:** Pursuant to Government Code §54957.5, public records related to an open session agenda item submitted after distribution of the agenda packet are available at the same time they are distributed or made available to the legislative body on the City's website at: [www.cityofsantacruz.com/government/city-council-meetings](http://www.cityofsantacruz.com/government/city-council-meetings) and are also available for public inspection at the Office of the City Clerk, 809 Center Street Room 8, Santa Cruz, California, during normal business hours, and at the Council meeting.

Need more information? Contact the City Clerk's office at 831-420-5030.

## Closed Session

10:00 AM

### Closed Session

1. Real Property Negotiations (Government Code §54956.8)

Property: Approximately 8.15 acres located on Mount Hermon Road in Scotts Valley, CA

APNs: 022-721-07, 022-721-08, 022-721-09

Owner: City of Santa Cruz

City Negotiator: Bonnie Lipscomb

Negotiating Parties: City of Santa Cruz and City of Scotts Valley

Under Negotiation: Price, terms of payment, or both

**Closed Session (continued)**

2. Conference With Legal Counsel - Liability Claims (Government Code §54956.95)

- 1) Claimant: Dominique Townsend
- 2) Claimant: Michael B. Smith
- 3) Claimant: Ginaia Kelly

Claims against the City of Santa Cruz

3. Conference with Legal Counsel - Anticipated Litigation (Government Code §54956.9(d)(2))

Significant exposure to litigation (one potential case to be discussed - Don Honda May 28, 2023 email message)

4. Conference with Legal Counsel - Existing Litigation (Government Code §54956.9(d)(1))

- 1) City of Santa Cruz v. The Regents of the University of California, et al.  
(Santa Cruz County Superior Court Case No. 22CV00373)
- 2) Regents of the University of California, et al. v. City of Santa Cruz  
(Santa Cruz County Superior Court Case No. 20CV02152)
- 3) Lisa Foster v. City of Santa Cruz, et al.  
(Santa Cruz County Superior Court Case No. 23CV00638)
- 4) Robert Fleck v. City of Santa Cruz, et al.  
(Santa Cruz County Superior Court Case No. 23CV01131)
- 5) City of Arcata, et al. v. Pacific Gas and Electric Company  
(San Francisco Superior Court Case No. CGC-20-585483)

**City Council**

**12:15 PM**

**Call to Order**

**Roll Call**

**Presiding Officer's Announcements**

**Statements of Disqualification**

**Additions and Deletions**

**City Attorney Report on Closed Session**

**Presentations**

The below presentation #5 was continued from the May 24<sup>th</sup> Budget Hearings.

5. Capital Investment Program Presentation

**Please note:** Public Comment will be accepted for the below presentation and will be limited to 20 minutes.

6. Presentation from the Council Ad Hoc Budget and Revenue Committee on Results of Housing Measure Feasibility Work

**Council Meeting Calendar**

7. The City Council will review the meeting calendar attached to the agenda and revise it as necessary.

**Consent Agenda**

8. Minutes of the May 23, 2023 City Council Meeting (CC)  
Motion to approve as submitted.
  
9. Minutes of the May 24, 2023 City Council Special Meeting (CC)  
Motion to approve as submitted.
  
10. 333 Locust Street Acquisition Agreement and Budget Adjustment (ED)  
Motion to:
  - 1) Adopt a resolution authorizing the City Manager to enter into a Purchase Sale Agreement to purchase the real property located at 333 Locust Street (APN 005-033-03) and execute any and all related documents necessary, in a form approved by the City Attorney; and
  - 2) Adopt a resolution amending the FY 2023 budget in the amount of \$1,718,000 to fund the acquisition of the property at 333 Locust Street.
  
11. Liability Claims Filed Against the City of Santa Cruz (FN)  
Motion to reject the liability claims of 1) Dominique Townsend, 2) Michael B. Smith, and 3) Ginaia Kelly, based on staff recommendation.
  
12. General Obligation Refunding Bonds - Tax Rate Authorization (FN)  
Resolution setting the tax rate for FY 2024 with respect to the City's General Obligation Refunding Bonds.
  
13. Resolution Amending the Personnel Complement and Classification and Compensation Plans for the FY 2023 Budget for the Police Department (HR)  
Resolution amending the Classification and Compensation Plan and the FY 2023 Personnel Complement by approving a classification change in the Police Department.

**Consent Agenda (continued)**

14. Suspension of the Natural Gas Prohibition Ordinance (PL)  
  
Resolution suspending enforcement of Santa Cruz Municipal Code 6.100 Prohibition of Natural Gas Infrastructure in new buildings.
  
15. Award Contract for Case 570N EP 4WD Tractor Loader Scraper - Budget Adjustment (PR)  
  
Motion to:  
  
1) Award a contract for the purchase of one new Case 570N EP 4WD Tractor Loader Scraper from Sonsray Machinery (Salinas, CA) in the amount of \$114,437.70, not to exceed \$150,000 in the event of inflationary increases; and  
  
2) Adopt a resolution amending the FY 2023 budget in the amount of \$114,437.70 to facilitate the purchase of a new Case 570N EP 4WD Tractor Loader Scraper from Sonsray Machinery (Salinas, CA).
  
16. FY 2024 Funding for Senate Bill 1 Road Maintenance and Rehabilitation Account (RMRA) (PW)  
  
Resolution approving the FY 2024 allocation of SB 1 Road Maintenance and Rehabilitation Account funds and authorizing the City Manager to submit the project list to the California Transportation Commission.
  
17. Measure D Expenditure Plan: FY 2024-2028 (PW)  
  
Motion to approve the proposed Measure D Five-Year Expenditure Plan for FY 2024-2028.
  
18. Neary Lagoon Tule and Sediment Removal Project (m409668) - Approval of Plans and Specifications and Authorization to Advertise for Bids and Award Contract (PW)  
  
Motion to approve the plans and specifications for the Neary Lagoon Tule and Sediment Removal Project (m409668), authorize an exemption from local employment requirements, and authorize staff to advertise for bids and award the contract. The City Manager is hereby authorized and directed to execute the contract as authorized by Resolution No. NS-27,563. The Public Works Director is authorized to execute change orders within the approved project budget.

**Consent Agenda (continued)**

19. Rising Prices for Tires and Repair Costs for City Vehicles and Equipment - Budget Adjustment (PW)

Resolution amending the FY 2023 budget to appropriate funds in the amount for \$70,000 to fund increasing tire purchases and repair expenses.

20. Proposed Resource Recovery Collection Rates Increase (PW)

Motion to schedule a Public Hearing for August 8, 2023 on the proposed resource recovery collection rates increase, in accordance with State law, including a mailed notice to property owners.

21. Graham Hill Water Treatment Plant Facility Improvements Project - Update Report / City Council Direction (WT/PL)

Motion to:

1) Notify the Water and Planning Commissions that the Graham Hill Water Treatment Plant Facility Improvements Project (Project) will be brought to the City Council for final consideration and action on the Environmental Impact Report (EIR), discretionary permits/entitlements, and final project approval per Santa Cruz Municipal Code 24.04.175.2; and

2) Direct staff to coordinate with the Water and Planning Commissions to obtain project recommendations from those commissions on the Project EIR (Water Commission) and Project entitlements (Planning Commission) prior to Council's final action on the Project.

**Consent Agenda (continued)**

22. Loch Lomond Reservoir Oxygen Diffuser System - Notice of Completion (WT)

Motion to:

1) Ratify Change Order No. 1 with Mobley Engineering Inc. (Norris, TN) related to redesign of the system to accommodate differing field conditions and several delays and remobilizations to the project in the amount of \$53,521.80; and

2) Accept the work of Mobley Engineering Inc. (Norris, TN) as complete per the agreement and authorizing the filing of a Notice of Completion for the Loch Lomond Reservoir Oxygen Diffuser System and to authorize the Water Director to sign the Notice of Completion as the Owner's Authorized Agent.

23. Contract Amendment 2024-01 with HDR Inc. for Capital Program Management Services (WT)

Motion authorizing the City Manager to execute Contract Amendment No. 2024-01 with HDR for Service Order No. 9 in the amount of \$6,933,644 in a form to be approved by the City Attorney.

**End Consent Agenda**

**Consent Public Hearings**

24. Downtown Association: Parking and Business Improvement Area Assessments for FY 2024 (ED)

Resolution confirming the Parking and Business Improvement Area FY 2024 Plan prepared by the Downtown Association and levying the Parking and Business Improvement Area Assessments for FY 2024.



**Consent Public Hearings (continued)**

25. Expansion of Technology Surcharge (PL)

Motion to:

- 1) Adopt a resolution to rescind Resolution No. NS-27,559, the Council's 2007 Technology Surcharge resolution, and expand the application of a six (6) percent Technology Surcharge to certain fees collected by the Planning and Community Development, Finance, Public Works, Parks and Recreation, Fire, and Water Departments; and
- 2) Direct staff to take related implementation actions.

**Public Hearings**

26. Tree Appeal 233 Union Street (PR)

Resolution to deny the appeal and uphold the Parks and Recreation Commission's approval of tree removal permit application # 23-0005 submitted by Dorth Raphaely to remove two Coast Redwood trees located at 233 Union Street.

27. Ordinance Amending Select Portions of Chapter 10.40 of the Santa Cruz Municipal Code, Along with Santa Cruz Municipal Code Section 10.41.060, Pertaining to the Parking of Oversized Vehicles (PL/CA)

Introduce for publication an ordinance amending select portions of Chapter 10.40 of the Santa Cruz Municipal Code pertaining to the parking of oversized vehicles.

**General Business**

28. Cooperative Retail Management Business Real Property Improvement District Assessments for FY 2024 (ED)

Motion to:

1) Approve the FY 2023 Annual Report and FY 2024 Plan prepared by the Downtown Management Corporation;

2) Adopt the Resolution of Intention to levy a Cooperative Retail Management Business Real Property Improvement District Assessment for FY 2024 and schedule a public hearing for June 27, 2023, after the hour of 1 pm, on the levy of the assessments for FY 2024; and

3) Introduce for publication an ordinance confirming that Chapter 5.06 of the Santa Cruz Municipal Code shall apply to the Cooperative Retail Management Business Real Property Improvement District within the District's modified boundaries and to the increased assessments approved and levied by the City Council for the District's 2023-2024 Fiscal Year.

29. Fiscal Year 2024 Proposed Budget

29.1. Fiscal Year 2024 Proposed Budget Adoption (FN)

Motion to:

1) Adopt a resolution adopting the Fiscal Year (FY) 2024 Budget including the Capital Investment Program (CIP), effective July 1, 2023; authorize the City Manager to allocate within the applicable funds the FY 2024 Schedule of Administrative Budget Changes to the appropriate accounting classifications and to approve related and applicable transfer in/out between funds; and authorize the Finance Director to create additional appropriations to provide for commitments carried over from the prior fiscal year, including contract and purchase order encumbrances and unexpended project balances, so long as there is a sufficient fund balance to finance these commitments; and

2) Accept the Water Commission's recommendations regarding the Water Department's FY 2024 Operating and Capital Investment Program (CIP).

**General Business (continued)**

29. Fiscal Year 2024 Proposed Budget (continued)

29.2. Resolution Amending the City of Santa Cruz Personnel Complement and Classification and Compensation Plans for the Public Works, City Manager, Finance, Parks and Recreation, Police, Water, Fire, Library and Human Resources Departments (HR)

Resolution amending the Classification and Compensation Plans for the FY 2024 budget personnel complement by implementing the approved FY 2024 budget/position changes in several departments.

**Oral Communications Announcement** - Members of the public may address Council on matters not on the agenda, but within the jurisdiction of the Council. 30 minutes is allocated for Oral Communications. No extra time for groups will be granted.

**Oral Communications**

**Adjournment**

**INFORMATION ITEMS PREVIOUSLY DISTRIBUTED TO CITY COUNCILMEMBERS**

**ADDENDUM TO CITY COUNCIL AGENDA - JUNE 13, 2023**

30. City Council/Heath in All Policies: Tobacco Product Waste Update - June 7, 2023 (CMFYI 264)
31. Finance Department: Portfolio Management Report - Pooled Cash and Investments as of April 30, 2023 - 5/15/23 (FNFYI 368)
32. Finance Department: Transient Occupancy Tax - 6/13/23 (FNFYI 369)
33. Finance Department: Investment Strategy - 6/13/23 (FNFYI 370)

**MAYOR'S PROCLAMATIONS**

**ADDENDUM TO CITY COUNCIL AGENDA - JUNE 13, 2023**

34. Proclaiming June 3, 2023 as “Edward Benson Porter, Jr. Day” and encouraging the community to come together to honor him for his numerous contributions and to praise a life well lived.
35. Proclaiming June 4, 2023 as “Santa Cruz Museum of Art and History Day” and encouraging all citizens to join in honoring it and thanking it for its numerous contributions on behalf of the LGBTQ+ community and commending it for being named as a Grand Marshal for the 48th Annual Pride Parade.
36. Proclaiming June 4, 2023 as “Faris Sabbah Day” and encouraging all citizens to join in honoring him and thanking him for his numerous contributions on behalf of the LGBTQ+ community and commending him for being named as a Grand Marshal for the 48th Annual Pride Parade.

**Advisory Body Appointments**

The following positions are vacant. Council will make the appointments at a future meeting.

County Latino Affairs Commission	One opening - at-large nomination
Sister Cities Committee	Three openings - at-large nominations

**Public Hearing**

If, in the future, you wish to challenge in court any of the matters on this agenda for which a public hearing is to be conducted, you may be limited to raising only those issues which you (or someone else) raised orally at the public hearing or in written correspondence received by the City at or before the hearing.

Any person seeking to challenge a City Council decision made as a result of a proceeding in which, by law, a hearing is required to be given, evidence is required to be taken, and the discretion in the determination of facts is vested in the City Council, shall be required to commence that action either 60 days or 90 days following the date on which the decision becomes final as provided in Code of Civil Procedure Section 1094.6 Please refer to code of Civil Procedure 1094.6 to determine how to calculate when a decision becomes “final.” The 60-day rule applies to all public hearings conducted pursuant to the City’s Zoning Ordinance, Title 24, Santa Cruz Municipal Code. The 90-day rule applies to all other public hearings.

**City Council Agenda Legislative History Addendum**

No information was submitted.

City staff is responsible for providing the City Clerk with such documentation and information for the Legislative History Addendum. The information will be on file in the City Clerk’s Department.

The Addendum is a listing of information specific to City Council business, but which does not appear on a Council meeting agenda. Such entities would include, but not be limited to: Court decisions, Coastal Commission Appeals of City Council actions, Closed Session Agreements/Settlements, which are public record, Association of Monterey Bay Area Governments, Local Agency Formation Commission.

# FY 2024 Budget Hearings Capital Investment Program (CIP) May 24, 2023



Elizabeth Cabell, Finance Director  
Nathan Nguyen, Public Works Director  
Tony Elliot, Parks and Recreation Director  
Bonnie Lipscomb, Economic Development and Housing Director  
Rob Oatey, Fire Chief





# Agenda

- General Fund CIP Reassessment
- FY 2024 Proposed CIP by Department
  - Public Works
  - Parks and Recreation
  - Economic Development
  - Fire

# General Fund Supported CIP Reassessment



Pause on adding any new funding and review current projects

Prioritize current projects before adding new ones

Make a plan for existing projects and priority new projects



# Factors to Consider



## STAFFING LEVELS

- Does the department have the staff to oversee and complete the project?
- 

## RESOURCES

- Are the materials and supplies needed for the project available now, or on backorder due to supply chain issues?
- 

## FUNDING

- Is the project funded 100% by the General Fund or is other funding available?
- 

## LONG RANGE FINANCIAL PLAN

- Does the project fit the long range financial plan of the City?

# Where are we?

- Departments have reviewed their projects
  - ✓ Completed projects closed and remaining funds released
  - ✓ Closed projects not moving forward and released funds
  - ✓ Prioritized projects to start before or after December 31<sup>st</sup>

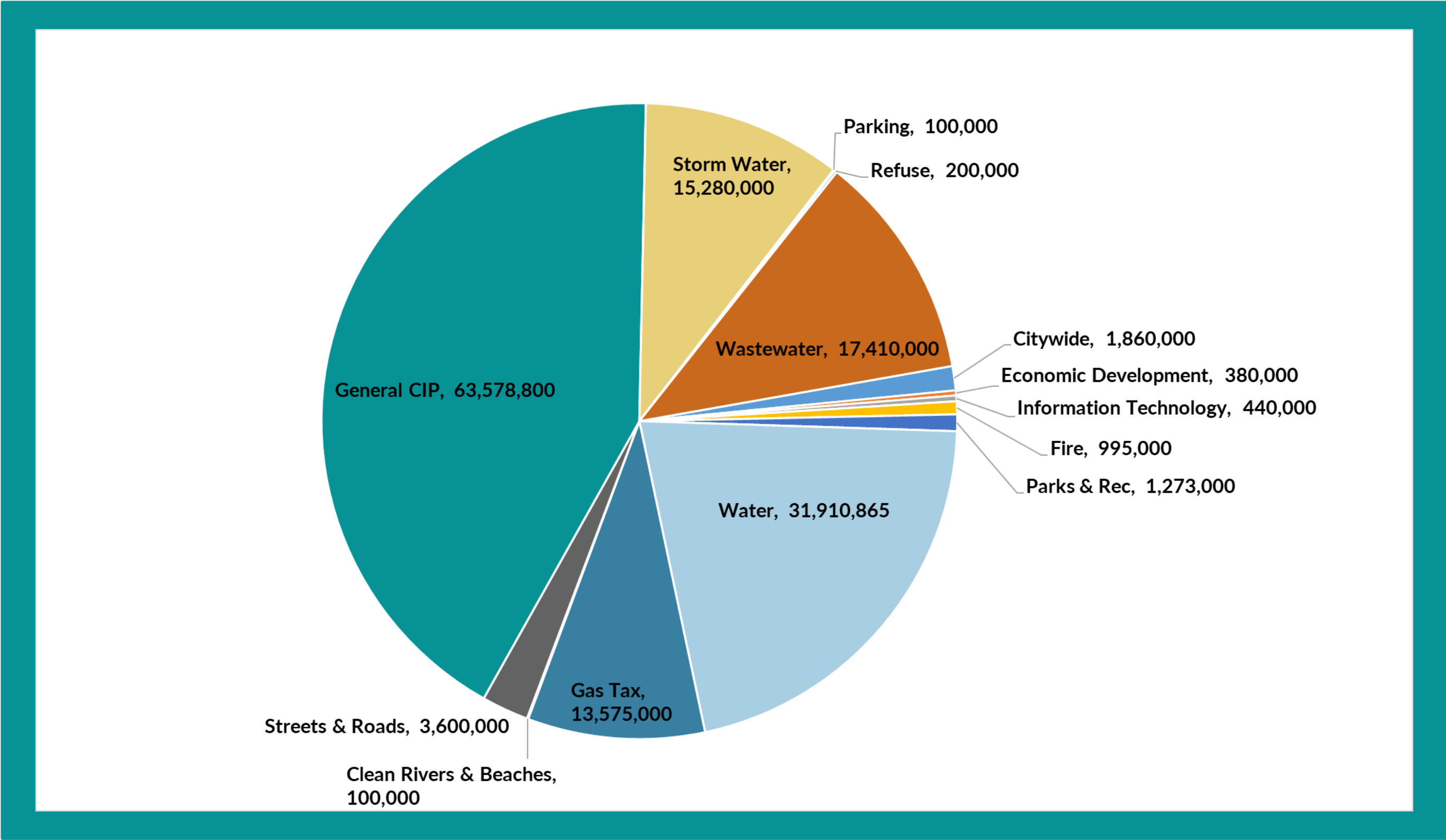


# What's coming next?

- New General Fund CIP projects starting *before* Dec 31<sup>st</sup> will be presented at the Budget Adoption meeting on June 13<sup>th</sup>
  - General Fund Unfunded project list will also be presented
- New General Fund CIP projects starting *after* Dec 31<sup>st</sup> will be presented at the Mid-Year Budget in January 2024



# FY 2024 Proposed CIP by Department - \$150.7M



# Public Works CIP



# PW CIP OVERVIEW

- Over 100 projects at cost of \$250M with \$60M in grant funds
- CIP Categories: Gas Tax, Arterials Streets and Roads, General CIP, Wastewater, Storm Water Overlay and Citywide, Clean Beaches and Rivers, Refuse, and Parking

## CONSTRUCTION

- Rail Trail Seg 7 – Phase 2 - \$12M
- SLR Culvert - \$2.5M
- Ocean Street Paving - \$1.5M
- Bay, San Lorenzo, Riverside Paving - \$2.2M
- Dimeo Lane Paving and Storm Drain - \$700K
- Front-Pacific Sewer Rehab - \$8M
- Bay St. Protected Bike Lanes & Path - \$350K
- Downtown Bike Locker Replacement - \$50K
- Advance Vehicle Detection - \$1M
- Traffic Controller Comms Upgrade - \$650K
- HSIP10 Ped. Xing Improvements - \$300K
- Murray St. Bridge Retrofit - \$25M

## DESIGN

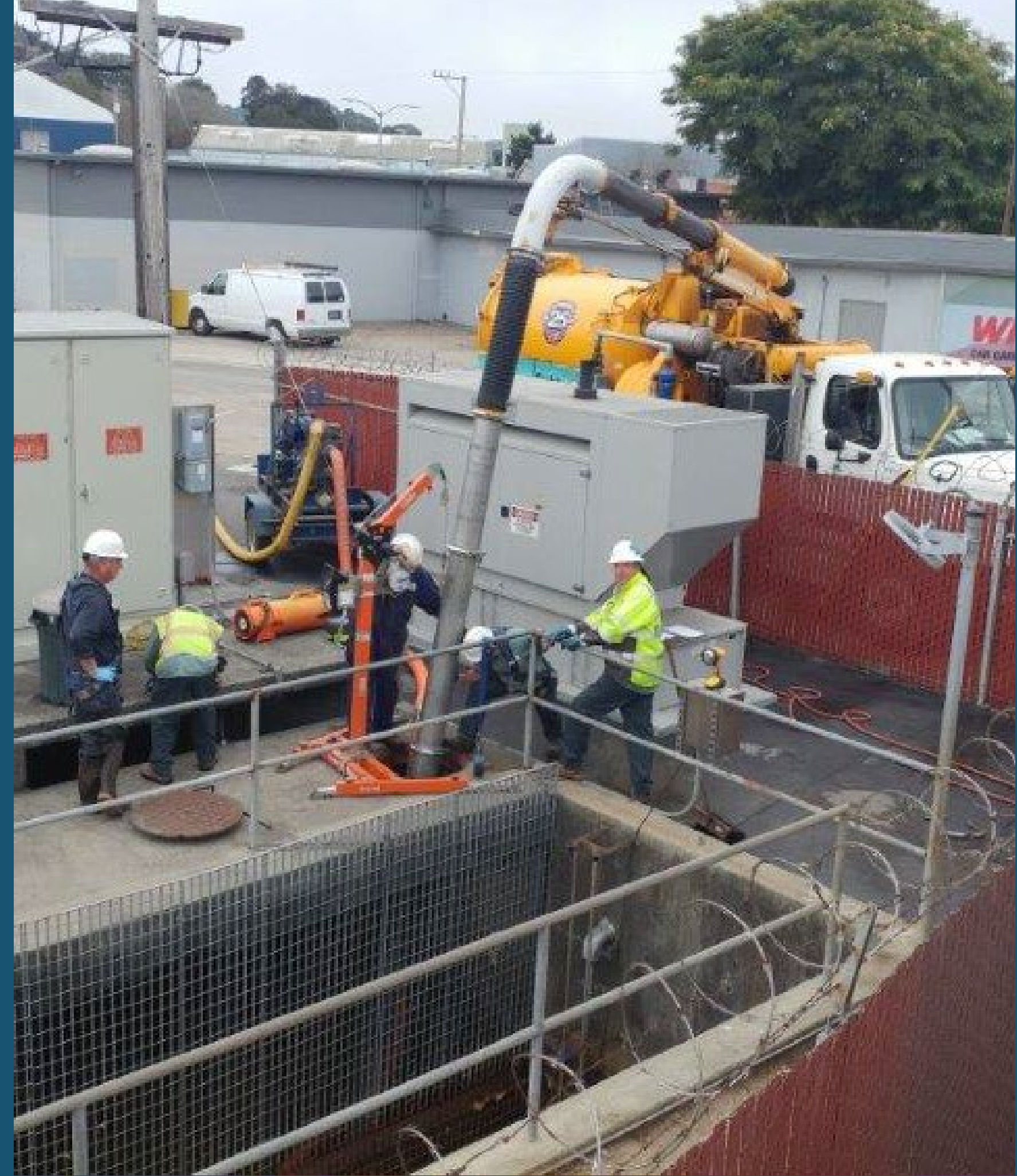
- WWTF Electrical Upgrade - \$40M
- Downtown Pump Station Imp. - \$15M
- Rail Trail Segments 8 & 9 - \$42M
- Downtown Intersection Imp - TBD
- Swanton-Delaware Multi-Use Path - \$3M
- Sewer/SD Maintenance - \$1M

## NEW

- Traffic Calming Pilot Program - \$75K
- Broadway Complete Streets - \$650K
- Parking Office Remodel - TBD
- Foodwaste Pre-Processing - TBD

# Under/Unfunded Priorities

- West Cliff Stabilization & Culvert - \$17M
- WWTF Electrical Upgrade - \$40M
- WWTF Headworks - \$25M
- Downtown Pump Station Imp. - \$15M
- Levee Maintenance - \$500K
- Trevethan SD & Paving (Phase 2) - \$800K
- Residential/Local Street Paving - \$25M
- Wharf Roundabout Bike Lane - \$750K
- Public EV Charging Stations - \$10M



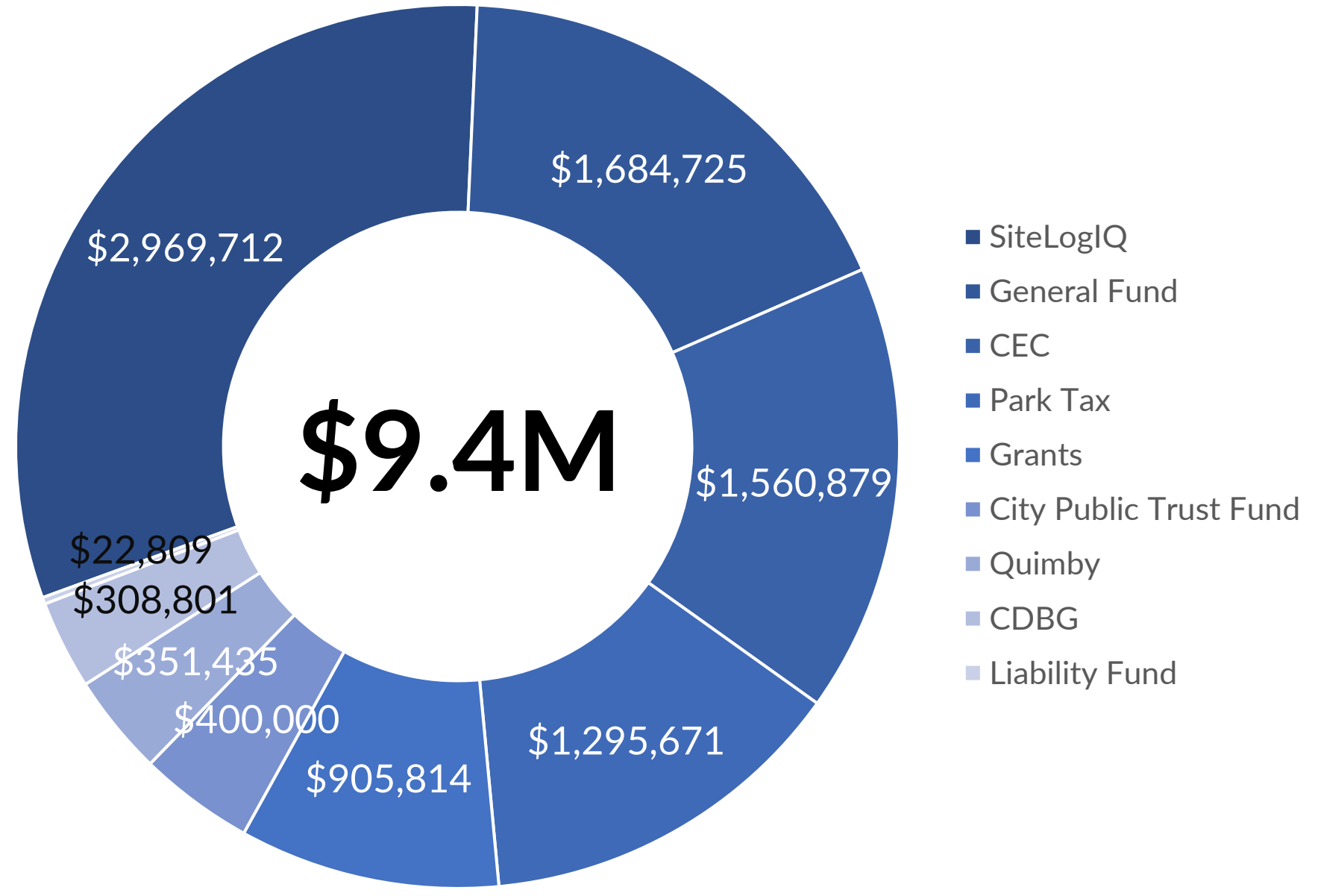


# Parks and Recreation CIP

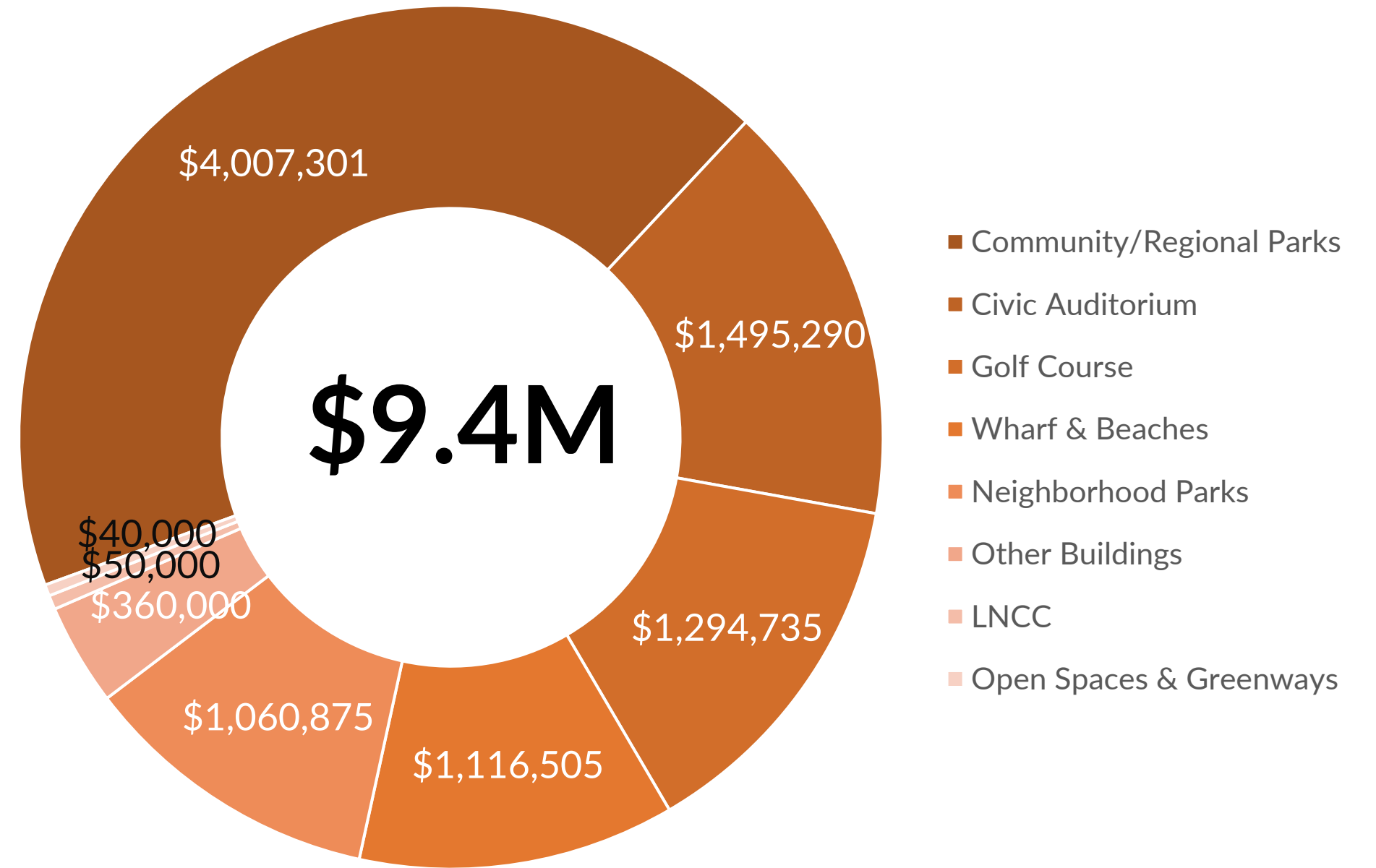


# CIP Snapshot: Active Projects

## By Fund Source



## By Area/Amenity



# CIP Snapshot: FY 2024 Funded Requests

FY2024 Projects	Funding Source	Amount
Harvey West Pool Repairs	Park Tax	75,000
Water Conservation and Irrigation System Improvements		150,000
West Cliff Design & Improvement Standards		120,000
Harvey West Park - Clubhouse Picnic Area Fence		45,000
Harvey West Park - Resurfacing Friendship Gardens and Upper Glen Group Picnic Areas		45,000
Lighthouse Avenue Park Fencing		25,000
Riverside Gardens Park Pathway		60,000
Walkway Improvements in Neighborhood Parks		40,000
Sgt. Derby Park Playground Renovation		185,000
<b>TOTAL</b>		<b>\$745,000</b>

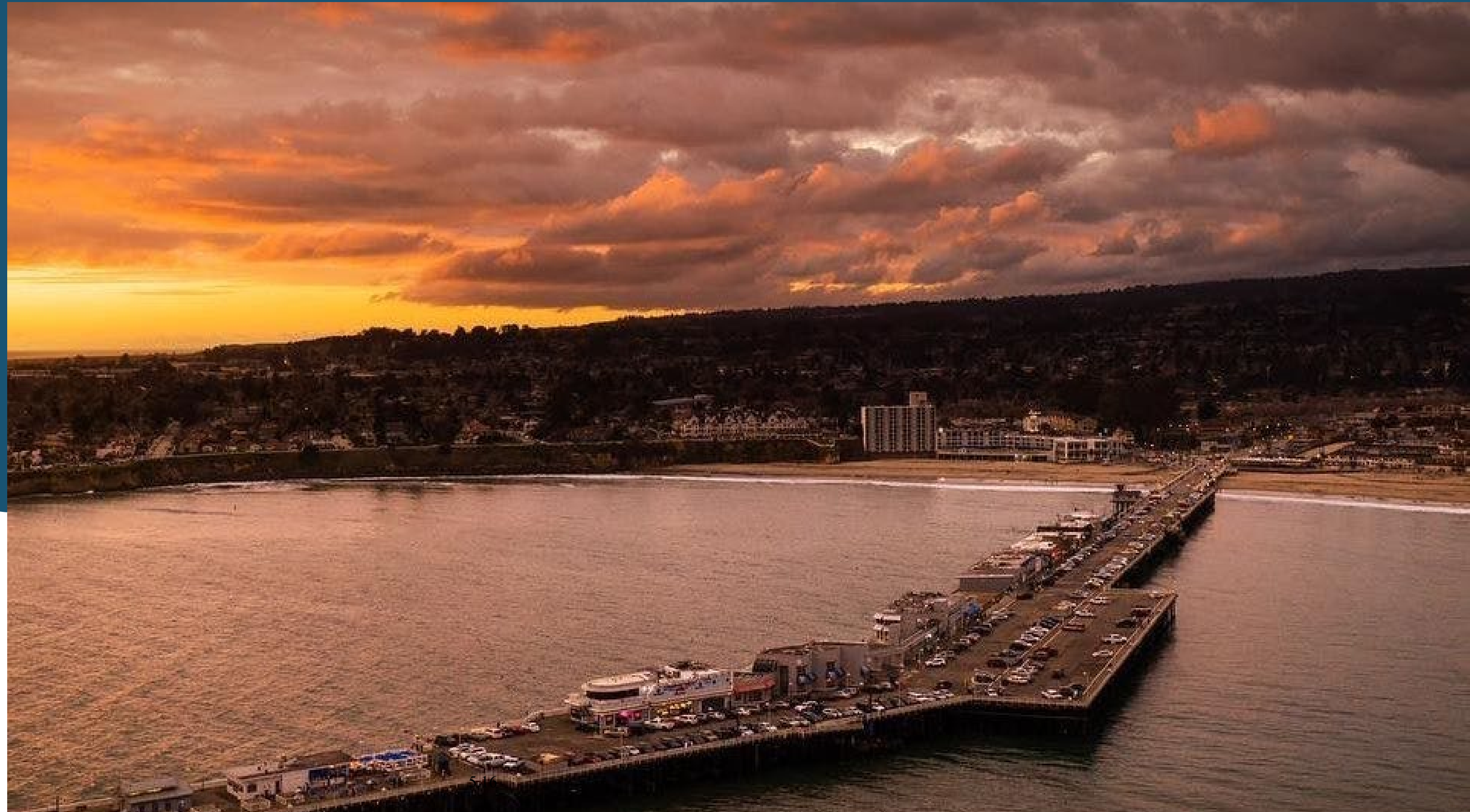


# CIP Snapshot: FY 2024 Funded Requests

FY2024 Projects		Amount
Parks Facilities Security Improvements		143,000
Harvey West Park Redesign	TBD	250,000
DeLaveaga Park - Culvert Repair, Slope Stabilization, Drainage, and Stormwater Runoff		130,000
Civic Access and Safety Improvements	CDBG	322,432
<b>TOTAL</b>		<b>\$845,432</b>



# Economic Development and Housing CIP



# CIP Projects

- Downtown Alley Improvements
- Tannery Dance & Performance Building



# Tannery Dance & Performance Building

## Project Description:

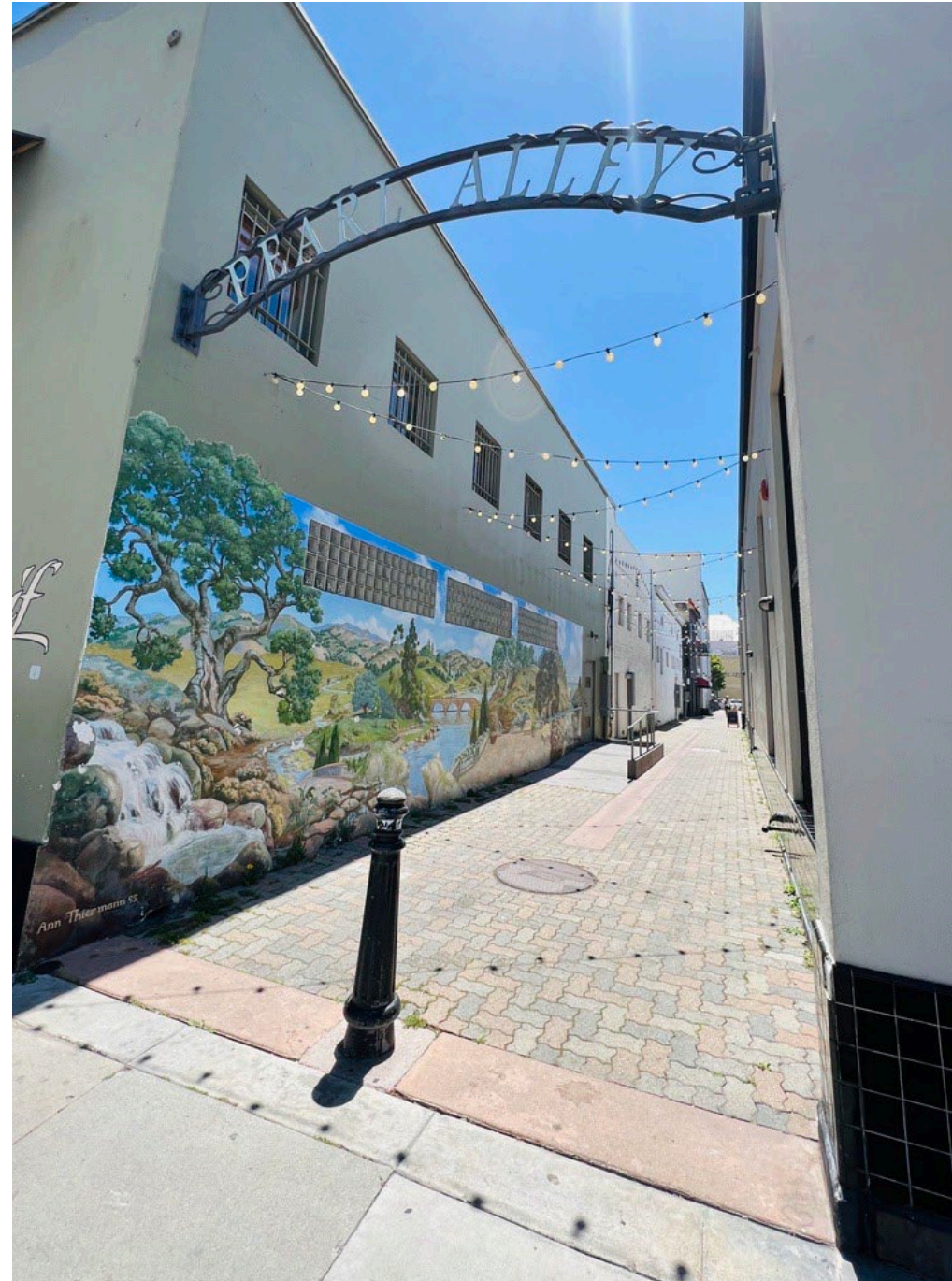
- Construction of a dance performance building on the Tannery Arts Center campus
- Proposed FY 2024 Budget - \$80,000
- Funded by ED Trust Fund



# Downtown Alley Improvements

## Project Description:

- Lighting, placemaking, and wayfinding improvements
- Proposed FY 2024 Budget - \$300,000
- Funded by former RDA Bonds





# Fire Department CIP



# Fire Department CIP

## Fire Station #3 Generator - \$200,000

- Replacement of existing generator
  - Current unit undersized and 20 years old
- To be purchased early 2024

## Fire Station #2 Rear Expansion - \$750,000

- Adding 1,800 square feet to existing fire station
  - To be used for equipment storage and exercise facility
- Project to begin Jan 2024



# FY 2024 Budget Hearings Capital Investment Program (CIP)

Questions?





*Council Ad Hoc Budget & Revenue Committee  
Final Presentation and Report Out on  
Community Meetings and Draft Housing Revenue Measure*

*Presentation- June 13, 2023*

# *Presentation Outline*

- Background: Council Ad Hoc Budget & Revenue Committee- Direction and Scope
- Overview of Initial Process and Activities to Date
- Next Steps and Timeline

# ***Background:***

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**SANTA CRUZ COUNTY**  
Civil Grand Jury

701 Ocean Street, Room 318-I  
Santa Cruz, CA 95060  
(831) 454-2099  
grandjury@scgrandjury.org

## Council Ad Hoc Budget & Revenue Committee

- Council Direction
- Scope
  - Polling Research
  - Three Community Meetings

## **Housing Our Workers**

### Essential Workers Need Affordable Housing!

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#### **Summary**

The cost of housing has risen dramatically, especially in the past five years, not just in Santa Cruz County but all over the state of California. There were some clear issues, the 2008 recession, the COVID crisis, the rise of Airbnb, but the biggest reason is that municipalities stopped building new housing. The numbers of unhoused people increased, and employers found it harder and harder to find and keep employees. The reason that prospective employees most often gave for not coming to work here was the scarcity and cost of housing. Over the past several years, California has enacted several laws to encourage, and even require, all municipalities to build more housing, especially more affordable housing for essential workers..

# Overview of Process:

## Community Meeting # 1: Overview of Need for Affordable Workforce Housing



**Meeting Agenda**

**Creating the Fund**  
City Council Revenue and Budget Committee  
To provide an overview of the need for affordable housing and the potential benefits of an affordable housing bond or other revenue measure, and to gather initial feedback and input from community members.

**Introduction**  
5:40 - 5:50pm | Speaker: Council Revenue & Budget Committee  
Introduction by Council Revenue and Budget Committee.

**Affordable Housing & Revenue Measure**  
5:50 - 6:50pm | Speakers: Bonnie Lipscomb & Tony Condotti  
Overview of affordable housing projects in Santa Cruz and the process of creating a revenue measure. This session will be followed by a Q&A session and then a breakout group activity.

**Next Steps**  
6:50 - 7:00pm | Speaker: Council Revenue & Budget Committee  
Next steps and key takeaways.

**Notes**

**Breakout Group Questions: Estimated 30 minutes**  
Group discussion of breakout questions below, 10 minutes per group) by one representative of each group. Each group gets a stand-up easel/pad and marker per table for recording.

1) List three things the City should fund if an affordable workforce measure moves forward:  
- Housing for our low- and middle-income workforce who cannot live in our community.  
- The gap on financing 100% affordable housing projects that provide workforce housing for individuals and families living and working in our community.  
- Public or private development of permanent supportive housing for individuals in our community who are homeless or at risk of being homeless in our community.  
- Funding for programs and technical and/or financial assistance for organizations and partners who provide tenant assistance such as providing security deposits and emergency rental assistance for qualified renters in our community.  
- Affordable housing projects in the community like a new 100% mixed-use project at the intersection of Hwy 1 & 9 that includes recreation, open space and safe bicycle and pedestrian transit options under/over the highway.

2) List the most compelling reasons in support of moving forward with a revenue measure to address affordable workforce housing and permanent housing for individuals who are homeless or at risk of becoming homeless in our community.

3) What are additional questions or concerns do you have about the proposed revenue measure that you would like to share?



### (3) 1811 & 1815 Mission *Under Review*

**Affordable Units: 4 / Total Units: 27**  
**Under Construction:** No **Time to Occupancy:** 2-5 years

This West Side development at 1811 & 1815 Mission Street will demolish two single family homes to construct a three story, 27 unit Single Room Occupancy development. The ground floor of this project



### (4) Pacific Station North *Approved*

**Affordable Units: 128 / Total Units: 128**  
**Under Construction:** No **Time to Occupancy:** 2-5 years

Pacific Station North is the first of it's kind. Designed to be one of the most sustainable buildings on the Central Coast, the net zero project includes mass timber (as opposed to concrete or steel) construction,



### (5) 130 Center St *Approved*

**Affordable Units: 31 / Total Units: 233**  
**Under Construction:** No **Time to Occupancy:** 2-5 Years

The 130 Center Street project has been designed to activate the Center street area, connecting downtown Santa Cruz and the boardwalk, wharf and other beach attractions. 233 housing units will sit atop street level



### (6) 350 Ocean St. *Available now*

**Affordable Units: 63 / Total Units: 63**  
**Under Construction:** No **Time to Occupancy:** Completed

Ocean Street Apartments will provide sixty-three much needed one, two, and three bedroom apartments for families earning up to 60% of the area median income (AMI) for Santa Cruz County



### (7) 101 Felix St. *Hold*

**Affordable Units: 22 / Total Units: 80**  
**Under Construction:** No **Time to Occupancy:** On Hold

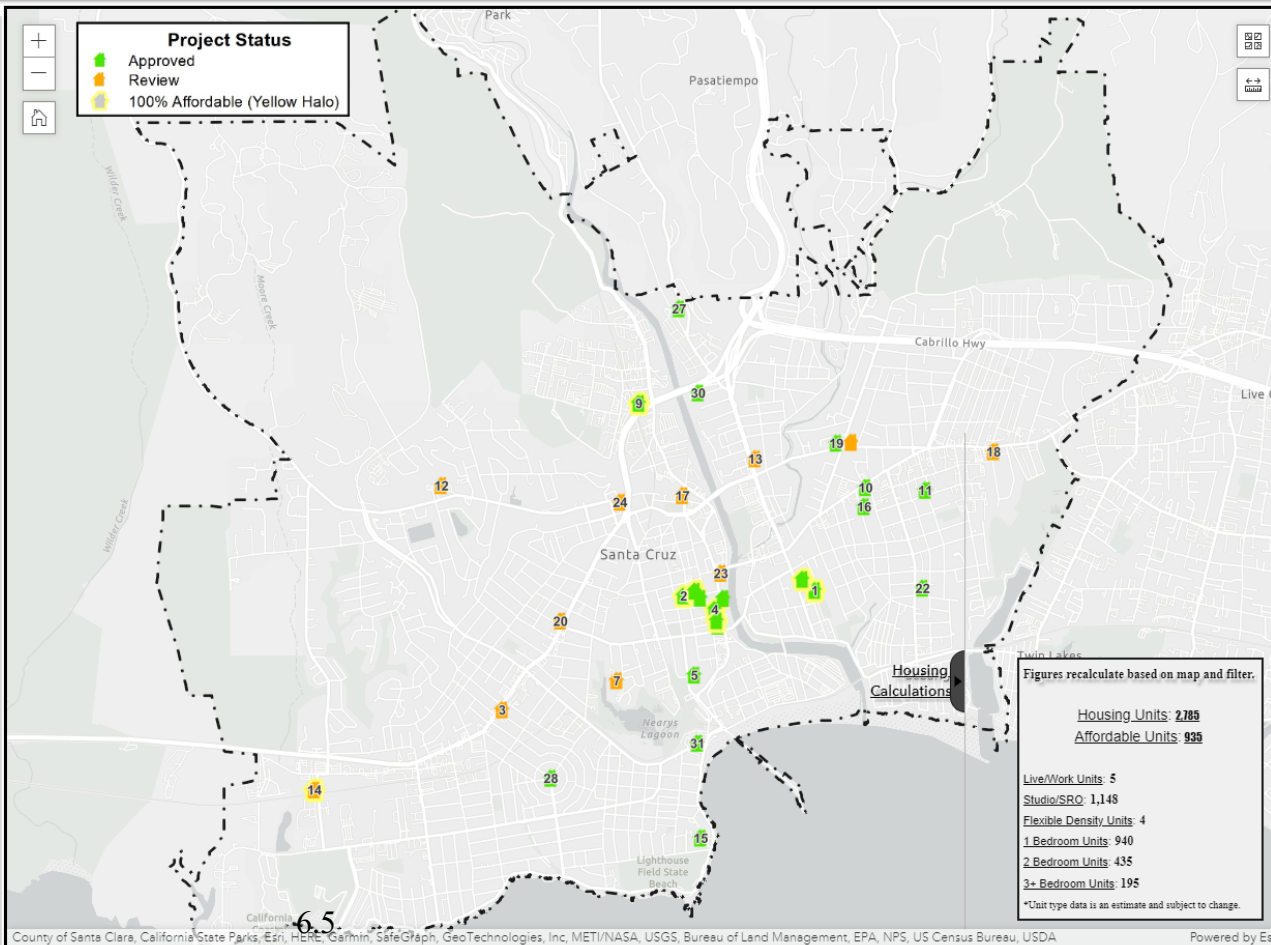
This project is an addition to an already existing, 240 unit property at 101 Felix St. known as Cypress Point. All current units will remain and an additional 80 units (35 studios and 45 one bedrooms) will be built to



### (8) 119 Lincoln St. *Approved*

**Affordable Units: 124 / Total Units: 124**  
**Under Construction:** No **Time to Occupancy:** 2-5 years

The Downtown Library & Affordable Housing Project key components





# Overview of Process:

## Community Meeting # 2: Polling Research Topline Results



### Workshop 2: Facilitated Break out Group Questions: Estimated

**Logistics:** 12-15 minutes for group discussion of breakout report out (up to 1 minute per group) by one representative will be provided with a large stand-up easel/pad and marker for group responses.

#### Breakout Questions:

- 1) What should be the top three priorities for a revenue measure based on the polling research results?
- 2) If a parcel tax is the preferred revenue measure, would you most likely support? Each response capped at 2%.
  - a. \$75 per parcel
  - b. \$89 per parcel
  - c. \$95 per parcel
  - d. Other \_\_\_\_\_
- 3) Please list any concerns or specific feedback on the proposed revenue measure that you would like to share.

### Polling Research Topline Results\* May 2023/FM3 Research

There is good support for a revenue measure to provide funding for affordable housing and homeless reduction investments. Voters will be willing to pay for the following community priorities:

#### Affordable housing:

- Expanding housing that is affordable for nurses, teachers and other essential local workers (52/30)\*
- Increasing housing that is affordable for Santa Cruz's workforce (52/26)
- Expanding housing that is affordable for service workers and other front-line workers (49/27)
- Increasing housing that is affordable for low-income individuals and families (49/22)
- Expanding affordable housing and access to homelessness services for local veterans (45/27)

#### Homelessness:

- Addressing and preventing homelessness (60/26). While not included in polling, examples could include projects, programs and housing designed to prevent and address homelessness.
- Providing facilities to improve access to mental health, substance abuse treatment, job training and housing services (60/19)
- Partnering with Santa Cruz County to provide services to those experiencing homelessness or at risk of becoming homeless (49/30). While not included in the polling, examples could include expanding access to shelters and permanent supportive housing, transportation to services and facilitating access to available and expanded services within the County.

#### Revenue Measure Options:

- Equal support for both a parcel tax and a bond measure-64%
- Parcel Tax: Stable, ongoing annual income stream that can be used for both projects and programs
  - \$75 per parcel (polled) returns \$1.26M annual revenue in year one, with \$1.5M by year ten with a 2% annual adjustment
  - \$89 per parcel returns \$1.5M annual revenue in year one, with \$1.8M by year ten with a 2% annual adjustment
  - \$95 per parcel returns \$1.6M annual revenue in year one, with \$1.9M by year ten with a 2% annual adjustment
- Bond Measure: \$40M bond measure (polled), \$12 per 100,000 assessed valuation, providing approximately \$2,700 annually to repay bonded indebtedness for needed capital projects in the community including the creation of workforce housing and facilities to prevent and address homelessness.

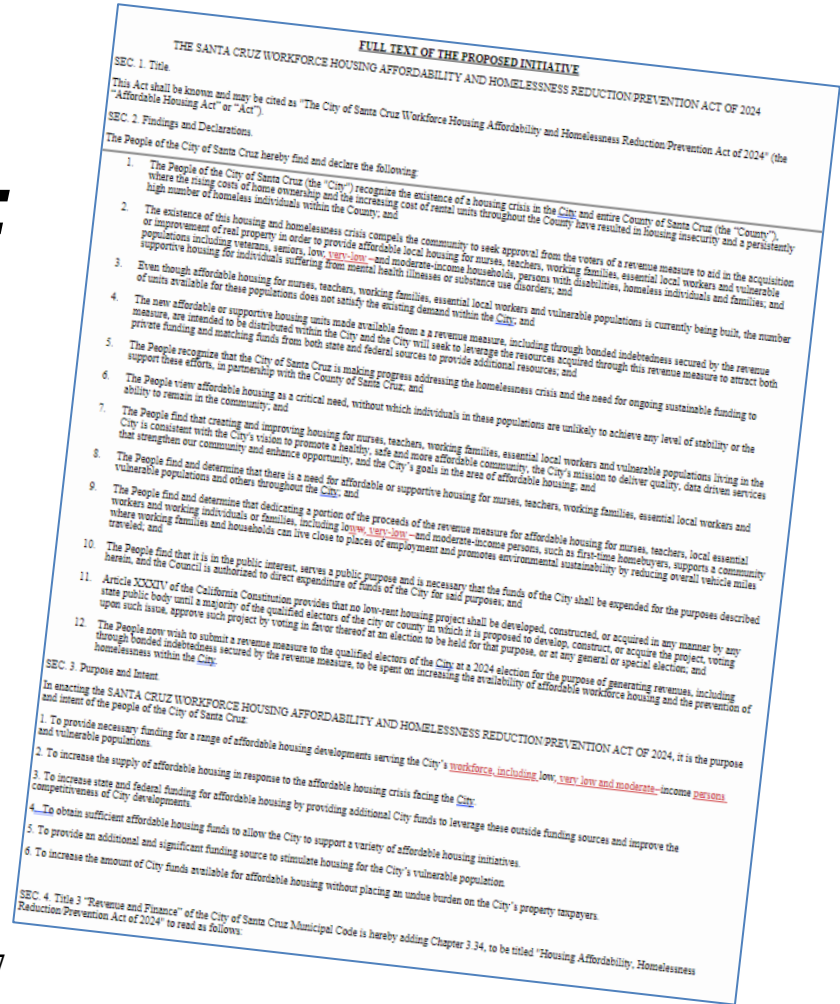
#### Transparency/Accountability:

- Requiring public spending disclosure (57/30)
- Developing the ballot measure through an open and transparent process with public input (54/26)
- Qualifying for state and federal matching funds (47/27)

\*Numbers in parenthesis denote that voters considered these priorities as extremely important and very important, respectively.  
Ex: (52/30) means 52% of voters considered the priority extremely important and 30% of voters considered the priority very important.

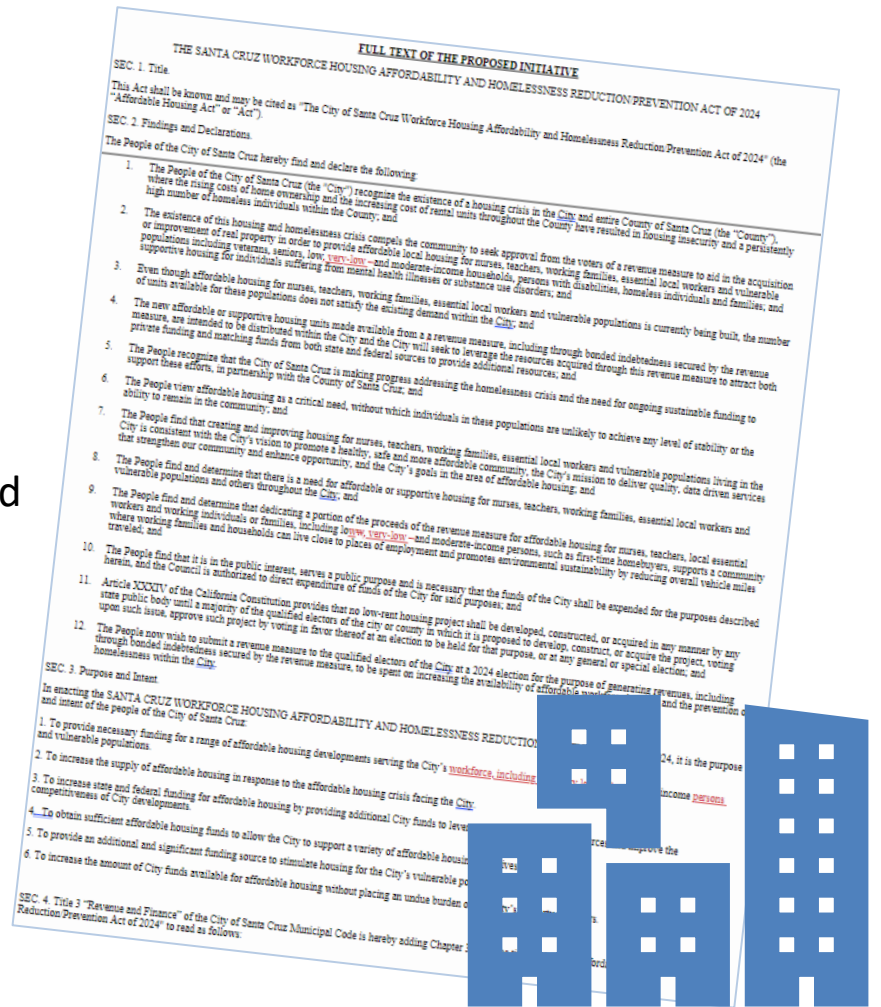
# Overview of Process:

## Community Meeting # 3: Drafting and Priorities



# Next Steps and Timeline:

- Community Draft Revenue Measure finalized and released: June 2023
- Community group(s) will lead process going forward
  - Finalizing Measure
  - Signature gathering
  - Qualifying for ballot





*Council Ad Hoc Budget & Revenue Committee  
Final Presentation and Report Out on  
Community Meetings and Draft Housing Revenue Measure*

QUESTIONS?

Meeting Type
Holiday
Jewish Holiday
Regular Meeting
Special Meeting
Study Session (will be added as scheduled)
Budget Hearing

## City Council Meeting Calendar for 2023

Please note: Meeting times are not final and are likely to change

DATE	Location	Meeting Type
<b>June 19</b>	<b>City Hall Closure - Juneteenth</b>	
June 27	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
<b>July 4</b>	<b>City Hall Closure - Independence Day</b>	
<b>July 11 and 25 Meetings Cancelled - CITY COUNCIL DARK</b>		
August 8	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
August 22	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
<b>September 4</b>	<b>City Hall Closure - Labor Day</b>	
September 12	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
<b>September 15/16</b>	<b>Rosh Hashanah (City observed - sundown to sundown)</b>	
<b>September 24/25</b>	<b>Yom Kippur (City observed - sundown to sundown)</b>	
September 26	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
October 10	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
October 24	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
November 14	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
<b>November 10</b>	<b>City Hall Closure - Veteran's Day (observed)</b>	
November 28	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
<b>November 23</b>	<b>City Hall Closure - Thanksgiving Day</b>	
<b>November 24</b>	<b>City Hall Closure - Day After Thanksgiving Day</b>	
<b>December 7/8</b>	<b>Hanukkah (City observed - sundown to sundown)</b>	
December 12	Courtyard Conf. Room	Closed Session - Closed to the Public
	Council Chambers	Council Regular Meeting - Open to the Public
<b>December 25</b>	<b>City Hall Closure - Christmas Day</b>	
<b>December 26 Meeting Cancelled - CITY COUNCIL DARK</b>		

**MINUTES ARE UNOFFICIAL UNTIL APPROVED BY COUNCIL**

City of Santa Cruz  
809 Center Street  
Santa Cruz, California 95060

**MINUTES OF A CITY COUNCIL MEETING**

May 23, 2023

**1:30 PM**

Mayor Keeley opened the City Council Closed Session at 1:30 p.m. in a public meeting via Zoom and in Council Chambers, for the purpose of announcing the agenda, and receiving public testimony.

**Roll Call**

**Present:** Councilmembers Newsome, Brown, Brunner, Kalantari-Johnson; Vice Mayor Golder; Mayor Keeley.

**Absent:** Councilmember Watkins.

**Staff:** City Manager M. Huffaker, Assistant City Manager L. Schmidt, City Attorney T. Condotti, Finance Director E. Cabell, Deputy City Clerk Administrator J. Wood, City Clerk Administrator B. Bush.

**Public Comment**

Mayor Keeley opened the public comment period at 1:32 p.m. There were no speakers. Mayor Keeley closed the public comment period at 1:32 p.m., at which time the meeting was closed to the public and Council adjourned to the Courtyard Conference Room.

**Closed Session**

1. Conference With Legal Counsel - Liability Claims (Government Code §54956.95)

- 1) Claimant: Ezekiel C. Tidmore
- 2) Claimant: Judith Laing
- 3) Claimant: Justin Laing
- 4) Claimant: Deborah Marie Guadian

Claims against the City of Santa Cruz

Council received a status report, took up under agenda item 12, and no reportable action was taken.

City of Santa Cruz  
809 Center Street  
Santa Cruz, California 95060

MINUTES OF A CITY COUNCIL MEETING  
May 23, 2023

2:00 PM

**Call to Order** - Mayor Keeley called the meeting to order at 2:01 p.m. in Council Chambers.

**Roll Call**

**Present:** Councilmembers Newsome, Brown, Watkins (arrived at 2:37 p.m.), Brunner, Kalantari-Johnson; Vice Mayor Golder; Mayor Keeley.

**Absent:** None.

**Staff:** City Manager M. Huffaker, Assistant City Manager L. Schmidt, City Attorney T. Condotti, Director of Public Works N. Nguyen, Chief of Police B. Escalante, Director of Economic Development and Housing B. Lipscomb, Finance Director E. Cabell, Chief People Officer S. De Leon, Director of Planning and Community Development L. Butler, Deputy City Manager L. Murphy, Recreation Supervisor D. Lawson, Fire Captain B. Thomas, Service Field Crew Leader P. Mason, Business Liaison S. Domondon, GIS Manager R. Westfall, Transportation Manager M. Starkey, Principal Management Analyst V. Pearson, Homelessness Response Manager L. Imwalle, Deputy City Clerk Administrator J. Wood, City Clerk Administrator B. Bush.

**Presentations**

2. Outstanding Volunteer Recognition

CitySERVE Program Coordinator J. Shamoun spoke. Mayor Keeley and Karen Delaney, Executive Director of the Santa Cruz Volunteer Center, recognized the volunteers.

3. Beach Safety Week

Recreation Supervisor D. Lawson, Fire Captain B. Thomas, and Service Field Crew Leader P. Mason gave a presentation on Beach Safety Week.

**Presentations (continued)**

4. Mayoral Proclamation Declaring May 21 through May 27, 2023, as Public Works Week

Mayor Keeley presented a proclamation declaring May 21–May 27, 2023, as National Public Works Week. Director of Public Works N. Nguyen spoke.

5. Citywide Housing Project Interactive Map

Director of Economic Development and Housing B. Lipscomb introduced the item. Business Liaison S. Domondon and GIS Manager R. Westfall gave a presentation and responded to Councilmember questions.

**Presiding Officer's Announcements**

**Statements of Disqualification** - Councilmember Brunner announced she is recusing herself from item 9 as this item has an impact on her employer, the Downtown Association.

**Additions and Deletions** - None.

**City Attorney Report on Closed Session** - See page 6479 for the report.

**Council Meeting Calendar**

6. The City Council reviewed and did not revise the meeting calendar attached to the agenda.

**Consent Agenda**

Mayor Keeley pulled item 10 for further discussion.

Mayor Keeley opened the public comment period. The following person spoke:

Garrett spoke regarding item 19.

Mayor Keeley closed the public comment period.



**Consent Agenda (continued)**

**MOTION:** Councilmember Brown moved, seconded by Vice Mayor Golder, to approve the remaining Consent Agenda.

**ACTION:** The motion carried with the following vote.

**AYES:** Councilmembers Newsome, Brown, Brunner (with the exception of item 9), Kalantari-Johnson; Vice Mayor Golder; Mayor Keeley.  
**NOES:** None.  
**ABSENT:** Councilmember Watkins.  
**DISQUALIFIED:** Councilmember Brunner (item 9).

7. Minutes of the May 9, 2023 City Council Meeting (CC)

Motion carried to approve as submitted.

8. Council Sugar-Sweetened Beverage Tax Ad Hoc Committee (CN)

Motion carried to create a City Council ad hoc committee to explore the feasibility of placing a sugar-sweetened beverage tax measure on the March or November 2024 ballot.

9. Downtown Association: Parking and Business Improvement Area Assessments for FY 2024 (ED)

Motion carried to:

- Approve, or to modify and approve, the plan prepared by the Downtown Association for FY 2024; and
- Adopt Resolution No. NS-30,148, a resolution of intention to levy a Downtown Association Parking and Business Improvement Assessment for FY 2024 and schedule a public hearing for June 13, 2023 on the levy of the assessments for FY 2024.

**Consent Agenda (continued)**

10. 223 Darwin Street CFSC Loan Extension (APN: 011-122-04) (ED)

Mayor Keeley opened the public comment period. The following person spoke.

Stephen La Berg

Mayor Keeley closed the public comment period.

Director of Economic Development and Housing B. Lipscomb responded to Councilmember questions.

**MOTION:** Councilmember Kalantari-Johnson moved, seconded by Councilmember Brunner, to authorize the City Manager to execute any and all loan documents necessary, in a form approved by the City Attorney, to extend the terms of existing Red Cross-funded loan in the amount of \$75,000 to CFSC for the property located at 223 Darwin Street for 30 years with 3% simple interest and deferred payments.

**ACTION:** The motion carried with the following vote.

AYES: Councilmembers Newsome, Brown, Watkins, Brunner, Kalantari-Johnson; Vice Mayor Golder.  
NOES: Mayor Keeley.  
ABSENT: None.  
DISQUALIFIED: None.

11. Pacific Collegiate Foundation - Approval of Issuance by the California Municipal Public Financing Authority of Refunding Revenue Bonds for the Purpose of Refinancing the 2016 Variable Rate Revenue Bonds (ED)

Resolution No. NS-30,149 was adopted to approve a non-charter membership agreement (the “Non-Charter Agreement”) with the California Municipal Public Financing Authority (“CalMuni PFA”) to assist the Pacific Collegiate Foundation with the issuance of refunding revenue bonds in an amount not to exceed \$6,000,000 for the purpose of refinancing their 2016 Variable Rate Revenue Bonds.

**Consent Agenda (continued)**

12. Liability Claims Filed Against the City of Santa Cruz (FN)

Motion carried to reject the liability claims of 1) Ezekiel C. Tidmore, 2) Judith Laing, 3) Justin Laing; and to return as late claim of 4) Deborah Marie Guadian, based on staff recommendation.

13. Award Contract for eProcurement Solution (FN)

Motion carried to:

- Amend the existing software services agreement, in a form to be approved by the City Attorney, with OpenGov (San Jose, California) to include the purchase of an integrated web-based electronic procurement (eProcurement) and contract management platform for a 3-year term, along with related business process, implementation and support services from June 1, 2023, through May 30, 2026; and,
- Authorize the City Manager to execute the agreement and any amendments within the approved operating budget.

14. Resolution Approving the Tentative Agreement and Adopting the Memorandum of Understanding with Temporary Service Employees SEIU Local 521 (HR)

Resolution No. NS-30,150 was adopted approving the Tentative Agreement and adopting the Memorandum of Understanding with Temporary Service Employees SEIU Local 521.

15. Award Contract for Portable Digital Radios (PD)

Motion carried to authorize and direct the City Manager to execute an agreement in a form acceptable to the City Attorney with Motorola Solutions for the lease-purchase of portable digital radios and portable digital radio accessories for the Santa Cruz Police Department in the amount of \$899,077.13.

**Consent Agenda (continued)**

16. Housing Matters Hygiene Bay Remodel Project (c102205) - Notice of Completion (PW)

Motion carried to accept the work of Selden & Son (Watsonville, CA) and authorize the filing of the Notice of Completion for the Housing Matters Hygiene Bay Remodel Project (c102205).

17. Contract Renewal with Hope Services, Inc. for the Resource Recovery Facility (PW)

Motion carried to authorize and direct the City Manager to execute renewal of an agreement in a form acceptable to the City Attorney with Hope Services, Inc., (Santa Cruz, CA) for recycling and litter control services at the City's Resource Recovery Facility on Dimeo Lane.

18. 2024 Isuzu NRR Cab Chassis with 9-yard Heil Mini Rear Loader - Award Contract (PW)

Motion carried to:

- Award a contract for the purchase of a 2024 Isuzu NRR Cab Chassis with a 9-yard Heil Rear Loader from TEC of California (San Francisco, CA); and
- Adopt Resolution No. NS-30,151 transferring and appropriating funds in the FY 2023 budget in the amount of \$165,355.40 from Public Works' Homelessness Response Field salary savings and from the City Manager's Office Homelessness Response Action Plan, California grant project.

19. Water Supply Augmentation, Aquifer Storage and Recovery Beltz 9 Pilot Test, Pueblo Water Resources Professional Services Contract (WT)

Motion carried to authorize the City Manager to execute an agreement in a form to be approved by the City Attorney with Pueblo Water Resources of Ventura, CA in the amount of \$216,425 to conduct pilot testing of Aquifer Storage and Recovery (ASR) at Beltz Well 9 and authorizing the Water Director to execute amendments within the approved project budget.

**End Consent Agenda**

**Public Hearing**

20. Technology Surcharge (PL)

This item has been continued to the meeting of June 13, 2023, and was not discussed on May 23, 2023.

**General Business**

21. West Cliff Update, including Infrastructure, Transportation, and Roadmap Development (PW/CM)

Assistant City Manager L. Schmidt introduced the item and responded to Councilmember questions.

Director of Public Works N. Nguyen and Transportation Manager M. Starkey gave a presentation and responded to Councilmember questions.

Michael McCormick, President of Farallon Strategies, gave a presentation and responded to Councilmember questions.

Mayor Keeley opened the public comment period. The following people spoke.

Al Ramadan  
Andrea  
Tammy  
Unidentified person  
Garrett  
Gillian Greensite  
Nancy  
John Edmonds

Mayor Keeley closed the public comment period.

**General Business**

21. West Cliff Update, including Infrastructure, Transportation, and Roadmap Development (PW/CM) (continued)

**MOTION:** Councilmember Kalantari-Johnson moved, seconded by Vice Mayor Golder, to:

- 1) Receive the update on citywide West Cliff work, including infrastructure, transportation, and the development of a roadmap for a resilient and accessible West Cliff; and
- 2) Kick-off community review of the in-process roadmap to collect additional input and provide an updated draft of the “A Resilient West Cliff, Accessible to All Roadmap” to City Council by end of August 2023, that includes activation of projects listed in the “Post Disaster Projects 0–3 years;” and
- 3) Through a multi-agency approach, utilize the policy concepts named in the dynamic coast section of the draft roadmap, including nature-based solutions, to develop the “Beyond the Three Years” section to include a 50-year plan by end of 2023.

**FRIENDLY AMENDMENT:** Mayor Keeley requested to replace the word “kick-off” in #2 with the word “initiate.” Councilmember Kalantari-Johnson and Vice Mayor Golder accepted.

**ACTION:** The motion carried unanimously with the following vote.

- AYES: Councilmembers Newsome, Brown, Watkins, Brunner, Kalantari-Johnson; Vice Mayor Golder; Mayor Keeley.
- NOES: None.
- ABSENT: None.
- DISQUALIFIED: None.

City Council took a break at 4:11 p.m. and returned at 4:22 p.m.

At this time City Council heard item #2.

**Oral Communications Announcement** - The Mayor provided a brief announcement about Oral Communications.

### Oral Communications

At 4:36 p.m. Mayor Keeley opened Oral Communications for members of the public who wished to speak regarding items not listed on the City Council agenda.

Kate Hinnenkamp spoke on behalf of the Community Action Board, and invited Council to participate in Community Action Month.

Bradley Snyder spoke regarding safety railing.

Councilmember Brunner spoke on behalf of a member of the public regarding a letter to the editor in the *Good Times* on hateful speech.

Garrett spoke regarding the City addressing nationwide issues, and funding for services.

At 4:45 p.m. Mayor Keeley closed Oral Communications.

### Presentations

#### 22. FY 2024 Proposed Budget

City Manager M. Huffaker and Finance Director E. Cabell gave a presentation providing an overview of the FY 2024 proposed budget.

Mayor Keeley opened the public comment period. The following person spoke.

Garrett

Mayor Keeley closed the public comment period.

City Council took a break at 5:33 p.m. and returned at 6:08 p.m.

Director of Economic Development and Housing B. Lipscomb gave a presentation on Economic Development and Housing's proposed budget for FY 2024 and responded to Councilmember questions.

Director of Planning and Community Development L. Butler gave a presentation on Planning and Community Development's proposed budget for FY 2024 and responded to Councilmember questions. Principal Management Analyst V. Pearson responded to Councilmember questions.

**Presentations (continued)**

22. FY 2024 Proposed Budget (continued)

City Attorney T. Condotti gave a presentation on the City Attorney Office’s proposed budget for FY 2024 and responded to Councilmember questions.

Deputy City Manager L. Murphy gave a presentation on the Homelessness Response’s proposed budget for FY 2024 and responded to Councilmember questions. Homelessness Response Manager L. Imwalle responded to Councilmember questions.

**Adjournment** - Vice Mayor Golder moved, seconded by Councilmember Brown, to adjourn. By consensus City Council adjourned at 8:55 p.m.

Respectfully Submitted:

\_\_\_\_\_  
Julia Wood, Deputy City Clerk Administrator

Attest:

\_\_\_\_\_  
Bonnie Bush, City Clerk Administrator

Approved:

\_\_\_\_\_  
Fred Keeley, Mayor



**MINUTES ARE UNOFFICIAL UNTIL APPROVED BY COUNCIL**

City of Santa Cruz  
809 Center Street  
Santa Cruz, California 95060

**MINUTES OF A CITY COUNCIL SPECIAL MEETING**

May 24, 2023

**9:00 AM**

**Call to Order** - Mayor Keeley called the meeting to order at 9:07 a.m. in Council Chambers.

**Roll Call**

**Present:** Councilmembers Newsome (left at 10:07 a.m., returned at 12:09 p.m.), Brown, Watkins, Brunner (left at 2:26 p.m.), Kalantari-Johnson; Vice Mayor Golder; Mayor Keeley.

**Absent:** None.

**Staff:** City Manager M. Huffaker, Assistant City Manager L. Schmidt, Library Director Y. Wilburn, Finance Director E. Cabell, Chief People Officer S. De Leon, Director of Information Technology K. Morgan, Deputy Chief of Police J. Bush, Chief of Fire R. Oatey, Director of Public Works N. Nguyen, Director of Parks and Recreation T. Elliot, Water Director R. Menard, Director of Planning and Community Development L. Butler (via Zoom), City Attorney T. Condotti (via Zoom), Principal Management Analyst C. Brothers, Principal Management Analyst L. Bass, Deputy City Clerk Administrator J. Wood, City Clerk Administrator B. Bush.

**Presentations**

1. FY 2024 Proposed Budget

Mayor Keeley opened the public comment period. The following person spoke.

Rick Longinotti

Mayor Keeley closed the public comment period.

Library Director Y. Wilburn gave a presentation on the Library's proposed budget for FY 2024 and responded to Councilmember questions.

**Presentations (continued)**

1. FY 2024 Proposed Budget (continued)

Director of Finance E. Cabell gave a presentation on the Finance Department’s proposed budget for FY 2024 and responded to Councilmember questions. Chief People Officer S. De Leon and Assistant City Manager L. Schmidt responded to Councilmember questions.

Chief People Officer S. De Leon gave a presentation on Human Resources’ proposed budget for FY 2024 and responded to Councilmember questions.

Director of Information Technology K. Morgan gave a presentation on the Information Technology’s proposed budget for FY 2024 and responded to Councilmember questions.

Deputy Chief of Police J. Bush gave a presentation on the Police Department’s proposed budget for FY 2024 and responded to Councilmember questions. Principal Management Analyst C. Brothers, Finance Director E. Cabell, and City Attorney T. Condotti responded to Councilmember questions.

Chief of Fire R. Oatey gave a presentation on the Fire Department’s proposed budget for FY 2024 and responded to Councilmember questions.

Council took a break at 1:00 p.m. and returned at 2:04 p.m.

**MOTION:** Councilmember Brown moved, seconded by Councilmember Newsome, to continue the Capital Improvement Program’s presentation to the June 13, 2023 City Council meeting, before the FY 2024 Budget adoption.

**ACTION:** The motion carried unanimously with the following vote.

- AYES: Councilmembers Newsome, Brown, Watkins, Brunner, Kalantari-Johnson; Vice Mayor Golder; Mayor Keeley.
- NOES: None.
- ABSENT: None.
- DISQUALIFIED: None.

**Presentations (continued)**

1. FY 2024 Proposed Budget (continued)

Assistant City Manager L. Schmidt gave a presentation on City Council’s and City Manager’s proposed budget for FY 2024 and responded to Councilmember questions.

Director of Public Works N. Nguyen gave a presentation on Public Works’ proposed budget for FY 2024 and responded to Councilmember questions.

Director of Parks and Recreation T. Elliot and Principal Management Analyst L. Bass gave a presentation on Parks and Recreation’s proposed budget for FY 2024 and responded to Councilmember questions.

Water Director R. Menard gave a presentation on the Water Department’s proposed budget for FY 2024 and responded to Councilmember questions.

**Adjournment** - Vice Mayor Golder moved, seconded by Councilmember Newsome, to adjourn. By consensus City Council adjourned at 5:40 p.m.

Respectfully Submitted:

\_\_\_\_\_  
Julia Wood, Deputy City Clerk Administrator

Attest:

\_\_\_\_\_  
Bonnie Bush, City Clerk Administrator

Approved:

\_\_\_\_\_  
Fred Keeley, Mayor



## City Council AGENDA REPORT

**DATE:** 06/01/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Economic Development and Housing

**SUBJECT:** 333 Locust Street Acquisition Agreement and Budget Adjustment (ED)

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**RECOMMENDATION:** Motion to:

- 1) Adopt a resolution authorizing the City Manager to enter into a Purchase Sale Agreement to purchase the real property located at 333 Locust Street (APN 005-033-03) and execute any and all related documents necessary, in a form approved by the City Attorney; and
  - 2) Adopt a resolution amending the FY 2023 budget in the amount of \$1,718,000 to fund the acquisition of the property at 333 Locust Street.
- 

**BACKGROUND:** The property at 333 Locust Street is a six-unit apartment building that was built in 1877 by Ernest Kunitz. It was awarded a Blue Plaque Historic Landmark in 2011 for exemplifying a charming example of Italianate architecture. The property is bordered on three sides by the City Hall complex. It is the only property on the block bordered by Locust, Center, Church and Chestnut streets that is not owned by the City. The property has multiple owners, successors of the A. Kirkham Smith and Patricia W. Smith Revocable Living Trust. At this time, they are interested in selling the property.

**DISCUSSION:** Purchase of the Kunitz House by the City provides a strategic opportunity to control future development and use of that property in the context of the larger City Hall campus and surrounding City parking lots and City Hall offices. The building is 3,236 square feet spread over two stories and the lot is 5,358 square feet. It contains four, one-bedroom units and two studios.

In November 2022, an existing appraisal review and a new appraisal of the property was conducted. At that time the market value of the property was reasonably estimated to be in the \$1.6 to \$1.7 million range based on other comparable sales. The major factor limiting the appraisal sale price is that the rental income is currently below market rate with future increases limited by Assembly Bill 1482 and the City's Large Rent Increase Ordinance. The rental income as of February 2023 is approximately \$93,000 annually. For this reason, and given the age of the building, the agreed upon fair market value of \$1,575,000 is slightly lower than the original appraisal. Existing leases will remain in place and no current tenants will be impacted by the change of ownership.

A Phase I Environmental Site Assessment conducted by Weber, Hayes & Associates in January 2023 found no recognized environmental conditions based on review of on-site and off-site conditions. Based on review of historical information, the structure is of an age where lead-based paint and/or asbestos containing materials may have been used in its construction and/or additions, so prior to conducting renovations or demolition work, a building materials survey would need to be completed.

In February 2023 a property inspection was conducted of the interior and exterior of the building, the outbuilding, containing storage and a laundry room, and the grounds. As expected with a property of this size and age, a number of repairs were identified. The report can serve as a blueprint for future maintenance projects. It is planned that a professional property management company will be engaged to collect rents, manage repairs, and provide coverage for tenant responsiveness.

**Health in All Policies (HiAP)**

The recommendation is consistent with the Health in All Policies pillars of equity, public health, and sustainability. It is envisioned that the residential units could be eventually used to expand the supply of affordable housing and, potentially provide transitional housing opportunities for newly hired City staff while they search for long-term housing.

**FISCAL IMPACT:** Initial outlay for the property purchase, transaction costs, and any necessary renovations would reduce the balance available in the City Public Trust fund by \$1,625,000. Rental income generated by the property would be returned to the City Public Trust Fund less any funding needed to pay for on-going maintenance, capital improvements, and property management.

**Prepared By:**  
Kathryn Mintz  
Development Manager

**Submitted By:**  
Bonnie Lipscomb  
Director of Economic  
Development and Housing

**Approved By:**  
Matt Huffaker  
City Manager

**ATTACHMENTS:**

1. RESOLUTION.DOCX
2. BUDGET ADJUSTMENT.PDF

RESOLUTION NO. NS-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ AUTHORIZING  
THE CITY MANAGER TO PURCHASE THE REAL PROPERTY LOCATED AT 333  
LOCUST STREET (APN 005-033-03)

WHEREAS, the property located at 333 Locust Street is the only property on the block bordered by Locust, Center, Church, and Chestnut streets that is not owned by the City of Santa Cruz; and

WHEREAS, the City of Santa Cruz wishes to acquire the property to facilitate any future development of City property; and

WHEREAS, the A. Kirkham Smith and Patricia W. Smith Revocable Living Trust under Agreement dated September 27, 1982, or any Successor in Trust, has agreed to sell the property located at 333 Locust Street to the City; and

WHEREAS, the City Public Trust has sufficient funds to purchase the property.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz that that the City Manager is authorized to execute the purchase agreement with the A. Kirkham Smith and Patricia W. Smith Revocable Living Trust under Agreement dated September 27, 1982, or any Successor in Trust, in the amount of \$1,575,000 from the City Public Trust for acquisition of the property located at 333 Locust Street (APN 005-033-03), under the terms and conditions presented herein.

PASSED AND ADOPTED this 13<sup>th</sup> day of June, 2023 by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Fred Keeley, Mayor

ATTEST: \_\_\_\_\_  
Bonnie Bush, City Clerk Administrator

# City of Santa Cruz BUDGET ADJUSTMENT REQUEST

Clear Form

Administrative Approval  
 Council Approval

Fiscal Year: 2023

Date: 04/20/2023

Reso #:

**Purpose:** City Public Trust funding of City acquisition costs of property known as Kunitz House located at 333 Locust Street located within the footprint of the City Hall Complex. Kunitz House Management project will receive rental income to be used primarily for property operations, maintenance and repayment to the City Public Trust Fund.

ACCOUNT	PROJECT	PROJECT NAME (if applicable) OR REVENUE ACCOUNT TITLE	AMOUNT
311-00-00-0000-49108	c512301-914-0-0	Transfer from City Public Trust	1,625,000
101-51-80-5591-46201	p512303-106-1026-0	Kunitz House Management: Rental income	93,000
<b>TOTAL REVENUE</b>			<b>1,718,000</b>

ACCOUNT	PROJECT	PROJECT NAME (if applicable) OR EXPENDITURE ACCOUNT TITLE	AMOUNT
130-00-00-0000-59103		Transfer to the CIP Fund	1,625,000
311-51-80-9990-57103	c512301-100-2020-0	Property acquisition costs	1,625,000
101-51-80-5591-54990	p512303-100-2020-0	Kunitz House Management: Supplies and services	93,000
<b>TOTAL EXPENDITURE</b>			<b>3,343,000</b>

**NET: \$** -1,625,000

REQUESTED BY	DEPARTMENT HEAD APPROVAL	BUDGET/ACCOUNTING REVIEWED	FINANCE DIRECTOR APPROVAL	CITY MANAGER APPROVAL
<p><b>Kathryn Mintz</b></p> <small>Digitally signed by Kathryn Mintz DN: cn=Kathryn Mintz, o=City of Santa Cruz, ou=Dept of Economic Development, email=kmintz@santacruzca.gov, c=US Date: 2023.04.24 12:03:20 -0700</small>	<p><b>Bonnie Lipscomb</b></p> <small>Digitally signed by Bonnie Lipscomb DN: cn=Bonnie Lipscomb, o=City of Santa Cruz, ou=Economic Development, email=blipscomb@cityofsantacruz.com, c=US Date: 2023.04.24 15:04:56 -0700</small>	<p><b>Elizabeth Cabell</b></p> <small>Digitally signed by Elizabeth Cabell DN: cn=Elizabeth Cabell, o=City of Santa Cruz, ou=Finance Department, email=ecabell@cityofsantacruz.com, c=US Date: 2023.06.05 07:24:24 -0700</small>	<p><b>Elizabeth Cabell</b></p> <small>Digitally signed by Elizabeth Cabell DN: cn=Elizabeth Cabell, o=City of Santa Cruz, ou=Finance Department, email=ecabell@cityofsantacruz.com, c=US Date: 2023.06.05 07:24:40 -0700</small>	



## City Council AGENDA REPORT

**DATE:** 05/23/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Finance

**SUBJECT:** Liability Claims Filed Against the City of Santa Cruz (FN)

---

**RECOMMENDATION:** Motion to reject the liability claims of 1) Dominique Townsend, 2) Michael B. Smith, and 3) Ginaia Kelly, based on staff recommendation.

---

**BACKGROUND:** N/A

**DISCUSSION:** I. Claims to be rejected:

1. Claimant: Dominique Townsend  
Date of occurrence: 01/03/2023  
Date of claim: 05/02/2023  
Amount of claim: \$50,000.00

Claimant seeks general damages and reimbursement for medical expenses allegedly caused by a trip and fall.

Represented by legal counsel.

2. Claimant: Michael B. Smith  
Date of occurrence: 02/04/2023  
Date of claim: 05/11/2023  
Amount of claim: \$18,500.00

Claimant seeks reimbursement for damages to property allegedly related to police actions.

Self-Represented

3. Claimant: Ginaia Kelly  
Date of occurrence: 11/20/2022  
Date of claim: 05/15/2023  
Amount of claim: \$4,296.80

Claimant seeks reimbursement for damages to their vehicle allegedly caused by an improperly marked island in the roadway.



Self-Represented

**FISCAL IMPACT:** No fiscal impact.

**Prepared By:**  
Ross Brandon  
Risk & Safety Manager

**Submitted By:**  
Elizabeth Cabell  
Finance Director

**Approved By:**  
Matt Huffaker  
City Manager

**ATTACHMENTS:**  
None.



## City Council AGENDA REPORT

**DATE:** 05/23/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Finance

**SUBJECT:** General Obligation Refunding Bonds - Tax Rate Authorization (FN)

---

**RECOMMENDATION:** Resolution setting the tax rate for FY 2024 with respect to the City's General Obligation Refunding Bonds.

---

**BACKGROUND:** In November 1998, voters in the City of Santa Cruz approved the issuance of General Obligation Bonds (Bonds) in the amount of \$7,000,000 for the purchase of greenbelt property, the renovation of the City's fire stations, and the purchase/improvement of a City park adjacent to the Depot site. Resources to repay the Bonds come from property tax levies within the City of Santa Cruz. The tax rate is established by the City Council each year and then forwarded to the County of Santa Cruz for inclusion on the property tax bills. The Bonds were refunded in December 2009 to reduce the overall cost of debt service and, thereby, realize financial savings for the taxpayers.

**DISCUSSION:** For the upcoming property tax billing, the City directs the County of Santa Cruz to levy on all taxable property in the City, in addition to all other taxes, a continuing direct and ad valorem tax in the amount of \$524,800.85 to be used toward the payment of principal and interest coming due on the Bonds. Because the County of Santa Cruz is on the "Teeter Plan," the City will receive 100% of the assessment. There is no need to factor in an amount for delinquencies.

The attached resolution establishes the appropriate tax rate, and instructs the Director of Finance to forward a copy to the County of Santa Cruz and take whatever action is necessary to have the assessment placed on the 2023-2024 property tax bills.

**FISCAL IMPACT:** If the City does not provide the County of Santa Cruz with the required information to levy ad valorem taxes upon all property within the City, the City would still be required to make the Bond payment. Thus, it is recommended that the Resolution be approved, so that there will be no fiscal impact to the City of Santa Cruz.

**Prepared By:**  
Nicholas Gong  
Senior Accountant

**Submitted By:**  
Elizabeth Cabell  
Director of Finance

**Approved By:**  
Matt Huffaker  
City Manager

**ATTACHMENTS:**

1. FY24 GO BOND LEVY RESOLUTION.DOCX

RESOLUTION NO. NS-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ SETTING THE TAX RATE FOR FY 2024 WITH RESPECT TO GENERAL OBLIGATION REFUNDING BONDS

WHEREAS, more than two-thirds of the electors voting at a special municipal election held on November 3, 1998, voted for a proposition authorizing the issuance by the City of general obligation bonds in the aggregate principal of \$7,000,000 (the "1998/1999 Bonds") for the purpose of providing funds for certain municipal improvements, including fire station improvements, community park improvements, and the acquisition of property to be used for open space purposes; and

WHEREAS, pursuant to such authorization the City has previously issued the 1998/1999 Bonds in the form of \$4,500,000 principal amount of current interest bonds and \$2,498,473.25 principal amount of capital appreciation bonds; and

WHEREAS, the City Council has issued and sold its City of Santa Cruz 2009 General Obligation Refunding Bonds (the "Refunding Bonds") in the aggregate principal amount not to exceed \$8,000,000 for the purpose of refunding all of the outstanding 1999 current interest bonds and all of the outstanding 1998 capital appreciation bonds and thereby realizing financial savings to the property tax payers of the City; and

WHEREAS, pursuant to Section 43632 of the California Government Code, the City Council is required annually to levy and collect until the bonds are paid, or until there is a sufficient amount in the treasury set apart to meet all payments of principal and interest coming due, a tax sufficient to pay the principal of and interest on the Refunding Bonds coming due and payable before the proceeds of a tax levied at the next general tax levy will be available; and

WHEREAS, the City has determined that it is necessary to levy and collect an amount of \$524,800.85 toward the payment of principal and interest coming due on the Refunding Bonds on March 1 and September 1, 2024, and thereby directs the County of Santa Cruz to levy on all taxable property in the City, in addition to all other taxes, a continuing direct and ad valorem tax in the amount of \$524,800.85 based on the estimated assessed values for all rolls (secured, unsecured and utility) for FY 2024.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz as follows:

Section 1. Levy of Tax. The City Council hereby determines that the tax rate necessary to pay the principal of and interest on the Refunding Bonds coming due and payable on March 1 and September 1, 2024, is equal to a continuing direct and ad valorem tax in the amount of \$524,800.85, and such tax rate shall be and is hereby levied in accordance with all applicable requirements of law.

Section 2. Collection of Tax. The Director of Finance is hereby directed to forward a copy of this Resolution to the Auditor-Controller of the County of Santa Cruz and to the Board of Supervisors of the County of Santa Cruz, and to take such actions and execute such documents as may be required to cause the tax rate set forth in Section 1 to be placed on the 2023-2024 property tax bills and collected by the County of Santa Cruz.

Section 3. Application of Tax. As provided in Section 43634 of the California Government Code, all taxes levied pursuant to this Resolution shall be used only for payment of the Refunding Bonds and the interest thereon.

Section 4. Effective Date. This Resolution shall take effect from and after the date of its passage and adoption.

PASSED AND ADOPTED this 13<sup>th</sup> day of June, 2023 by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED \_\_\_\_\_  
Fred Keeley, Mayor

ATTEST: \_\_\_\_\_  
Bonnie Bush, City Clerk Administrator



## City Council AGENDA REPORT

**DATE:** 06/01/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Human Resources

**SUBJECT:** Resolution Amending the Personnel Complement and Classification and Compensation Plans for the FY 2023 Budget for the Police Department (HR)

---

**RECOMMENDATION:** Resolution amending the Classification and Compensation Plan and the FY 2023 Personnel Complement by approving a classification change in the Police Department.

---

**BACKGROUND:** The Deputy Police Chief classification has received a Vehicle Allowance of \$400 per month as part of their compensation and benefits package while using their personal vehicle in the course of Police Department business.

**DISCUSSION:** The recent Police Management Association Successor Memorandum of Understanding (MOU) dated March 20, 2023 included the agreement that effective the first pay period after Council approves the MOU in open session, the parties agree that the Deputy Police Chiefs will be allowed to use a take home vehicle and the current \$400 vehicle allowance would be removed and exchanged for a commensurate increase to base pay as pensionable compensation.

The Council approval date was April 25, 2023, and therefore the new pay for the Deputy Police Chief would be effective April 29, 2023. It was determined by the City that the commensurate pay increase in lieu of the vehicle allowance would be \$300 per month or \$1.73 per hour. The current salary range for the Deputy Police Chief is \$14,245 - \$17,315 per month. The new salary range will be \$14,545 to \$17,615 per month.

**FISCAL IMPACT:** There is no fiscal impact to this change since the substitution of the vehicle allowance amount was offset for a commensurate increase in base pay amount.

**Prepared By:**  
Cathy Bonino  
Principal HR Analyst

**Submitted By:**  
Sara De Leon  
Chief People Officer

**Approved By:**  
Matt Huffaker  
City Manager

**ATTACHMENTS:**

1. HR RESOLUTION POLICE DEPARTMENT.DOCX

RESOLUTION NO. NS-XX,XXX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ AMENDING THE PERSONNEL COMPLEMENT AND CLASSIFICATION AND COMPENSATION PLANS TO THE FY 2023 BUDGET – POLICE DEPARTMENT

WHEREAS, City Council adopted Resolution No. NS-30,135 approving the Memorandum of Understanding (MOU) for the Police Management Association effective March 3, 2023 through March 12, 2027,

WHEREAS, the approved MOU included modifying Classification and Compensation Plans for the Deputy Police Chiefs.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz, as follows:

That effective April 29, 2023, the City of Santa Cruz Classification and Compensation Plans be modified to:

	<u>Activity</u>	<u>Classification No. and Title</u>	<u>Salary (New Classifications and Changes)</u>
<u>POLICE</u>			
<u>Classification Salary</u>		550- Deputy Police Chief	
<u>Change</u>			
<u>550-xxx</u>			
From:			\$14,245/mo - \$17,315/mo
To:			\$14,545/mo - \$17,615/mo

PASSED AND ADOPTED this 13<sup>th</sup> day of June 2023, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Fred Keeley, Mayor

ATTEST: \_\_\_\_\_  
Bonnie Bush, City Clerk Administrator



## City Council AGENDA REPORT

**DATE:** 06/01/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Planning and Community Development

**SUBJECT:** Suspension of the Natural Gas Prohibition Ordinance (PL)

---

**RECOMMENDATION:** Resolution suspending enforcement of Santa Cruz Municipal Code 6.100 Prohibition of Natural Gas Infrastructure in new buildings.

---

**BACKGROUND:** On April 14, 2020, City Council unanimously adopted the Natural Gas Prohibition Ordinance, adding Chapter 6.100 to the Santa Cruz Municipal Code (SCMC) which prohibits natural gas infrastructure in new buildings. The Ordinance was adopted as part of the City's ongoing efforts to improve building energy efficiency, support renewable energy sources, and accelerate decarbonization. The ordinance was modeled after the City of Berkeley's natural gas prohibition which was also recently adopted at the time. Santa Cruz's ordinance did provide exceptions that the Berkeley ordinance did not, with the most important being that restaurants would still be allowed to use natural gas (for cooking purposes only). For more information on the ordinance and its role in building electrification efforts, SCMC Chapter 6.100 text is attached as well as the Building Electrification City Council Agenda Report of March 24, 2020.

On April 17, 2023, the California Ninth Circuit Court of Appeals struck down the City of Berkeley's natural gas prohibition as part of the ruling in *California Restaurant Association v. City of Berkeley*. The Ninth Circuit Opinion holds that the Energy Policy and Conservation Act (EPCA) preempts the City of Berkeley's ordinance as the EPCA does not allow State and local governments to prohibit an end-user's ability to use natural gas products. This ruling calls into question Santa Cruz's ability to enforce its Natural Gas Prohibition Ordinance given the similarities between the two ordinances.

**DISCUSSION:** The City Attorney's Office analyzed the *City of Berkeley* ruling and determined that the City of Santa Cruz's exceptions in its Natural Gas Prohibition Ordinance do not enable the City to avoid the decision's applicability to the City. The ruling is being appealed, but until further court decisions are made, staff recommends that the City Council approve a resolution suspending enforcement of SCMC Chapter 6.100. The resolution to suspend enforcement of SCMC Chapter 6.100 is attached.

Should this ruling stand, staff are already contemplating alternatives to a natural gas prohibition that allow the City to help achieve its energy and decarbonization goals. These were being considered as part of the existing building electrification efforts and will now be contemplated for both existing buildings and new construction. One possibility could be enforcing stricter energy efficiency standards through the Building Code. This type of regulation would be allowed

despite the *City of Berkeley* ruling because it would not prohibit natural gas, but it would disincentivize natural gas in favor of building electrification. An interdepartmental team of staff was already formed last year to work on decarbonization efforts, and this team will continue to work on alternatives that further sustainable development.

*Health in All Policies*

The goal of Health in All Policies (HiAP) is to ensure that decision-makers are informed about the impacts on the three HiAP pillars of health, equity, and sustainability when reviewing projects and policy options. While the City’s Natural Gas Prohibition Ordinance greatly supported health and sustainability throughout the City, the Ninth Circuit’s *California Restaurant Association v. City of Berkeley* deemed this type of ordinance to not be in compliance with the law. Therefore, suspending the City’s Ordinance until further notice protects the City from other lawsuits that could affect the fiscal sustainability of the City.

**ENVIRONMENTAL REVIEW:** This resolution suspending the noted City ordinance is done to comply with applicable case law and associated federal law and as such is mandated, thus it is not a project subject to the California Environmental Quality Act (CEQA) and does not require any further environmental review or documentation.

**FISCAL IMPACT:** It is anticipated that there will be a small increase in staff time related to building field inspections as the gas piping field will be reintroduced for new construction. Otherwise, this resolution would have no direct effect on the fiscal conditions of the City. Suspension of the Natural Gas Prohibition Ordinance will protect the City from lawsuits that would have a longer-term negative effect on the City’s fiscal conditions.

**Prepared By:**  
Matt VanHua  
Principal Planner

**Submitted By:**  
Lee Butler  
Director of Planning and  
Community Development

**Approved By:**  
Matt Huffaker  
City Manager

**ATTACHMENTS:**

1. RESOLUTION.DOCX
2. SCMC CHAPTER 6.100.PDF
3. BUILDING ELECTRIFICATION CITY COUNCIL AGENDA REPORT - 3.24.20.PDF



RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ AUTHORIZING AND DIRECTING THE CITY MANAGER AND THE PLANNING AND COMMUNITY DEVELOPMENT DIRECTOR TO ADMINISTRATIVELY SUSPEND ENFORCEMENT OF SANTA CRUZ MUNICIPAL CODE CHAPTER 6.100, CONSISTENT WITH, AND AS REQUIRED BY, THE DECISION OF THE NINTH CIRCUIT COURT OF APPEAL RULING IN *CALIFORNIA RESTAURANT ASSOCIATION V. CITY OF BERKELEY* AND ANY SUBSEQUENT JUDICIAL PROCEEDING OR ORDER OF THE COURT RELATED TO THE TIMING AND APPLICATION OF THE RULING

WHEREAS, on April 14, 2020, City Council adopted Ordinance No. 2020-06, now codified as City of Santa Cruz Municipal Code Chapter 6.100 (Prohibition of Natural Gas Infrastructure in New Buildings); and

WHEREAS, on April 17, 2023, a three-judge panel of the Ninth Circuit Court of Appeal issued a decision holding that an ordinance of the City of Berkeley with similar provisions as the City's ordinance is preempted by the Energy Policy and Conservation Act of 1975; and

WHEREAS, while the Berkeley decision is currently binding precedent in the 9<sup>th</sup> Circuit Court of Appeals, the City of Berkeley may seek *en banc* review or petition the U.S. Supreme Court for a writ of *certiorari* and, therefore the binding nature of the case on parties other than the litigants has not been finally resolved.

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Santa Cruz as follows:

SECTION 1. Authorization and Direction to Suspend Enforcement. The City Manager and Planning and Community Development Director are hereby authorized and directed to suspend enforcement of City of Santa Cruz Municipal code Chapter 6.100, consistent with, and as required by, the decision of the Ninth Circuit Court of Appeals ruling in *California Restaurant Association v. City of Berkeley* and any subsequent judicial proceeding and/or order of the Court related to the timing and application of the ruling.

SECTION 2. Notice. Notice of the action suspending enforcement of Chapter 6.100 shall be made publicly available for review and posted to the City's website, and shall also be provided to affected development applicants in the city at the time of application, or as otherwise necessary to provide direct notice to applicants regarding the impacts of such actions on the processing of their applications.

PASSED AND ADOPTED this 13<sup>th</sup> day of June 2023, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Fred Keeley, Mayor

ATTEST: \_\_\_\_\_  
Bonnie Bush, City Clerk Administrator

## **Chapter 6.100**

# **PROHIBITION OF NATURAL GAS INFRASTRUCTURE IN NEW BUILDINGS**

Sections:

**6.100.010 Findings and purpose.**

**6.100.020 Applicability.**

**6.100.030 Definitions.**

**6.100.040 Prohibited natural gas infrastructure in newly constructed buildings.**

**6.100.050 Public interest exemption.**

**6.100.055 Revocable building and infrastructure exemptions.**

**6.100.057 Revocation of natural gas infrastructure exemption.**

**6.100.060 Appeals.**

**6.100.070 Severability.**

**6.100.080 Effective date.**

**6.100.090 Violations.**

**6.100.100 Additional remedies.**

### **6.100.010 FINDINGS AND PURPOSE.**

The city council finds and expressly declares as follows:

A. Scientific evidence has established that natural gas combustion as well as leakage occurring during natural gas procurement, transportation, storage, and distribution produce significant greenhouse gas emissions that contribute to global warming and climate change.

B. The following addition to the Santa Cruz Municipal Code is reasonably necessary because of local climatic, geologic, and topographical conditions as listed below:

- (1) As a coastal city located on the Monterey Bay, Santa Cruz is vulnerable to sea level rise, and human activities releasing greenhouse gases into the atmosphere causing increases in worldwide average temperature, which contribute to melting of glaciers, melting of ice floes, and thermal expansion of ocean water resulting in rising sea levels, reduced earth albedo, and cryosphere loss.
- (2) Santa Cruz is already experiencing the repercussions of excessive greenhouse gas emissions as rising sea levels have threatened the city's shoreline, and have caused the city to expend funds to implement preliminary protective climate adaptation measures inasmuch as the city of Santa Cruz projects that by the end of the century nearly one billion dollars in property and infrastructure are exposed to the threats of coastal climate hazards.
- (3) Santa Cruz is situated along a wildland-urban interface (WUI) and is extremely vulnerable to wildfires and firestorms, and human activities releasing greenhouse gases into the atmosphere cause an increase in worldwide average temperature, seasonal wind, rain, and drought conditions, altered vegetative fuel, altered diurnal temperature and humidity, and length and intensity of fire seasons.
- (4) Santa Cruz is vulnerable to increased threat from new and newly mutated airborne, avian, insect, and rodent borne pathogens arising from altered temperature and humidity conditions in both the natural and built environment.
- (5) Structures in Santa Cruz are located along or near the San Andreas, Zayante-Vergeles, San Gregorio, and Monterey Bay-Tularcitos faults, which, collectively and individually, maintain the potential to produce serious damage, fires, and or explosions as a result of damage to natural gas infrastructure in buildings due to unforeseeable seismic activity.

C. The following addition to the Santa Cruz Municipal Code is also reasonably necessary because of health and safety concerns as Santa Cruz residents suffer from asthma and other health conditions associated with poor indoor and outdoor air quality exacerbated by the combustion of natural gas.

D. As described in the city of Santa Cruz Climate Action Plan (Resolution No. NS-28,564) and Santa Cruz Climate Emergency Declaration (Resolution No. NS-29,462) rapid, far-reaching and unprecedented changes in all aspects of society are required to limit global warming and the resulting environmental threat posed by climate change, including the prompt phasing out of natural gas as a fuel for heating and cooling infrastructure in new buildings.

E. Substitute electric heating and cooling infrastructure in new buildings fueled by less greenhouse gas intensive electricity is linked to significantly lower greenhouse gas emissions and is cost

competitive because of the aggregate cost savings associated with all electric designs that avoid new gas infrastructure and increasing natural gas fuel prices.

F. All-electric building design benefits the health, welfare, and resiliency of Santa Cruz and its residents.

G. The most cost-effective time to integrate electrical infrastructure is in the design phase of a building project because building systems and spaces can be designed to optimize the performance of electrical systems inasmuch as projects can take full advantage of avoided costs and space requirements from the elimination of natural gas piping and equipment venting systems.

H. The intent of this chapter is to eliminate natural gas infrastructure and associated greenhouse gas emissions in new buildings where all-electric infrastructure can be most practicably integrated, thereby reducing the environmental and health hazards produced by the consumption and transportation of natural gas.

(Ord. 2020-06 § 1 (part), 2020).

#### **6.100.020 APPLICABILITY.**

A. The requirements of this chapter apply to design permit applications submitted on or after the effective date of this chapter for all newly constructed buildings as defined in this chapter, proposed to be located in whole or in part within the city. The prohibition of natural gas infrastructure shall apply in perpetuity, unless a separate exemption applies pursuant to the provisions of the chapter.

B. The requirements of the chapter also apply to all building permit applications for newly constructed buildings not requiring a design permit when such building permit application is submitted one hundred twenty or more days following the effective date of this chapter for all newly constructed buildings proposed to be located in whole or in part within the city. Said applications must be deemed natural gas-free confirmed at submission with a declaration on the architectural drawings cover sheet: "Natural Gas-Free Design." The prohibition of natural gas infrastructure shall apply in perpetuity, unless a separate exemption applies pursuant to the provisions of the chapter.

C. The requirements of this chapter shall not apply to the use of portable propane appliances for outdoor cooking, refrigeration, and heating.

D. This chapter shall in no way be construed as amending California Energy Code requirements under California Code of Regulations, Title 24, Part 6, nor as requiring the use or installation of any specific appliance or system as a condition of approval.

E. The requirements of this chapter shall be incorporated into conditions of approval for design permits issued pursuant to Chapter [24.08](#).

(Ord. 2020-06 § 1 (part), 2020).

### **6.100.030 DEFINITIONS.**

A. "Applicant" shall mean an applicant for a building permit under Chapter [18.04](#) or a design permit under Chapter [24.08](#).

B. "Energy Code" shall mean the California Energy Code as adopted in Section 18.04.30.

C. "Greenhouse gas emissions" mean gases that trap heat in the atmosphere.

D. "Natural gas" shall have the same meaning as "fuel gas" as defined in California Plumbing Code and Mechanical Code.

E. "Natural gas infrastructure" shall be defined as fuel gas piping, other than service pipe, in or in connection with a building, structure or within the property lines of premises, extending from the point of delivery at the gas meter as specified in the California Mechanical Code and Plumbing Code.

F. "Newly constructed building" shall be defined as in the California Building Code Section 202 as: "a building that has never before been used or occupied for any purpose."

G. "Design permit" shall be defined as in Chapter [24.08](#).

H. "Restaurant" shall be defined as any newly constructed building with construction plans for a restaurant, commercial kitchen, or similar related occupancies with specified kitchen containing food cooking equipment, including stationary, outdoor kitchens.

I. "Facility employing industrial process heat" shall be defined as any newly constructed building including process equipment for sustained temperatures typically in excess of three hundred fifty degrees Fahrenheit for which the industrial process temperatures required are demonstrably not achievable with commercial electric equipment.

J. "New construction detached accessory dwelling unit" means any accessory dwelling unit that includes new construction, does not share a wall, ceiling or flooring with an existing residential structure, and which does not meet the definition and requirements for a conversion accessory dwelling unit in Section [24.16.125](#).

K. “Natural gas free confirmed” means any newly constructed building design utilizing no fuel gas as defined in California Plumbing Code and Mechanical Code.

(Ord. 2020-06 § 1 (part), 2020).

#### **6.100.040 PROHIBITED NATURAL GAS INFRASTRUCTURE IN NEWLY CONSTRUCTED BUILDINGS.**

A. Except as set forth in subsections (A)(1) and (A)(2) and Sections 6.100.50, 6.100.55, and 6.100.60, natural gas infrastructure shall be prohibited in newly constructed buildings.

1. Exception. Natural gas infrastructure may be permitted in a newly constructed building if the applicant establishes that it is not physically feasible to construct the building without natural gas infrastructure. For purposes of this exception, “physically feasible” to construct the building means either an all-electric prescriptive compliance approach is available for the building under the Energy Code or the building is able to achieve the performance compliance standards under the Energy Code using commercially available technology and an approved calculation method.

2. Exception. Newly constructed buildings are allowed to extend inactive natural gas infrastructure to commercial or industrial spaces that are anticipated to qualify for the exceptions contained in this chapter. The inactive natural gas infrastructure shall not be activated or otherwise used unless the exemptions specified in this chapter have been confirmed as part of the issuance of a building permit.

B. To the extent that natural gas infrastructure is permitted, it shall be permitted to extend to any system, device, or appliance within a building for which an equivalent all-electric system or design is not available.

C. Newly constructed buildings shall nonetheless be required at a minimum to have sufficient reserved circuit breakers and electrical conduit to facilitate future full building electrification as certified by affidavit of either a registered design professional or a licensed electrical contractor.

D. The requirements of this section shall be deemed objective planning standards under Government Code Section [65913.4](#) and objective development standards under Government Code Section [65589.5](#).

(Ord. 2020-06 § 1 (part), 2020).

#### **6.100.050 PUBLIC INTEREST EXEMPTION.**

A. Notwithstanding the requirements of this chapter and the greenhouse gas emissions and other public health and safety hazards associated with natural gas infrastructure, minimally necessary and

specifically tailored natural gas infrastructure may be allowed in a newly constructed building; provided, that the entitling or permitting body establishes that the use serves the public interest. In determining whether the construction of natural gas infrastructure is in the public interest, the city may consider:

1. The availability of alternative technologies or systems that do not use natural gas;
2. Any other impacts that the decision to allow natural gas infrastructure may have on the health, safety, or welfare of the public.

B. If the installation of natural gas infrastructure is granted under a public interest exemption, the newly constructed buildings shall nonetheless be required at the minimum to have sufficient reserved circuit breakers and electrical conduit to facilitate future full building electrification as certified by affidavit of either a registered design professional or a licensed electrical contractor.

(Ord. 2020-06 § 1 (part), 2020).

#### **6.100.055 REVOCABLE BUILDING AND INFRASTRUCTURE EXEMPTIONS.**

Notwithstanding the requirements of this chapter and the greenhouse gas emissions and other public health and safety hazards associated with natural gas infrastructure, minimally necessary and specifically tailored natural gas infrastructure shall be allowed in a new constructed building on a revocable basis limited to the duration of time during which one of the conditions set forth below is satisfied and the building continues occupancy as the original design specified in the construction drawings permitted by the city as a newly constructed building:

- A. Restaurant. A newly constructed building meeting the definition of restaurant in Section [6.100.030](#). The scope of the exemption extends to the preparation of food only, not HVAC or water heating appliances.
- B. Facility Employing Industrial Process Heat. A newly constructed building meeting the definition of facility employing industrial process heat in Section [6.100.030](#) as certified by affidavit of either a registered design professional or a licensed mechanical or electrical contractor. The scope of the exemption extends to process equipment only, not HVAC or water heating appliances.
- C. New construction detached accessory dwelling unit less than or equal to seven hundred fifty square feet on a parcel with an existing residential structure with existing natural gas infrastructure. A newly constructed building of less than or equal to seven hundred fifty square feet conditioned floor area which meets the definition of new construction detached accessory dwelling unit in Section [6.100.030](#) and will be constructed on a parcel with an existing residential structure with natural gas



infrastructure serving it at the time of permit application, where both the existing residential structure and natural gas infrastructure serving it shall remain intact at the time of receipt of certificate of occupancy for the same exempted new construction detached accessory dwelling unit less than or equal to seven hundred fifty square feet. The scope of the exemption extends to HVAC and water heating appliances. The scope of the exemption does not extend to indoor cooking appliances in order to provide uniform reduction in indoor air quality hazards across all residential newly constructed buildings.

(Ord. 2020-06 § 1 (part), 2020).

#### **6.100.057 REVOCATION OF NATURAL GAS INFRASTRUCTURE EXEMPTION.**

At such time as the conditions of the applicable revocable building and infrastructure exemption of Section [6.100.055](#) cease to be satisfied, the natural gas delivery infrastructure shall either be capped, otherwise terminated, or removed by the entity previously entitled to the exemption, in a manner pursuant to all applicable codes.

(Ord. 2020-06 § 1 (part), 2020).

#### **6.100.060 APPEALS.**

A. The decision on whether a building is exempt from the provisions of this chapter based on the use of the building for potential future uses, as specified in Section [6.100.040](#); for furthering the public interest, as specified in Section [6.100.050](#); for restaurant, as specified in Section [6.100.055](#)(A); or for new construction accessory dwelling unit less than or equal to seven hundred fifty square feet, as specified in Section [6.100.055](#)(C), is made by the zoning administrator without the need for a hearing and the decision is appealable to the planning commission.

B. The decision on whether a building is exempt from the provisions of this chapter based on physical feasibility in Section [6.100.040](#) or facility employing industrial process heat in Section [6.100.055](#)(B) is made by the chief building official and the decision is appealable to the building board of appeals.

(Ord. 2020-06 § 1 (part), 2020).

#### **6.100.070 SEVERABILITY.**

If any word, phrase, sentence, part, section, subsection, or other portion of this chapter, or any application thereof to any person or circumstance, is declared void, unconstitutional, or invalid for any reason, then such word, phrase, sentence, part, section, subsection, or other portion, or the prescribed application thereof, shall be severable, and the remaining provisions of this chapter, and all applications thereof, not having been declared void, unconstitutional or invalid, shall remain in full force and effect. The city council hereby declares that it would have passed this title, and each

section, subsection, sentence, clause and phrase of this chapter, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases are declared invalid or unconstitutional.

(Ord. 2020-06 § 1 (part), 2020).

### **6.100.080 EFFECTIVE DATE.**

- A. The provisions of this chapter shall become effective on July 1, 2020.
- B. The ordinance codified in this chapter shall be submitted to the California Building Standards Commission following adoption as consistent with state law.

(Ord. 2020-06 § 1 (part), 2020).

### **6.100.090 VIOLATIONS.**

**Violation Penalties.** Persons who shall violate a provision of this code or shall fail to comply with any of the requirements thereof or install, alter, repair or do work in violation of the approved construction documents or of a permit or certificate issued under provisions of this chapter shall be guilty of an infraction.

Acts denominated as infractions shall not be punishable by imprisonment. Every violation determined to be an infraction is punishable by:

1. A fine not exceeding one hundred dollars for a first violation and discontinuance of fuel gas service;
2. A fine not exceeding two hundred dollars for a second violation of the same provision of this code within one year and discontinuance of fuel gas service;
3. A fine not exceeding five hundred dollars for each additional violation of the same provision of this code within one year and discontinuance of fuel gas service.

A person charged with an infraction shall not be entitled to a trial by jury. A judgment that a person convicted of an infraction be punished by fine may also provide for the payment to be made within a specified time or in specified installments, contingent upon the person giving his or her written promise to pay the fine as provided. Any person who willfully violates any such written promise is guilty of a misdemeanor. Each day that a violation continues after due notice has been served shall be deemed a separate offense. Nothing contained herein shall be deemed to limit the city's authority to enforce the provisions of this chapter pursuant to any other authority specified in the municipal code, or any other applicable state law.

(Ord. 2020-06 § 1 (part), 2020).

**6.100.100 ADDITIONAL REMEDIES.**

In addition to criminal prosecution pursuant to Section [6.100.090](#) any person, firm, or corporation violating any provisions of this chapter shall be subject to the remedies provided in Title [4](#) or alternatively delineated in the Santa Cruz County superior court uniform bail and penalty schedule for the city of Santa Cruz.

(Ord. 2020-06 § 1 (part), 2020).

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The Santa Cruz Municipal Code is current through Ordinance 2023-05, passed March 28, 2023.

Disclaimer: The city clerk's office has the official version of the Santa Cruz Municipal Code. Users should contact the city clerk's office for ordinances passed subsequent to the ordinance cited above.

City Website: <https://www.cityofsantacruz.com/>

City Telephone: (831) 420-5030

[Code Publishing Company](#)



## CITY COUNCIL AGENDA REPORT

DATE: March 8, 2020

AGENDA OF: March 24, 2020

DEPARTMENT: City Manager's Office and Planning and Community Development Department

SUBJECT: Building Electrification through Prohibitions on Use of Natural Gas in Newly Constructed Buildings (CM/PL)

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RECOMMENDATION: Introduce for publication an ordinance adding a new Chapter 6.100 to the Santa Cruz Municipal Code Prohibiting Natural Gas Infrastructure in New Buildings.

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BACKGROUND: The State of California has set ambitious renewable energy targets for new construction -- it aims to achieve zero-net-energy (ZNE) for all new residential buildings by 2020 and for all nonresidential buildings (including >3 stories residential) by 2030. One of the State's policy mechanisms is to include energy efficiency and renewable energy requirements in the energy code, which is part of the State building code and must be adopted and enforced by local agencies.

While the requirements of the 2019 version of the code (effective on January 1, 2020) move in the direction of ZNE performance, opportunities exist to achieve greater energy savings and accelerate decarbonization which include: prohibiting natural gas and improving building energy efficiency and renewable generation standards.

The term "Building Electrification" refers to the construction of new buildings or retrofit of existing buildings to utilize electric powered building systems and/or appliances and transition away from the use of natural gas powered building systems and/or appliances. Because electricity procured by Monterey Bay Community Power (MBCP) for over 97% of the region and city's customers is considered carbon free (i.e., renewable energy and hydropower), the conversion away from natural gas powered built environment features to electric has the potential to drastically reduce greenhouse gas (GHG) emissions. In its recent Electrification Strategic Plan, MBCP indicates that considering all vehicle and built environment emissions, 18% of those emissions are a result of residential and commercial space conditioning, water heating and food preparation. It is the emissions related to a building's systems that require natural gas combustion as well as leakage occurring during natural gas procurement, transportation, storage, and distribution that this ordinance is addressing.

In addition, advances in electric heat pumps and other electrical equipment are yielding much higher overall efficiencies than their natural gas counterparts. Electric heat pumps, unlike traditional electric resistance heaters, do not generate heat, but concentrate and transfer it for end

uses such as space conditioning and water heating. This process uses less primary energy and emits much less carbon, particularly when it is powered by renewable energy.

Many forms of renewable energy cannot be readily dispatched; that is, they cannot be ramped up to match demand on a real-time basis. However, energy storage and load shifting technologies, combined with dynamic electricity pricing structures are helping overcome these limitations. Batteries, smart buildings and financial incentives enable alignment of the consumer demand and supply from intermittent renewable sources such as solar and wind.

Other co-benefits include potential developer and building occupant cost savings, improvement of indoor air quality due to elimination of chemicals produced through indoor fuel combustion, and a decrease in public safety risks associated with leaking legacy natural gas infrastructure between the point of extraction and entry to homes that has been the source of catastrophic explosions throughout California and the US.

In 2018, former Governor Jerry Brown issued executive order B-55-18, pledging that the California economy will be carbon neutral by 2045. Assembly Bill 3232 also requires the California Energy Commission (CEC) to create a plan by 2021 to reduce building sector emissions by 40 percent below 1990 levels by 2030. These political developments, along with the ever-increasingly present climate emergency, foreshadow the likelihood of future state and federal emissions regulations that will impact the gas sector. It is certainly possible that California's carbon-intensive natural gas system will have to be decommissioned, all new buildings will have to be emissions-free, and existing buildings will need retrofitting.

The City's current Climate Action Plan (2012) sunsets in 2020, and while it did not specifically call out building electrification as a strategy (the Plan predates the building electrification concept and trend), it did recognize that the launch of a community choice energy program, i.e., MBCP, would result in significant GHG emissions reduction related to electricity consumption. According to the 2015 GHG emissions inventory for the community, approximately 224,000 metric tons of carbon dioxide equivalent (MT CO<sub>2</sub>e) were emitted to the atmosphere over the course of that year. The Plan's community-wide GHG emissions reduction targets specifies a 30% reduction by 2020 and an 80% reduction by 2050 (as compared to 1990 levels). Through the launch of MBCP in 2018, the City was able to achieve its 2020 target a year early.

Progress in the City towards lowering emissions in new buildings has been encouraging but is still incremental and gains can be largely attributed to the City's Green Building Program. To date, the federal, state and local approach to energy use in new buildings has largely been to mandate greater building efficiency and energy conservation, which indirectly results in lower emissions, but does not directly phase out fossil fuel consumption in new buildings. Santa Cruz will be embarking upon a Climate and Energy Action Plan 2030 process in July, 2020 that will focus on transformational emission reduction strategies to complement those implemented to date.

City Council adopted a Climate Emergency Resolution in 2018 and a Green New Deal Resolution in 2019 aiming to accelerate action on aggressive carbon drawdown in the City of Santa Cruz. In support of these resolutions, in the fall of 2019, City Council directed staff to explore options for Building Electrification policies and bring back options for City Council to consider. A second part of the direction was to align the timeline of adoption of Building Electrification Reach Codes with MBCP's rollout of city and developer support incentives to ease regional transition to an electrified built environment. It is expected those incentives will

be available in the second quarter of calendar year 2020.

City staff brought two options to City Council for consideration at a City Council Building Electrification Study Session on February 18, 2020. City Council directed staff to proceed with Option A: A Natural Gas Prohibition (with limited exemptions). Staff invited members of the Planning Commission and other stakeholders to attend the study session. Staff also brought the Building Electrification item to the Planning Commission at its March 5, 2020 meeting for a courtesy referral. The Planning Commission was generally supportive of the proposed ordinance and provided valuable feedback on a draft of the ordinance. In accordance with City Council's direction and incorporating Planning Commission's feedback, staff prepared a new Chapter 6.100 of the Santa Cruz Municipal Code prohibiting natural gas infrastructure in new buildings effective July 1, 2020. Attachment 1 to this report is the clean version of the proposed ordinance, while Attachment 2 shows the changes that have been made by staff following the publication of the working draft ordinance that was considered by the Planning Commission.

**DISCUSSION:** Every three years, cities and counties across the state can adopt local reach codes in line with the new Building Standards Code (Standards) or Title 24 of the California Code of Regulations. Cities and counties may adopt building codes more advanced than those required by the state, which are known as reach codes. This ordinance differs from the “reach code” approach in that it leverages the City’s authority under the California Constitution to prohibit installation of hazardous internal gas piping infrastructure when granting permits for new buildings and, as a result, avoids regulations requiring a cost effectiveness study and California Energy Commission (CEC) approval to amend energy efficiency standards (i.e., via “reach codes”). It also does so without impinging on the California Public Utility Commission’s (CPUC’s) jurisdiction, whose gas regulatory authority ends at the building’s gas meter, or point of delivery from within any given property.<sup>1</sup>

The effect of this legislation will be that builders will be prohibited from applying for permits for land uses that include gas infrastructure—gas piping to heat water, space, food, etc. with limited exemptions. Exemptions to the ordinance include the allowable use of natural gas only for food preparation (but not space conditioning or water heating) in restaurants and for space conditioning and water heating (but not food preparation) in accessory dwelling units (ADUs) ≤ 750 square feet in area, for industrial process heat applications, and where the project without natural gas is not in the public interest or is not feasible.

The basic scope of the ordinance is similar to the approach other local governments have adopted, e.g., the Cities of Berkeley, Alameda, Carlsbad, Morgan Hill, San Francisco and San Jose. The following outreach has been conducted in support of the building electrification policy exploration and adoption efforts:

- Developer’s Roundtable 1 (September 25, 2019)
- Community Workshop 1: Building Electrification 101 (February 4, 2020)

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<sup>1</sup> Although the legislature empowered the Commission to “require each gas corporation to provide bundled basic gas service to all core customers in its service territory,” it did not require customers to install fuel gas piping in or in connection with a building, structure or within the property lines of premises behind the gas meter. *See* California Code, Public Utilities Code - PUC § 963, [https://leginfo.legislature.ca.gov/faces/codes\\_displayText.xhtml?lawCode=PUC&division=1.&title=&part=1.&chapter=4.5.&article=2](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=PUC&division=1.&title=&part=1.&chapter=4.5.&article=2).

- City Council Study Session (February 18, 2020)
- Developer’s Roundtable 2 (February 26, 2020)
- Community Workshop 2: Policies (February 27, 2020)
- Electrification Coffee Talks with Trades, Vendors, Designer and Builders (Tuesdays between Feb. 11 – March 10 from 8:30 – 9:30 am)
- Upcoming: Electrification Expo at Earth Day (April 18, 2020)
- Upcoming: Local Celebrity Chef Induction Cooktop Cookoff (August, 2020)

**Ordinance Language**

Full text of the draft ordinance is available in attached document titled Chapter 6.100 Prohibition of Natural Gas Infrastructure in Newly Constructed Buildings (Chapter). The requirements apply to Design Permit and Planning Development Permit applications submitted on or after the effective date of the Chapter for all Newly Constructed Buildings, as defined in the ordinance, proposed to be located in whole or in part within the City. The requirements of the Chapter apply to all Building Permit applications for Newly Constructed Buildings not requiring any of the planning applications cited above.

There are three categories of exemptions to Chapter proposed:

(1) Prohibited Natural Gas Infrastructure in Newly Constructed Buildings - Natural Gas Infrastructure may be permitted in a Newly Constructed Building if the Applicant establishes that it is not physically feasible to construct the building without Natural Gas Infrastructure.

(2) Public Interest Exemption - Minimally necessary and specifically tailored natural gas infrastructure may be allowed in a Newly Constructed Building provided that the use serves the public interest. However, Newly Constructed Buildings under this exemption will be required at the minimum to have sufficient electric capacity, wiring and conduit to facilitate future full building electrification.

(3) Revocable Building and Infrastructure Exemptions - Minimally necessary and specifically tailored Natural Gas Infrastructure may be allowed in the following Newly Constructed Buildings on a revocable basis:

- (a) Restaurant - The scope of the exemption extends to the preparation of food only, not HVAC, or water heating appliances.
- (b) Facility Employing Industrial Process Heat - The scope of the exemption extends to process equipment only, not HVAC or water heating appliances.
- (c) Facility Infeasible Due to Site Conditions - The scope of the exemption extends to HVAC and water heating appliances. Under the condition of this exemption manufactured liquid petroleum is allowed in compliance with all applicable state and local building and fire codes.
- (d) New Construction Accessory Dwelling Unit  $\leq 750$  Square Feet - The scope of the exemption extends to HVAC and water heating appliances. The scope of the exemption does not extend to indoor cooking appliances. Several considerations were made in developing the ADU exemption @  $\leq 750$  square feet. They include:

- ADUs are challenged to comply with basic requirements of 2019 Energy Code. A 700-square-foot (SF) ADU which one of our local energy analysts modeled under 2019 Energy Code was unable to comply with basic requirements without incorporating either Quality Insulation Installation or a Heat Recover Ventilator.
- The 2019 CECS Low Rise Residential Cost Effectiveness Study demonstrated that a suite of envelope and appliance incremental costs saved more money on utility bills than their installation and maintenance costs over a 30 year period for the 2100 SF/2700 SF CEC prototype structures. Those incremental costs would not scale lower for the smaller conditioned floor area of a typical ADU, e.g. of 400 SF. This would increase the payback period required to demonstrate ADU cost effectiveness.
- In the case of an ADU, it is the only type of Newly Constructed Buildings where another structure already exists on the parcel which is highly likely to have Natural Gas service, thus the avoided costs for a new gas lateral and meter (~\$16K) is likely reduced to the amount required only for extension of existing Natural Gas service (~\$6-8K).
- ADUs incur impact fees including school fees beginning at  $\leq 750$  SF, so the ADU exemption correlates with that.

The decision on whether a building is exempt from the provisions of this Chapter based on the *use* of the building is made by the Zoning Administrator and the decision is appealable to the Planning Commission. The decision on whether a building is exempt from the provisions of this Chapter based on feasibility is made by the Building Official and the decision is appealable to the Building Board of Appeals.

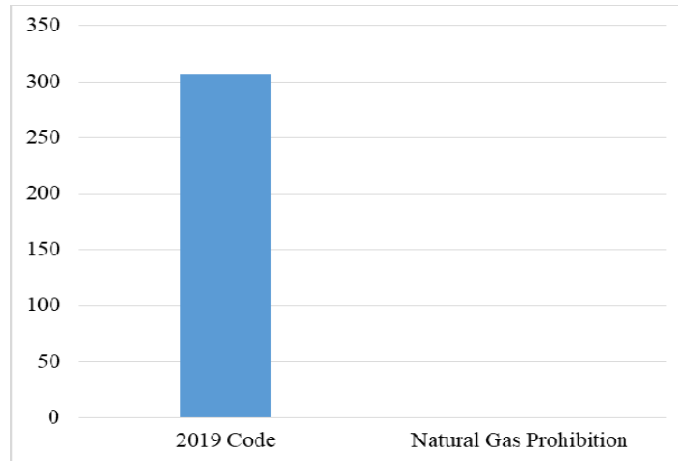
### **Environmental Impacts**

Gas-related emissions have increased because of population and job growth as well as the multi-decade useful life of natural gas appliances. Based on estimates from the Planning and Community Development Department, approximately 600 dwelling units could be built between 2020 and 2024. Without the proposed ordinance prohibiting natural gas in new construction, these 600 units, along with any other future units utilizing natural gas, will be “locked into” decades of additional carbon pollution and stands to continue doing so with each new building permit approval.

With the adoption of the proposed ordinance prohibiting natural gas in new construction, GHG emissions related to energy consumption in these new buildings will be zero. Table 1 compares GHG emissions projected for these 600 dwelling units under the current 2019 California Energy Code and under a new natural gas prohibition. There is an annual reduction of over 300 metric tons of carbon dioxide equivalent (MT CO<sub>2</sub>e). With annual turnover of building stock at about 1%, the emissions avoided will compound annually over time.

Table 1: Projected GHG emissions from 2024 onward of 600 dwelling units built between 2020 and 2024 (MTCO<sub>2</sub>e)





This ordinance recognizes that all-electric heating technologies are cost-competitive substitutes to their natural gas counterparts especially when installed during new construction. If adopted, the natural gas prohibition new construction will usher in all-electric new buildings, avoiding significant new GHG emissions and allowing the City to focus its climate action efforts and resources on other critical sources of emissions such as existing buildings and transportation.

### **Economic Impacts**

All-electric buildings are generally cheaper to build due to the elimination of running expensive gas plumbing to the building. These lower first costs generally make all-electric construction more cost-effective on a life-cycle basis. This is particularly true for low-rise residential buildings, where it is also often increasingly more cost-effective for the owner to exceed the code by improving efficiency and adding solar. In fact, if one invests the savings from the gas infrastructure in additional PV capacity to offset more of the electricity load, in many cases the building is cost-effective for the owner and society from day one, meaning the building is both less expensive to build and cheaper to operate.

Building electrification is a key part of MBCP’s Electrification Strategy. MBCP will soon be offering all-electric building grants to incentivize developers to build new, all-electric multi-unit dwellings and electrification rebates to upgrade homes with electric water heating, home electric vehicle chargers and electrical panel upgrades. While the amounts and bases for these incentives are unknown, MBCP indicates these incentives will be available in the second quarter of calendar year 2020.

As new, all-electric buildings come online as a result of this ordinance and broader trends in the economy, new jobs specializing in green building will continue emerge. In 2017, nationwide jobs in the clean energy sector eclipsed the fossil fuel industry, despite record fossil fuel exploration and recovery.<sup>2</sup> While certain trades such as electricians will see an expansion in demand for services as a result of prohibiting natural gas infrastructure in new buildings, other trades may see a decrease in work as gas infrastructure is phased out.

### **Legal Case for Natural Gas Prohibition**

Under the California Constitution, cities retain police powers to adopt building standards

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<sup>2</sup> Lara Ettenson, “U.S. Clean Energy Jobs Surpass Fossil Fuel Employment,” NRDC, February 01, 2017, <https://www.nrdc.org/experts/lara-ettenson/us-clean-energy-jobs-surpass-fossil-fuel-employment>.

that provide for their community’s health, safety and welfare.<sup>3</sup> This ordinance makes a series of climatic, geologic and health and safety findings. The City Attorney’s office has reviewed the ordinance for legality. In addition, the City Attorney’s office has reviewed the City’s franchise agreements with the Pacific Gas & Electric Company.

**ENVIRONMENTAL DETERMINATION:** In accordance with California Environmental Quality Act (CEQA) Guidelines section 15061(b)(3), the Council’s ultimate action on this item is covered by the common sense exemption that CEQA applies only to projects that have the potential to create a significant effect on the environment. As detailed in this report, the ordinance would require installation of less infrastructure and would reduce GHG emissions. Thus, it would not have a significant effect on the environment. The Council’s ultimate action is also exempt from CEQA under the categorical exemption in Section 15308 of the CEQA Guidelines in that the proposed ordinance would institute regulatory requirements intended to protect the environment.

**FISCAL IMPACT:** The ordinance would not directly affect the fiscal conditions of the City; however, it would have some implications for staff review time. It is anticipated there will be a modest decrease in Planning and Community Development Department staff time related to plan check review, inspection and permitting. It is anticipated that the Current Planning division will experience a slight increase in staff time on some applications due to the need to discuss the requirements and review the location and screening of electric transformers, some of which may be larger than they otherwise would without the natural gas ban. It is anticipated that there will be a moderate decrease in staff time related to building field inspections as the gas piping field inspection will be eliminated. It is anticipated that there will be no net new staff time related to building plan check as the time eliminated from plan check of gas piping sizing is offset by an increase in electric service and distribution plan check.

The City will also likely be eligible for an incentive for adopting the natural gas prohibition ordinance from MBCP. While the amount and basis for this incentive is unknown, MBCP indicates it will be available in the second quarter of calendar year 2020.

Prepared by:  
Tiffany Wise-West  
Sustainability and  
Climate Action  
Manager

and

Kurt Hurley  
Green Building  
Specialist

Submitted by:  
Lee Butler  
Director of Planning &  
Community Development

Approved by:  
Martin Bernal  
City Manager

---

<sup>3</sup> Article XI, Sec. 7. of the CA Constitution reads: “A county or city may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws.”

ATTACHMENTS:

Ordinance (clean version)

Ordinance (redline version)

Public Correspondence



## City Council AGENDA REPORT

**DATE:** 05/29/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Parks and Recreation

**SUBJECT:** Award Contract for Case 570N EP 4WD Tractor Loader Scraper – Budget Adjustment (PR)

---

**RECOMMENDATION:** Motion to:

- 1) Award a contract for the purchase of one new Case 570N EP 4WD Tractor Loader Scraper from Sonray Machinery (Salinas, CA) in the amount of \$114,437.70, not to exceed \$150,000 in the event of inflationary increases; and
  - 2) Adopt a resolution amending the FY 2023 budget in the amount of \$114,437.70 to facilitate the purchase of a new Case 570N EP 4WD Tractor Loader Scraper from Sonray Machinery (Salinas, CA).
- 

**BACKGROUND:** The Parks and Recreation Department currently relies on a 1997 New Holland Ford 545D tractor for moving materials, grading sites, flail mowing, and performing other heavy work. This machine has had frequent mechanical issues costing thousands of dollars a year to repair. It also has a Tier 1 engine, under federal emission regulation standards. In order to comply with the California Air Resources Board's Regulation for In-Use Off-Road Diesel-Fueled Fleets, the City is phasing out Tier 1 engines by the end of 2023.

**DISCUSSION:** Replacing this tractor will allow the Parks and Recreation Department to continue to perform essential duties without relying on rented equipment or contractors.

The Case 570N EP tractor has a Tier 4 engine, meaning it complies with the latest Environmental Protection Agency regulations and uses advanced emission control technologies.

Section 3.08.170 of the Municipal Ordinance allows the City to use cooperative purchasing agreements. The City is one of over 50,000 member agencies of Sourcewell. Sourcewell conducts national competitive solicitations for common products and is able to obtain greater discounts than the City could obtain on its own. The quote for the Case 570N EP applies a Sourcewell discount of \$33,293.68 to the purchase price.

**FISCAL IMPACT:** The Parks and Recreation Department has a remaining \$37,802 in its FY 2023 capital budget, and will reallocate unused funds from from its FY 2023 temporary personnel budget to provide the remaining funds.

**Prepared By:**  
Travis Beck  
Superintendent of Parks

**Submitted By:**  
Tony Elliot  
Parks & Recreation Director

**Approved By:**  
Matt Huffaker  
City Manager

**ATTACHMENTS:**

1. EQUIPMENT QUOTE.PDF
2. BUDGET ADJUSTMENT.PDF



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[www.SonsrayMachinery.com](http://www.SonsrayMachinery.com)

Ship To: Salinas Store  
 1081 Harkins Road  
 Salinas CA 93901  
 Invoice To: CITY OF SANTA CRUZ  
 1125 RIVER STREET  
 SANTA CRUZ CA 950601710

Salinas  
 April 28, 2023  
 BP0017842

mgonzales-0065  
 8314205509  
 Purchase Order:

Sales Person: Marcus Gonzales

Attention: STEVE GOMEZ

**EQUIPMENT QUOTE/SALES ORDER**

CASE 570N EP 4WD T4 FINAL Serial #: NPC777390 Stock #: EQ0056949 \$85,612.32

\*\*\*SOURCEWELL DISCOUNT 570NEP LIST PRICE \$118,906--- 28% DISCOUNT = \$85,612.32\*\*\*

NEW CASE MODEL 570N EP 4WD TRACTOR LOADER SCRAPER  
 REAR EQUIPMENT, THREE POINT HITCH  
 TIRES FRONT WHEELS 12X16.5, 10PR LUG TREAD  
 REAR WHEELS 19.5LX24, 10PR STD  
 LOADER LDR PERFORMANCE PKG RC & CS & 3SPL PKG  
 ROLLOVER PROTECTIVE STRUCTURES CANOPY, ROPS  
 OPERATOR'S SEAT - MECH SUSP, VINYL, W/ ARMRESTS  
 COLD START/BATTERIES- COLD START DUAL BATTERY  
 LIGHTS- STANDARD LIGHTS  
 TRANSPORT PROTECTION STANDARD  
 3-POINT HITCH EQUIPMENT DUAL TILT W/HOLDING VALVE  
 PLUG IN WEIGHT -ADDITIONAL REAR COUNTERWEIGHT  
 4WD DRIVE SHAFT GUARD  
 ENGINE BLOCK HEATER  
 FRONT VALVE FOR LOADER-AUX. HYDRAULICS & CONTROLS  
 RIDE CONTROL  
 STEERING OPTION- COMFORT STEER

\*\*\* MACHINE QUOTED IS SUBJECT TO AVAILABILITY \*\*\*

\*\*\*\* INTEREST RATE QUOTED IS BASED ON CURRENT RATES. INTEREST RATE IS SUBJECT TO CHANGE, BASED ON THE FINANCIAL INSTITUTION \*\*\*\*

\*\*\*Quote Expires 04/30/2023 \*\*\*Financing Available on Approved Credit (OAC) \*\*\*Unit Based on Availability

\*\*\* QUOTED PRICE IS NOT GUARANTEED, AND SUBJECT TO MANUFACTURER'S PRICE INCREASES, INCLUDING ANY ADDITIONAL SURCHARGES \*\*\*

SONSRAY SIGNATURE SERVICE – A commitment to providing excellent service and care when you purchase a new piece of equipment from Sonsray Machinery.

BOX SCRAPER	\$8,050.75
4-IN-1 BUCKET	\$6,175.26
FACTORY FREIGHT	\$3,200.00

**NOTICE TO PURCHASER**

Caution. Do not sign this contract before you thoroughly read both pages 1 and 2 of it or if it contains blank spaces, even if otherwise advised.

You are entitled to an exact and completely filled in copy of this Sales Order when you sign it. Keep it to protect your legal rights.

Store Manager signature required for final acceptance of Sales Order.

**THIS AGREEMENT IS SUBJECT TO THE ADDITIONAL TERMS AND CONDITIONS ON THE REVERSE SIDE. CUSTOMER HAS HAD THE OPPORTUNITY TO READ THE TERMS OF THIS AGREEMENT PRIOR TO SIGNING.**

Purchaser's Signature \_\_\_\_\_  
 Print Name TRAVIS BECK

Sales Consultant  \_\_\_\_\_  
 Date \_\_\_\_\_ Accepted By \_\_\_\_\_

Date 5/19/2023  
 Date \_\_\_\_\_

PPP-Premier 36/3000 (\$0 Deductible)	\$1,765.33
Quoted Price	\$104,803.66
Sales Tax 9.25 %	\$9,235.04
Processing Fee	\$ 399.00
Cash Due or Finance Amount	\$114,437.70

# City of Santa Cruz BUDGET ADJUSTMENT REQUEST

Clear Form

- Administrative Approval  
 Council Approval

Fiscal Year: 2023

Date: 05/29/2023

Reso #:

Purpose: Moving department funds to facilitate the purchase of a new Case 570N EP 4WD Tractor Loader Scraper from Sonsray Machinery (Salinas, CA) in the amount of \$114,437.70.

ACCOUNT	PROJECT	PROJECT NAME (if applicable) OR REVENUE ACCOUNT TITLE	AMOUNT
<b>TOTAL REVENUE</b>			0

ACCOUNT	PROJECT	PROJECT NAME (if applicable) OR EXPENDITURE ACCOUNT TITLE	AMOUNT
101-30-41-3120-51122		Temporary	-76,636
101-30-40-3101-57490		Other machinery and equipment	-37,802
101-30-41-3107-57490		Other machinery and equipment	114,438
<b>TOTAL EXPENDITURE</b>			0

**NET: \$** 0

REQUESTED BY	DEPARTMENT HEAD APPROVAL	BUDGET/ACCOUNTING REVIEWED	FINANCE DIRECTOR APPROVAL	CITY MANAGER APPROVAL
Lindsay Bass <small>Digitally signed by Lindsay Bass DN: cn=Lindsay Bass, o=City of Santa Cruz, ou=Public &amp; Recreation Administration, email=l.bass@cityofsantacruz.com, c=US Date: 2023.05.29 14:42:52 -0700</small>	Anthony Elliot <small>Digitally signed by Anthony Elliot Date: 2023.05.30 17:35:10 -07'00'</small>	Tracy Cole <small>Digitally signed by Tracy Cole DN: cn=Tracy Cole, o=City of Santa Cruz, ou=Finance, email=trcolet@cityofsantacruz.com, c=US Date: 2023.06.01 13:35:03 -0700</small>	Elizabeth Cabell <small>Digitally signed by Elizabeth Cabell DN: cn=Elizabeth Cabell, o=City of Santa Cruz, ou=Finance Department, email=ecabell@cityofsantacruz.com, c=US Date: 2023.05.31 12:32:41 -0700</small>	





## City Council AGENDA REPORT

**DATE:** 06/01/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Public Works

**SUBJECT:** FY 2024 Funding for Senate Bill 1 Road Maintenance and Rehabilitation Account (RMRA) (PW)

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**RECOMMENDATION:** Resolution approving the FY 2024 allocation of SB 1 Road Maintenance and Rehabilitation Account funds and authorizing the City Manager to submit the project list to the California Transportation Commission.

---

**BACKGROUND:** Senate Bill (SB) 1, the Road Repair and Accountability Act, was enacted by the legislature and approved by the governor in April 2017. SB 1 provides the first significant, stable, and on-going increase in state transportation funding in more than two decades. Formula funds are provided to cities in Santa Cruz County, the County of Santa Cruz, Santa Cruz Metro, the Regional Transportation Commission and Caltrans. Guidelines for the use of the different funding categories have been developed and made available to cities and counties on a competitive basis.

SB 1 will generate \$1.5 billion per year to cities and counties statewide and will be distributed based on existing gas tax formulas. Cities and counties are expected to prioritize basic road maintenance and rehabilitation projects for these funds, though other projects are also eligible. They must meet California Constitution Article XIX and other statutory requirements. The California Transportation Commission (CTC) is responsible for monitoring fund allocation and expenditure.

**DISCUSSION:** Based on the CTC approved guidelines, cities and counties are required to adopt a resolution and submit a list of projects annually to the CTC by July 15 to the RMRA program and it must reflect how the agency intends to use the SB1 funds. The RMRA is estimated to provide an additional \$1,600,166 in gas tax funds to the City of Santa Cruz (City) next fiscal year. Public Works has developed a project list based on the need to fund gas tax eligible projects developed during the FY 2024 Capital Investment Program (CIP) process. Public Works intends to focus the use of RMRA funds on road rehabilitation.

SB 1 also stabilizes the State Transportation Improvement Program (STIP) and State Highway Operation and Protection programs (SHOPP) that will benefit local transportation programs and projects. It also funds several competitive programs such as the Active Transportation Program (ATP), Transit and Intercity Rail Capital Program (TIRCP), Solutions for Congested Corridors, Local-State Partnership Program and Caltrans' planning grants. Council approved grant

submissions for the Active Transportation Program, State Local Partnership Program and Caltrans planning grants in the past.

**FISCAL IMPACT:** SB 1 has a positive impact to the City’s transportation and maintenance budget by providing an estimated \$1,600,166 in new gas tax revenue to the FY 2022 CIP. Additionally, other SB 1 programs will fund important transportation projects in the City and region.

**Prepared By:**  
Joshua Spangrud  
Senior Professional Engineer

**Submitted By:**  
Nathan Nguyen, P.E.  
Director of Public Works

**Approved By:**  
Matt Huffaker  
City Manager

**ATTACHMENTS:**

1. RESOLUTION.DOC
2. CSC SB1 PROJECT LIST – FY 2024.DOCX

RESOLUTION NO. NS-

RESOLUTION OF THE CITY OF SANTA CRUZ ADOPTING  
THE FY 2024 LIST OF PROJECTS FUNDED BY  
SB 1: THE ROAD REPAIR AND ACCOUNTABILITY ACT

**WHEREAS**, Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017 (Chapter 5, Statutes of 2017) was passed by the Legislature and Signed into law by the Governor in April 2017 in order to address the significant multi-modal transportation funding shortfalls statewide; and

**WHEREAS**, SB 1 includes accountability and transparency provisions that will ensure the residents of the City of Santa Cruz are aware of the projects proposed for funding in our community and which projects have been completed each fiscal year; and

**WHEREAS**, the City of Santa Cruz must adopt a list of all projects proposed to receive funding from the Road Maintenance and Rehabilitation Account (RMRA), created by SB 1 by resolution, which must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement; and

**WHEREAS**, the City of Santa Cruz will receive an estimated \$1,600,166 in RMRA funding in Fiscal Year 2024 from SB 1; and

**WHEREAS**, the City of Santa Cruz has undergone a thorough public process to ensure public input into our community's transportation and infrastructure priorities through consideration of the City's Capital Improvement program at public meetings before the Transportation and Public Works Commission and, the City Council, and through social media; and

**WHEREAS**, the City of Santa Cruz uses a variety of tools to develop the Capital Investment Program, such as a Pavement Management System, operational resources and public input to develop the SB 1 projects to ensure revenues are being used on the most high-priority and cost-effective projects that also meet the communities priorities for transportation investment; and

**WHEREAS**, the FY 2024 funding from SB 1 will help the City of Santa Cruz maintain, rehabilitate and restore the city's infrastructure including street storm drains and catch basins citywide to prevent flooding, storm damage repair projects, rehabilitate arterial streets that include pedestrian and bicycle systems improvements that improve

access and safety in Santa Cruz in FY2024; and that SB 1 will fund many similar and larger projects into the future; and

**WHEREAS**, the 2018 California Statewide Local Streets and Roads Needs Assessment found that the City of Santa Cruz's streets and roads are in a "Good" condition with a current average PCI of 62 and this revenue will help us increase the overall quality of our road system and over the next decade will bring our streets and roads into a "Very Good" condition, PCI goal of over 70 as well as repair other deficiencies and improve our multi-modal transportation system; and

**WHEREAS**, without revenue from SB 1, the City of Santa Cruz, would otherwise fall further behind in maintaining our street infrastructure, not be able to reduce flooding impacts, and limit our ability to improve access and safety for our community; and

**WHEREAS**, if the Legislature and Governor failed to act, city streets and county roads would have continued to deteriorate, having many and varied negative impacts on our community; and

**WHEREAS**, cities and counties own and operate more than 81 percent of streets and roads in California, and from the moment we open our front door to drive to work, bike to school, or walk to the bus station, people are dependent upon a safe, reliable local transportation network; and

**WHEREAS**, modernizing the local street and road system provides well-paying construction jobs and boosts local economies; and

**WHEREAS**, the local street and road system is also critical for farm to market needs, interconnectivity, multimodal needs, and commerce; and

**WHEREAS**, police, fire, and emergency medical services all need safe reliable roads to react quickly to emergency calls and a few minutes of delay can be a matter of life and death; and

**WHEREAS**, maintaining and preserving the local street and road system in good condition will reduce drive times and traffic congestion, improve bicycle safety, and make the pedestrian experience safer and more appealing, which leads to reduce vehicle emissions helping the City and State achieve its air quality and greenhouse gas emissions reductions goals; and

**WHEREAS**, the SB 1 project list and overall investment in our local streets and roads infrastructure with a focus on maintenance and safety, investing in complete streets infrastructure, and using appropriate technology, materials and practices, will have significant positive co-benefits in and for our community.

NOW THEREFORE BE IT RESOLVED by the City Council of the City of Santa Cruz that the:

1. The foregoing recitals are true and correct.
2. The City of Santa Cruz is adopting the SB 1 Road Maintenance and Rehabilitation Account (RMRA) Project List for FY 2024.

Passed and adopted this 13th day of June, 2023, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Mayor

ATTEST: \_\_\_\_\_  
City Clerk Administrator

**City of Santa Cruz**  
 (To City Council for approval June 13, 2023)

**Road Maintenance and Rehabilitation Account (RMRA) Project List (SB1) – FY 2024**

**Total Project Costs: \$2,500,000**

**Total RMRA Funds: \$1,600,166**

<b>Project Type</b>	<b>Project Name</b>	<b>Total Project Est. Cost</b>	<b>SB 1 Portion</b>	<b>Estimated Project Start Date</b>	<b>Estimated Project Completion Date</b>	<b>Community Benefit Summary</b>
Pavement, Sidewalk and Access Ramps	Arterial, Collector and Street Reconstruction	\$2,500,000	\$1,600,166	07/01/23	06/30/24	Improve multimodal road conditions for all users including accessibility.

Specific Project Locations:

- Riverside Avenue from Third Street to Beach Street
- San Lorenzo Boulevard from Broadway to Jesse Street
- Bay Street from Railroad Tracks to Mission Street
- Ocean Street from Water Street to Plymouth Street (essentially Rte 1)



## City Council AGENDA REPORT

**DATE:** 05/31/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Public Works

**SUBJECT:** Measure D Expenditure Plan: FY 2024-2028 (PW)

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**RECOMMENDATION:** Motion to approve the proposed Measure D Five-Year Expenditure Plan for FY 2024-2028.

---

**BACKGROUND:** Measure D, the countywide transportation ballot measure, was approved by Santa Cruz County voters on November 8, 2016. Funding is restricted to five transportation categories of projects: neighborhood projects, transportation for seniors and people with disabilities, highway corridors, active transportation, and the rail corridor. The Regional Transportation Commission (RTC) is responsible for the implementation and administration of the measure.

The Expenditure Plan categories include formula funding allocations to local jurisdictions under the “Neighborhood Category.” The City of Santa Cruz (City) is projected to receive \$1,717,000 in FY 2024 and \$ 9,083,000 over the FY 2024-2028 five-year period. The City has requested and been approved for Measure D funds allocated to the RTC for funding the Coastal Rail Trail within the City’s Segments 7, 8 and 9, some rail trail maintenance funds, and the Street Smarts Traffic Safety Program.

The City Council has approved the past Measure D Five-Year Expenditure Plans and has entered into a master funding agreement with the Santa Cruz County Regional Transportation Commission (SCCRTC). The City must enter into project agreements with RTC for each project that receives RTC Measure D funds. The Measure D program also requires an annual audit and final report that is reviewed by RTC staff and its oversight committee.

**DISCUSSION:** In order to move forward with receiving funds, local agencies are required to hold a public hearing to annually develop a five-year program of projects. The public hearing was held on April 17, 2023 before the Transportation and Public Works Commission (TPWC). By motion, the TPWC recommended that the Council approve the proposed Measure D Five-Year Expenditure Plan for FY 2024-2028, and recommended that Council consider moving the Broadway Complete Streets Projects FY 2028 funding to FY 2026 and move either Market Street Bike Lanes and Sidewalk or Ocean-Plymouth Multi-Modal Project out years as needed. Based on the Commission’s comments, Staff is proposing to move Broadway Complete Streets to FY 2025 and Market Street out to FY 2028, with the understanding that the Measure D five-year program is reviewed and reprioritized yearly.

The five-year program must meet the RTC guidelines, be consistent with the master funding agreement and must demonstrate that these funds will be used to enhance, not replace current transportation investments. A “Maintenance of Effort” report is developed annually to address this last requirement and may include performance measures. Additional details on the requirements and polices can be found on the RTC webpage ([www.sccrtc.org](http://www.sccrtc.org)). Staff is proposing a few changes to the budget based on the newest revenue projections.

Attached is the City’s Measure D Proposed 5-Year Project Funding List for FY 2024-2028 which also includes the approved allocations in the previous fiscal years and committed RTC and County of Santa Cruz Measure D for Coastal Rail Trail Segment 7, 8, and 9. It includes the grant amounts that Measure D is used to match that are approved and proposed. Changes to this year’s project list include adding one new project, Broadway Complete Streets in FY 2028, and deletion of Swanton Blvd. Multi-Use Path. The scope of the new project is not defined at this time but proposed funding may be used as local match for a future grant and will include traffic measures to enhance the bicycle and pedestrian experience. Measure D funding for Swanton was used as a local grant match the past several years. This year the City was successful and awarded an Active Transportation Program Cycle 6 grant to fully fund the project without the need for a local match.

The proposed City funded projects are approximately split 50-50 between local street paving and ATP projects over the five-year allocation period, though funding has been transferred from the paving to Active Transportation projects when costs have exceeded the adopted budget. The street reconstruction and paving projects also include new access ramps, sidewalk repairs, and enhanced bike lane and crosswalk striping that comprise anywhere from 5-20% of the paving project cost. This augments the City Measure D share for active transportation.

Projects and programs implemented in the past year or so with Measure D funds include MB Sanctuary Scenic Rail Trail Segment 7 Phase 2, Street Smarts, SR2S Youth Safety and street rehabilitation on Chestnut Ave with bike enhancements and other streets. Other grant funding was used on many of these projects.

Measure D approval recognized the need for a new funding source to better fund street reconstruction, overlay and other paving methods, and critical infrastructure maintenance that benefits all mobility uses. Even with Measure H (another sales tax) approved many years ago by City residents, occasional state grants and gas tax, the current funding only covered about half of the City’s paving needs. Measure D and the passage of SB 1, the Road Repair and Accountability Act of 2017, is funding a more robust City paving program that now meets about 70% of our needs, as well as other street related improvements, such as storm drain reconstruction, in the coming years.

The five-year project funding list will be modified annually based on project schedules, cost estimates, and new project requests. The funding is incorporated annually into the Capital Investment Program (CIP) for projects and Public Works operating budgets for maintenance and programs.

**FISCAL IMPACT:** The COVID-19 pandemic did impact Measure D revenues though current allocations and projections reflect a smaller impact than previously anticipated. Measure D continues to have a very positive impact on the City’s transportation budget by providing critical transportation revenue to the City’s CIP and will be used advantageously to match additional



transportation grants. In addition, funding from the SCCRTC Measure D allocation for the Rail Trail projects will assist with implementing the projects in the City.

**Prepared By:**  
Chris Schneider  
Senior Professional and  
Technical Assistant

**Submitted By:**  
Nathan Nguyen, P.E.  
Director of Public Works

**Approved By:**  
Matt Huffaker  
City Manager

**ATTACHMENTS:**

1. CITY MEASURE D PROPOSED 5-YEAR PROJECT FUNDING LIST.PDF

**City of Santa Cruz Measure D - Proposed 5 Year Project Funding List FY24-28 (plus previous 6 program years)**

Project Title	Project No.	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	Project Funding Summary - All Years (FY24-28)	Supporting Grants & Local Funding
<b>Bicycle and Pedestrian Projects</b>														
Bay Dr. Protected Bike Lanes & Pedestrian Path	c402301							\$ 100,000	\$ 150,000				\$ 250,000	\$ 600,000
Broadway Complete Streets	NEW								\$ 150,000				\$ 150,000	
Downtown Bike Locker Replacement Program	c401812	\$ 50,000	\$ 100,000					\$ 50,000					\$ 50,000	\$250,000
Market Street Bikelanes and Sidewalk	c401806											\$ 200,000	\$ 200,000	\$ 800,000
MB Sanctuary Scenic Trail (Rail Trail) Segment 7 - Phase 1 & 2	c401413	1,100,000		\$ 1,000,000		\$ 1,150,000								\$ 14,100,000
MB Sanctuary Scenic Trail (Rail Trail) Segment 7 - Phase 3	c402208			\$ 1,000,000		\$ 2,410,800							\$ -	\$ 2,400,000
MB Sanctuary Scenic Trail (Rail Trail) Segment 8 & 9	c401804							2,370,000					2,370,000	\$ 43,000,000
MB Sanctuary Scenic Trail (Rail Trail) - Maintenance	m402001				\$ -	\$ 20,000	\$ 20,000	\$ 34,000	\$ 35,000	\$ 49,000	\$ 51,000	\$ 53,000	\$ 222,000	\$ 300,000
Ocean-Plymouth Multi-Modal Improvements	c402210									\$ 200,000	\$ 300,000		\$ 500,000	\$ 1,500,000
SR2S and Youth Bike Safety Programs	g401901		\$ 33,000	\$ 88,000	\$ 83,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 175,000	Varies per year
Street Smarts Traffic Safety Program	p402001								\$ 10,000					\$ 30,000
Street Smarts Traffic Safety Program	p402001					\$ 15,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 50,000	
Active Transportation Program Projects	Complete	\$ 100,000												
Chestnut St Storm Drain Replacement	Complete						\$ 250,000							\$500,000
COVID Slow Streets Program	Complete				\$ 65,000									
Pacific Ave Sidewalk between Front and Second-	Complete													
SLR Parkway Phase III - Trestle Trail Widen **	Complete	\$ 500,000												
Swanton Blvd Multi-use Path-	100% Grant Funded	\$ 500,000	\$ 668,560											
<b>Street Reconstruction and Paving Projects</b>														
City Arterial & Collector St Reconstruction and Overlay *	c400809	\$ 250,000	\$ 156,000	\$ 300,000	\$ -	\$ -	\$ 650,000	\$ 600,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 700,000	\$ 3,400,000	Varies per year
City Residential & Collector St Reconstruction and Overlay *	c400810	\$ 250,000	\$ 156,000	\$ 300,000	\$ 300,000	\$ -	\$ 650,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 2,500,000	Varies per year
<b>Total City Measure D Allocation Request</b>		\$ 1,150,000	\$ 1,113,560	\$ 1,688,000	\$ 448,000	\$ 2,460,800	\$ 1,595,000	\$ 2,795,000	\$ 1,545,000	\$ 1,445,000	\$ 1,745,000	\$ 1,645,000	\$ 9,175,000	(FY24-28)
<b>Total RTC Measure D Allocation Request</b>		\$ 1,600,000	\$ -	\$ 1,000,000	\$ -	\$ 1,170,000	\$ 30,000	\$ 2,404,000	\$ 35,000	\$ 49,000	\$ 51,000	\$ 53,000	\$ 2,592,000	(FY24-28)
<b>Total County Measure D Allocation Estimate</b>								\$ 1,500,000					\$ 1,500,000	(FY24-28)
<b>City Measure D Apportionment Estimate</b>		\$ 1,462,000	\$ 1,349,000	\$ 1,292,000	\$ 1,521,000	\$ 1,640,000	\$ 1,641,000	\$ 1,717,000	\$ 1,760,000	\$ 1,813,000	\$ 1,868,000	\$ 1,925,000	\$ 9,083,000	(FY24-28)
<b>Spent per Annual Report</b>		\$ 686,526	\$ 1,175,175	\$ 476,998	\$ 633,574									

Revised 05.28.2023

MB Sanctuary Scenic Trail (Rail Trail) Segment 7 funding was increased by \$1.520 M from SCCRTC Measure D and increased by \$1.810 M from City Measure D to fully fund Phase 2 due to increased costs from inflation. FY21 and FY 22 funding was reduced in the City Street Reconstruction projects by \$1.47M, Swanton Blvd Multi-Use Path by \$0.2 M and the completed Pacific Ave Sidewalk \$0.148 M.

Items with asterisk include enhanced bike and pedestrian facilities in excess of status quo. This is true from FY 24 forward

Rail Trail Maintenance is the amount upto which RTC will reimburse the City, but only up to half the total maintenance cost.

Apportionment info from: <https://sccrtc.org/wp-content/uploads/2022/04/Attachment-5-Five-year-estimates-to-direct-recipient.pdf>.



## City Council AGENDA REPORT

**DATE:** 06/01/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Public Works

**SUBJECT:** Neary Lagoon Tule and Sediment Removal Project (m409668) – Approval of Plans and Specifications and Authorization to Advertise for Bids and Award Contract (PW)

---

**RECOMMENDATION:** Motion to approve the plans and specifications for the Neary Lagoon Tule and Sediment Removal Project (m409668), authorize an exemption from local employment requirements, and authorize staff to advertise for bids and award the contract. The City Manager is hereby authorized and directed to execute the contract as authorized by Resolution No. NS-27,563. The Public Works Director is authorized to execute change orders within the approved project budget.

---

**BACKGROUND:** The Neary Lagoon Management Plan (NLMP) was adopted in 1992 by City Council and approved by the California Coastal Commission. In October 2006, the Neary Lagoon Sedimentation Management Plan was approved by City Council.

The purpose of the Neary Lagoon Tule and Sediment Removal Project is to conduct annual marsh vegetation removal (primarily tules) and sediment dredging in Neary Lagoon (see referenced Location Map). Dredging and vegetation management provides the following benefits:

- 1) Increase water circulation and flow rates
- 2) Improve water quality
- 3) Maintain an equal ratio of fresh water marsh to open water area as specified in the NLMP.
- 4) Enhance habitat for western pond turtles, water fowl and water birds.

**DISCUSSION:** Tule and sediment removal are accomplished using specialized equipment that are essentially barge-mounted backhoes, with a “clam bucket attachment,” which have a very limited draft to accommodate working in very shallow waters.

Section 3.10 of the Santa Cruz Municipal Code describes the Local Hiring requirements and includes provisions for 1) making good faith efforts to hire qualified individuals from the county of Santa Cruz and 2) making good faith efforts to employ apprentices. There is an exception clause for projects that involve the use of highly specialized equipment and skilled and experienced employees. Barge mounted backhoes are considered highly specialized equipment for a limited number of contractors to own and operate. Therefore, staff is recommending

exemption from local employment requirement as allowed for in Municipal Code section 3.10.080. The contract will maintain the requirements for apprentice hiring.

The environmental review process and (Mitigated) Negative Declaration was completed in accordance with the State CEQA guidelines and the local City of Santa Cruz CEQA guidelines and procedures.

Plans and specifications for the project can be found online at:

<https://www.cityofsantacruz.com/government/city-departments/public-works/engineering/public-works-projects>

**FISCAL IMPACT:** Funds are available in the Wastewater Capital Investment Program Fund FY 2023 budget in m409668 - Tule and Sediment Removal Project. The construction cost estimate to complete the project is \$400,000. There is no impact to the General Fund.

**Prepared By:**  
Eric Dhakni  
Environmental Programs  
Analyst II

**Submitted By:**  
Nathan Nguyen, P.E.  
Director of Public Works

**Approved By:**  
Matt Huffaker  
City Manager

**ATTACHMENTS:**

None.

## Rosemary Balsley

---

**From:** Sandra Ivany <si@sandraivany.com>  
**Sent:** Sunday, June 11, 2023 5:03 PM  
**To:** Fred Keeley; City Council  
**Cc:** Bonnie Bush; Eric Dhakni; dpwwweb@santacruzcounty.us; Sandra Ivany  
**Subject:** Neary Lagoon Tule & Sediment Removal Project

Good Morning City Council, Major Keeley and Department of Public Works Staff,

Thank you very much for your ongoing efforts to maintain the health of Neary Lagoon Wildlife Refuge.

The funds for maintenance of the lagoon are allocated in the Neary Lagoon Management Plan (1992) and do not come out of the City budget.

The community is aware the City Council will be approving the budget ( item 18 ) during Tuesday's meeting.

And I just wanted to take a moment to express appreciation for the work you do to fulfill the Management Plan of 1992.

We understand this year the equipment will be starting at Laurel Creek and work the way down the lagoon.

Not only does ongoing maintenance increase water circulation and improve water quality of Neary Lagoon - it also enhances wildlife habitat for water fowl, water birds, and western pond turtles.

This unique wildlife reserve in the heart of the city is also enjoyed and deeply appreciated by the community and many school groups and local birding groups that visit the lagoon every year.

We hope to see you on a stroll around the lagoon soon !

Best regards,

Sandra Ivany  
*Save Neary Lagoon* Committee  
downtown resident homeowner since 1988

## Rosemary Balsley

---

**From:** Susan Monheit <smonheit74@gmail.com>  
**Sent:** Sunday, June 11, 2023 9:01 PM  
**To:** Fred Keeley; City Council  
**Cc:** Bonnie Bush; Eric Dhakni; dpwwweb@santacruzcounty.us  
**Subject:** Nearly Lagoon Maintenance Tule & Sediment Removal

Honourable Mayor Keeley, and City Council Members:

On behalf of the Shelter Lagoon Homeowners Association, I would like to thank the City of Santa Cruz Parks Staff for their hard work to maintain the Neary Lagoon Wildlife Area in good condition, and City Council for adequately funding upkeep of this rare and precious urban wildlife area.

Homeowners in Shelter Lagoon work closely with City Parks Staff to keep homeless camps out of the lagoon area, remove garbage and debris left by homeless people in the wildlife area, maintain trees, remove hazardous trees and limbs, and remove graffiti from the floating docks. (I mean our homeowners are actively out in the Lagoon Area removing these items).

We look forward to the semi-annual sediment and tule removal to maintain the health and function of this wildlife area for birds.

Thank you,  
Susan Monheit

Shelter Lagoon Townhouse Owner  
HOA Board Member

## Rosemary Balsley

---

**From:** Lauren E Eisenberg <lauren12@sbcglobal.net>  
**Sent:** Monday, June 12, 2023 1:49 PM  
**To:** Fred Keeley; City Council; Bonnie Bush; Eric Dhakni; Kevin Crossley; Katie Stewart; Nathan Nguyen  
**Subject:** Neary's Lagoon

Honourable Mayor Keeley, and City Council Members:

On behalf of the Shelter Lagoon Homeowners Association, I would like to thank the City of Santa Cruz Parks Staff for their hard work to maintain the Neary Lagoon Wildlife Area in good condition, and City Council for adequately funding upkeep of this rare and precious urban wildlife area.

Homeowners in Shelter Lagoon work closely with City Parks Staff to keep homeless camps out of the lagoon area, remove garbage and debris left by homeless people in the wildlife area, maintain trees, remove hazardous trees and limbs, and remove graffiti from the floating docks. (I mean our homeowners are actively out in the Lagoon Area removing these items).

We look forward to the semi-annual sediment and tule removal to maintain the health and function of this wildlife area for birds.

Thank you,  
Lauren

Lauren Eisenberg, Realtor  
Bailey Properties, Inc.  
831.419.4018 Mobile  
CalBRE#01402836

Sent from my iPhone



## City Council AGENDA REPORT

**DATE:** 05/31/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Public Works

**SUBJECT:** Rising Prices for Tires and Repair Costs for City Vehicles and Equipment  
– Budget Adjustment (PW)

---

**RECOMMENDATION:** Resolution amending the FY 2023 budget to appropriate funds in the amount for \$70,000 to fund increasing tire purchases and repair expenses.

---

**BACKGROUND:** The FY 2023 Fleet Maintenance budget had an original appropriation of \$540,000 to cover the cost of required parts and repair services for the City of Santa Cruz’s (City) equipment and vehicles. The FY 2023 adopted budget for tires for all City assets was \$210,000. Each year has seen slight increases in prices for both services and commodities due to the economy’s market inflation trend. Supply chain issues and shipping costs also lead to higher rates for tires. The Fleet Maintenance division has been growing a knowledgeable and resilient crew with expertise in all various types of assets that the City utilizes. Staff services nearly 600 assets and generate approximately 4,000 work orders annually.

**DISCUSSION:** Repairs: The costs for repair services are distributed to various funds and activities based on the percentage of use. A significant contributor to the higher costs for repair services is a result of being nearly fully staffed in the Fleet Maintenance division for the first time in three years. The COVID-19 pandemic, City hiring freezes, early retirements incentives, and challenging recruitments had led to a period with less staff servicing City assets. The Fleet Maintenance division has taken on more repair work in servicing the Citywide fleet, which also contributes to a higher volume of work being completed and higher expenditures than in previous years. With more staff in the division, a high number of work orders are being completed and providing less downtime for vehicles or equipment.

Tires: Fleet Maintenance staff have developed a system to limit tire purchases as much as possible and where it is most appropriate. To limit unnecessary charges, tire purchase requests are carefully evaluated and approved by staff. There must be a critical safety concern for tires to be approved for purchase. This new process for authorizing tire purchases has been successful and has limited the number of unnecessary tire replacement expenditures across all departments.

**FISCAL IMPACT:** The overall fiscal impact is \$70,000. The General Fund impact is based on the repair services provided to individual departments. The Fleet Maintenance Fund is an internal services account where actual repair and tire expenditures are charged out to activities in various funds based on usage and need. The cost allocation will be distributed to various funds and



activities based on the percentage of use with an additional overhead charge of 22% for tires and 20% for repair work orders.

**Prepared By:**  
Christina Alberti  
Management Analyst

**Submitted By:**  
Nathan Nguyen, P.E.  
Director of Public Works

**Approved By:**  
Matt Huffaker  
City Manager

**ATTACHMENTS:**

1. BUDGET ADJUSTMENT.PDF

## City of Santa Cruz BUDGET ADJUSTMENT REQUEST

Clear Form

Administrative Approval  
 Council Approval

Fiscal Year: 2023

Date: 05/23/2023

Reso #:

**Purpose:** Additional funds are needed to cover remaining FY23 costs for Citywide fleet purchase of tires and repair services. The Fleet Maintenance division has taken on additional services for departments, causing a higher expenditure for this fiscal year. The price of tires has also increased due to the economy's inflation trend and increase to prices for shipping and general supply chain issues.

ACCOUNT	PROJECT	PROJECT NAME (if applicable) OR REVENUE ACCOUNT TITLE	AMOUNT
<b>TOTAL REVENUE</b>			0

ACCOUNT	PROJECT	PROJECT NAME (if applicable) OR EXPENDITURE ACCOUNT TITLE	AMOUNT
811-40-61-7831-53104		Tires	30,000
811-40-61-7831-52242		Repair services	40,000
<b>TOTAL EXPENDITURE</b>			70,000

**NET: \$**           -70,000          

REQUESTED BY	DEPARTMENT HEAD APPROVAL	BUDGET/ACCOUNTING REVIEWED	FINANCE DIRECTOR APPROVAL	CITYMANAGER APPROVAL
Aime Jellicoe <small>Digitally signed by Aime Jellicoe DN: cn=Aime Jellicoe, o=City of Santa Cruz, ou=Finance Department, email=ajellicoe@santracruzca.gov, c=US Date: 2023.05.24 11:41:52 -0700</small>	Nathan Nguyen <small>Digitally signed by Nathan Nguyen Date: 2023.05.27 08:37:02 -0700</small>	Tracy Cole 19.3 <small>Digitally signed by Tracy Cole DN: cn=Tracy Cole, o=City of Santa Cruz, ou=Finance, email=tracycole@santracruzca.gov, c=US Date: 2023.06.01 11:01:28 -0700</small>	Elizabeth Cabell <small>Digitally signed by Elizabeth Cabell DN: cn=Elizabeth Cabell, o=City of Santa Cruz, ou=Finance Department, email=ecabell@santracruzca.gov, c=US Date: 2023.05.12 12:32:27 -0700</small>	



## City Council AGENDA REPORT

**DATE:** 06/01/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Public Works

**SUBJECT:** Proposed Resource Recovery Collection Rates Increase (PW)

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**RECOMMENDATION:** Motion to schedule a Public Hearing for August 8, 2023 on the proposed resource recovery collection rates increase, in accordance with State law, including a mailed notice to property owners.

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**BACKGROUND:** The City's resource recovery programs (refuse, recycling, and street sweeping) are operated as a self-supporting enterprise within the Refuse Enterprise Fund. All collection, street sweeping, disposal, recycling processing, customer service, and waste reduction and education operations are completed by City employees. The City owns and operates its own landfill and recycling processing facility on Dimeo Lane and sells the recycled materials. Refuse Enterprise Fund costs also include capital improvements and environmental monitoring needed to design and construct new landfill cells, to maintain and upgrade recycling facilities and to meet environmental regulatory requirements. In FY 2023, the Refuse Enterprise Fund budget included approximately \$21 million in operating costs, \$3 million in capital outlay, and \$3 million in capital projects.

Residents and businesses within the City of Santa Cruz are required to have at least weekly solid waste collection service, with a minimum 20-gallon refuse cart service level. Resource recovery utility fees are charged monthly on the combined Santa Cruz Municipal Utility bill along with water and sewer fees. In addition to garbage collection, resource recovery collection fees include the cost of curbside recycling and yard waste service for cart-service customers, and recycling collection service for container and drop-box service customers. Resource recovery collection fees include the cost of disposal and processing of the collected materials at the Dimeo Lane Resource Recovery Facility (RRF). The resource recovery collection fees also include street sweeping service, provided in high-use business areas, beach areas and bike paths once a week, and to residential areas approximately twice a month. Resource recovery collections staff also picks up illegally dumped materials within the city limits. A waste reduction outreach and education program are provided to residents, businesses, and schools. Resource recovery collection fees cover the costs for city residents to use a countywide Household Hazardous Waste drop-off program at no additional cost, with one site open on Saturdays at the City RRF. In addition, several additional services are provided to residential resource recovery collection customers, including Christmas tree collection in January, four free bulky item/appliance pick-up tags each year, a \$40 discount program for compost or worm bins, and free drop-off locations around the city for fluorescent bulbs, household batteries, and unwanted medications and sharps.

Council last acted to increase the full schedule of resource recovery collection rates on January 27, 2015. (Minor changes affecting two rate categories were approved in August 2021). The 2015 action approved a four-tiered rate increase taking effect on February 1, 2015, and then on July 1 of the years 2015, 2016, and 2017 and 2018. Resource recovery collection fees have not been increased since July 2018.

The City Finance Department estimated that the Refuse Operations subfund had a FY 2023 beginning fund balance available for appropriation of \$15 million as of July 1, 2022.

The Refuse Enterprise also includes three other restricted use subfunds. Two of these, the Landfill Closure subfund and Landfill Post-Closure Maintenance subfund are required under state law to ensure that adequate funds are available to close the landfill and maintain it for at least 30 years after closure in compliance with all environmental regulations. The Refuse 2% for Public Art subfund is the third restricted subfund and is required by City ordinance. Mandatory annual contributions to these restricted subfunds are included in projected expenditures of the operating budget.

The current \$15 million fund balance is very substantial for the Refuse Operations subfund. The City was able to maintain the fund balance between FY 2018 and FY 2021, in which revenues kept pace with or exceeded expenditures. However, in FY 2022 and again in FY 2023, the construction of the new landfill cell created a deficit of about \$3 million each year, severely cutting into the fund balance. Additionally, the Cost-of-Service study indicates that both the residential and commercial collection operations have been operating in a deficit, although the fund reserves have softened that impact.

The Refuse Fund supports 98.5 full-time equivalent (FTE) positions and personnel services costs make up over half of the operating budget (not including capital and debt). Budgeted personnel services costs for FY 2023 have increased by 36% over FY 2018 costs (from \$8.6 million to \$11.7 million). Trucks and heavy equipment are another vital but increasingly expensive part of refuse fund operations. Steel prices and availability have increased truck costs significantly, a front loader truck that cost \$360,000 in 2018, is now about \$400,000, and the electric version is up to \$677,000. In addition to capital outlay costs for vehicles and equipment, capital construction costs can be substantial. Construction of a new lined landfill cell, completed this fiscal year, cost approximately \$6 million.

Without a rate increase, expenditures are projected to continue to significantly exceed revenues, Table 1, and are projected to use up the fund balance by FY 2027 and put the refuse fund into a deficit by FY 2028 as shown in Table 2.

**DISCUSSION:** There are several reasons for the increased projected expenditures over the next several years. Primarily the passage of the California Short-lived Climate Pollutants: Organic Waste Reductions Act, more commonly known as Senate Bill 1383, created new requirements on cities to provide organic recovery programs. This includes food waste collection programs, food recovery programs for businesses and substantial inspection and compliance, including mandatory non-compliance fines. This has required the City to institute additional commercial and residential collection routes to meet this mandate. The City is looking to replace its aging computer software system in 2026. This software runs financial, human resources, permitting, customer service and billing, and various other citywide services. The estimated cost to the Refuse Fund is between \$3 and \$4 million. The City refuse fleet is responding to both the local

and state mandated push to replace diesel vehicles with electric versions. The difference in cost is currently about \$300,000 higher for a similar refuse truck. Even as the City attempts to phase these purchases over several years, the additional cost is a significant increase to yearly expenses. Finally, there are significant increases in liability insurance, wages, and costs to access other needed City services, such as IT, Human Resources, Administrative, and Finance support services. The Resource Recovery Division hired an outside consultant, HF&H, to do an assessment of the Cost-of-Service requirements to keep the Refuse Fund healthy, able to respond to unforeseen occurrences, and meet the legal requirements under the State constitution (primarily under Proposition 218).

#### 1) 5-Year Financial Plan:

Table 3 shows a 5-year financial plan for the Refuse Enterprise Fund showing proposed revenue increases needed to address the projected revenue deficits to the Refuse Fund that will occur without a rate increase. Table 2 assumes a refuse operations subfund balance available for appropriation of \$15 million on July 1, 2022. The financial plan includes both closing the gap between revenues and anticipated spending, but also building up the reserve amount to fund the anticipated 2026 computer software purchase. These expected expenditures include assumed increases in capital outlay, maintenance, liability insurance, and personnel costs. The plan would leave a projected Refuse Operations subfund balance of approximately \$14 million in FY 2028.

#### 2) Estimated Target Reserve:

Table 4 shows estimated fund balance available for appropriation/reserves – with proposed rate increases. Several years ago Finance completed a risk characteristic stress test that evaluated the City’s individual factors for extreme and infrequent natural and man-made events, revenue volatility, expenditure volatility, size of debt or unfunded obligations, cash position, unfunded high priority capital projects among other factors. The result of this analysis supported a range of 17% to 25% for base reserves for General Fund obligations. For a self-sustaining Refuse Operation that relies on capital costs for continuation of services and is not meant to be subsidized by general taxes, staff recommends that the target reserve be increased by another 10% to 15% to reach a range between 27% and 40% depending on near term capital assessments. This target has been traditionally calculated based on having in reserve one to three months of the annual operating budget of all refuse operations activities, as well as a capital cost contingency. Unfortunately, escalating costs over the last several years, in the areas of construction and environmental clean-up show that our previous target is now too low, it is more appropriate at the high end of that range. The proposed collection rates are projected to result in a fund balance of \$14 million by FY 2028 or approximately 50% of our anticipated operating budget.

#### 3) Proposed Cart Service Rates:

Table 5 shows the proposed cart service collection rates. The City has a Zero Waste Goal and has established resource recovery collection rates that provide incentives to customers to reduce waste by ordering a smaller refuse cart size at a lower price. This price incentive has been very effective. The number of cart customers choosing smaller carts has increased dramatically when first established and has remained consistent over the last few years. Currently, 38% of cart customers have 20-gallon carts, 43% have 32-gallon carts, 18% have 64-gallon carts and less than 1% have the 95-gallon carts. Although 81% of our customers have the smaller 20- or 32-gallon carts, historically 5% of customers will try to change to a smaller cart size after a rate increase. Although most will change back to the correct size, to achieve the revenue increases needed from within the cart sector while factoring in this shift to lower cost (and thus lower

revenue) service, the rates for cart service needed to be adjusted upward slightly for the first year. The cart service collection rates are proposed to increase by 10% on September 1, 2023, and then by 4% on September 1 of 2024, 2025, 2026 and 2027.

New or changed cart collection services are included in the proposed rates:

- a) The addition of food scrap collection in the residential bundled rate package.
- b) Elimination of the Life-Line rate. This fee has been determined illegal under Proposition 218.

#### 4) Proposed Commercial Rates:

Table 6 shows the proposed commercial collection rates. The proposed rates continue to provide a financial incentive to reduce waste and to choose a larger container size picked up less often rather than having a smaller container picked up multiple times each week. The commercial container collection rates are proposed to increase by 15% on September 1, 2023, and then by 4% on September 1 of 2024, 2025, 2026 and 2027.

Some commercial rates and fees apply to customers who request one-time and/or temporary collection services, services that are charged each time they are collected, and special services. The proposed rates for most of these special commercial categories were based on a percentage increase equal to that of the regular commercial rates.

New or changed commercial collection services are included in the proposed rates:

- a) Including State mandated food scrap collection into a bundled rate. This means for the basic cost of their refuse container, commercial collection will include recycling, yard waste and food scrap service for no additional cost. This will eliminate the current rates for 64-gallon cart, 1 yard container, 2-yard container and 3-yard container service for food scraps.
- b) Eliminate the Weekend Collection Surcharge.

#### 5) Proposed Municipal Wharf Rates:

The businesses on the Municipal Wharf have a separate rate schedule because they are mandated to utilize shared City-owned compactors located at several points along the wharf due to collection challenges and to reduce the number of heavy truck trips. The current and proposed monthly resource recovery collection rates for Municipal Wharf customers are shown in Table 7. The wharf rates were calculated to achieve the overall target revenue percentage increases set forth in the Financial Plan and are proposed to increase by 15% on September 1, 2023, and then by 4% on September 1 of 2024, 2025, 2026 and 2027.

#### 6) City School District Rates:

Staff is recommending that the School District rates be increased as shown in Table 8. The proposed rates are based on applying the same percentage increases proposed for regular commercial rates to the current School District rates over the current rates, 15% on September 1, 2023, and then by 4% on September 1 of 2024, 2025, 2026 and 2027.

Under the State Constitution (as revised by Proposition 218) and subsequent State law, the City Council can approve increases to refuse collection fees after conducting a public hearing on the proposed fees and charges. That public hearing must be held no less than 45 days after mailing a notice of the proposed fees and charges to the record owners of each identified parcel which will be impacted. At the public hearing, Council must consider all properly submitted written protests against the proposed increase in fees and charges and may not impose the increase if a majority of the property owners submit such protests.

Staff has prepared a public notice for mailing (copy attached). If Council approves the recommendation to set a public hearing for the proposed resource recovery collection rates on August 8, 2023, staff will mail the notice out to property owners and refuse customers the week of June 19, 2023 (must be mailed no later than June 22, 2023).

**FISCAL IMPACT:** Without the proposed resource recovery collection rate increases, the estimated \$14 million FY 2023 beginning fund balance available for appropriation for the refuse operations subfund is estimated to decline to a negative fund balance of at the end of FY 2027, and to a deficit of over \$2.8 million by the end of FY 2028. The proposed rate increases are projected to increase revenues over the next five years while slowly spending down the fund balance over the next four years. With the proposed rate increases, annual revenues are projected to approximately equal annual expenditures by FY 2025, fund the computer system upgrade in FY 2025, and return to an ending fund balance of approximately \$14 million.

The impact of the proposed fees on collection customers is shown in the attached tables. Collection rates provide a financial incentive to both residential and commercial customers to reduce to a smaller cart or container size, fully utilize our additional waste reduction services, and to commercial customers to have refuse picked up less frequently. These rates provide financial incentives that should help the City reduce waste, move toward the Zero Waste Goal and increase landfill diversion and landfill life.

Under the proposed plan, collection rates would increase on September 1, 2023, and then on September 1st of 2024, 2025, 2026 and 2027.

**Prepared By:**  
Bob Nelson  
Resource Recovery  
Operations Manager

**Submitted By:**  
Nathan Nguyen, P.E.  
Director of Public Works

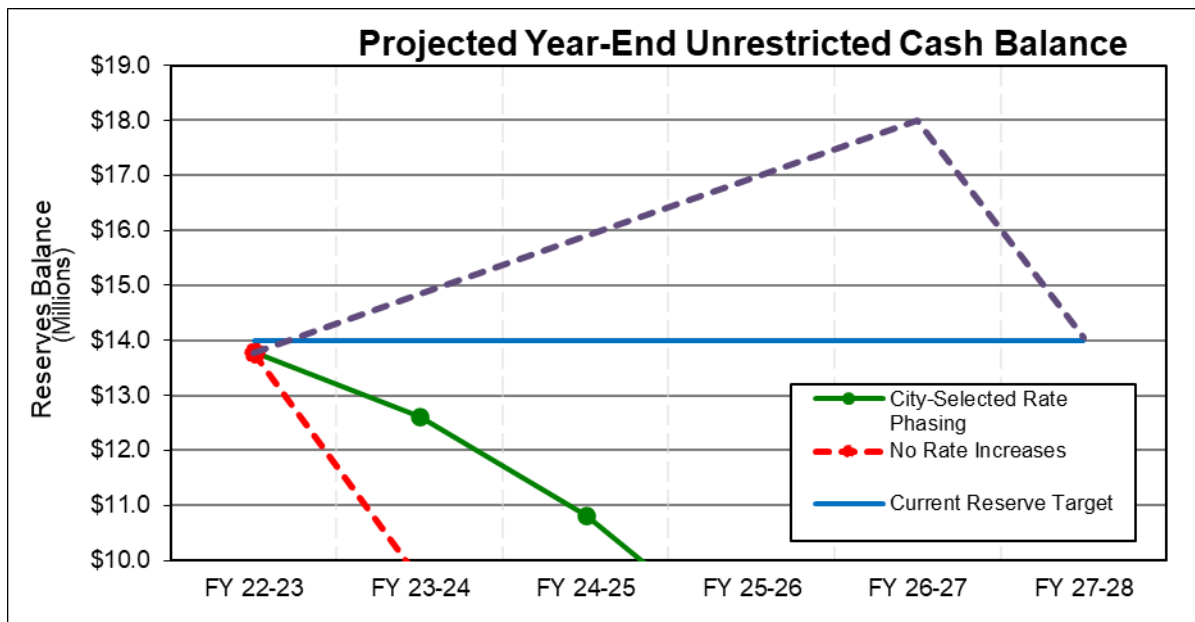
**Approved By:**  
Matt Huffaker  
City Manager

**ATTACHMENTS:**

1. TABLES .PDF
2. HF AND H EXECUTIVE SUMMARY RATE MODEL.PDF
3. REFUSE RATE INCREASE MAILED NOTICE.PDF

City of Santa Cruz							
Solid Waste Rate Model							
Table 1A - Summary							
YTD Actual <---- City Budget Toggle							
Fiscal year	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	
Eff. Date		7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026	
Revenue Requirement - Residential		\$9,329,723	\$9,668,063	\$10,019,260	\$10,383,803	\$10,336,160	
Revenue - Residential		\$8,224,797	\$8,224,797	\$8,224,797	\$8,224,797	\$8,224,797	
Surplus / (Shortfall)		-\$1,104,926	-\$1,443,266	-\$1,794,463	-\$2,159,006	-\$2,111,363	
Revenue Requirement - Commercial		\$8,258,869	\$8,551,737	\$8,855,734	\$9,171,283	\$8,947,008	
Revenue - Commercial		\$7,208,433	\$7,208,433	\$7,208,433	\$7,208,433	\$7,208,433	
Surplus / (Shortfall)		-\$1,050,436	-\$1,343,304	-\$1,647,301	-\$1,962,850	-\$1,738,575	
Annual Rate Revenue Increases - Residential		0.0%	0.0%	0.0%	0.0%	0.0%	
Annual Rate Revenue Increases - Commercial		0.0%	0.0%	0.0%	0.0%	0.0%	

**Table 1 Projected Expenditures – No Rate Increase**

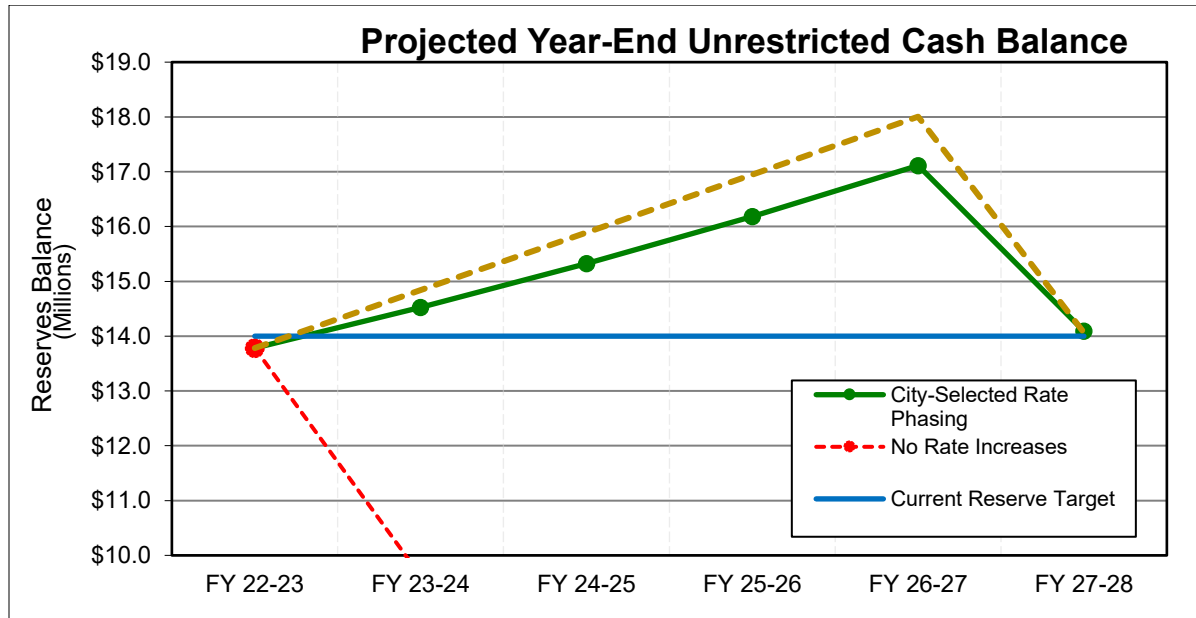


**Table 2 Projected Fund Balance Available for Appropriation – No Rate Increase**



City of Santa Cruz Solid Waste Rate Model						
Table 1A - Summary		YTD Actual <---- City Budget Toggle				
Fiscal year	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Eff. Date		7/1/2022	7/1/2023	7/1/2024	7/1/2025	7/1/2026
Revenue Requirement - Residential		\$9,329,172	\$9,667,491	\$10,018,666	\$10,383,186	\$10,335,519
Revenue - Residential		\$9,047,277	\$9,409,168	\$9,785,535	\$10,176,956	\$10,584,034
Surplus / (Shortfall)		-\$281,895	-\$258,323	-\$233,131	-\$206,230	\$248,515
Revenue Requirement - Commercial		\$8,259,435	\$8,552,325	\$8,856,344	\$9,171,916	\$8,947,665
Revenue - Commercial		\$8,227,250	\$8,556,340	\$8,898,593	\$9,254,537	\$9,624,719
Surplus / (Shortfall)		-\$32,185	\$4,015	\$42,249	\$82,621	\$677,053
Annual Rate Revenue Increases - Residential		10.0%	4.0%	4.0%	4.0%	4.0%
Annual Rate Revenue Increases - Commercial		15.0%	4.0%	4.0%	4.0%	4.0%

**Table 3 Five Year Financial Plan**



**Table 4 Estimated Fund Balance Available for Appropriation/Reserves – with proposed rate increases**

	Current Rates	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
<b>Cart Service (Residential and Commercial)</b>						
20-gallon cart, one/week	\$22.36	\$24.60	\$25.58	\$26.60	\$27.67	\$28.77
32-gallon cart, one/week	\$36.04	\$39.64	\$41.23	\$42.88	\$44.59	\$46.38
64-gallon cart, one/week	\$77.25	\$84.98	\$88.37	\$91.91	\$95.59	\$99.41
95-gallon cart, one/week	\$123.60	\$135.96	\$141.40	\$147.05	\$152.94	\$159.05
Additional unscheduled setout (per bag)	\$16.72	\$18.39	\$19.13	\$19.89	\$20.69	\$21.52
Call-back service (carts)	\$39.53	\$43.48	\$45.22	\$47.03	\$48.91	\$50.87
Commercial 64-gallon Food Waste Cart once/week	\$69.48	\$79.95	\$83.15	\$86.48	\$89.94	\$93.53
Food Waste additional schedule pickup	\$69.48	\$79.95	\$83.15	\$86.48	\$89.94	\$93.53

**Table 5 Proposed Cart Service Rates**

	Current Rates	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
<b>Commercial Containers (City Owned)</b>						
1 CY one/week	\$218.50	\$251.28	\$261.33	\$271.78	\$282.65	\$293.96
Additional scheduled weekly pickups	\$218.50	\$251.28	\$261.33	\$271.78	\$282.65	\$293.96
Additional unscheduled pickups (each)	\$61.26	\$70.45	\$73.27	\$76.20	\$79.25	\$82.42
Food Waste one pickup per week	\$196.65	\$226.15	\$235.19	\$244.60	\$254.39	\$264.56
Food Waste additional scheduled (each)	\$196.65	\$226.15	\$235.19	\$244.60	\$254.39	\$264.56
2 CY once/week	\$325.68	\$374.53	\$389.51	\$405.09	\$421.30	\$438.15
Additional scheduled weekly pickups	\$325.68	\$374.53	\$389.51	\$405.09	\$421.30	\$438.15
Additional unscheduled pickups (each)	\$122.52	\$140.90	\$146.53	\$152.40	\$158.49	\$164.83
Food Waste one pickup per week	\$293.11	\$337.08	\$350.56	\$364.58	\$379.17	\$394.33
Food Waste additional scheduled (each)	\$293.11	\$337.08	\$350.56	\$364.58	\$379.17	\$394.33
<i>Temporary Service</i>						
Ten-day service, one pick-up	\$157.52	\$181.15	\$188.39	\$195.93	\$203.77	\$211.92
Five-day service, one pick-up	\$108.76	\$125.07	\$130.08	\$135.28	\$140.69	\$146.32
Each Extra Day (max 15)	\$31.57	\$36.31	\$37.76	\$39.27	\$40.84	\$42.47
3 CY once/week	\$456.74	\$525.25	\$546.26	\$568.11	\$590.84	\$614.47
Additional scheduled weekly pickups	\$456.74	\$525.25	\$546.26	\$568.11	\$590.84	\$614.47
Additional unscheduled pickups (each)	\$200.87	\$231.00	\$240.24	\$249.85	\$259.84	\$270.24
Food Waste one pickup per week	\$411.07	\$472.73	\$491.63	\$511.30	\$531.75	\$553.02
Food Waste additional scheduled (each)	\$411.07	\$472.73	\$491.63	\$511.30	\$531.75	\$553.02
4 CY once/week	\$557.00	\$640.55	\$666.17	\$692.82	\$720.53	\$749.35
Additional scheduled weekly pickups	\$557.00	\$640.55	\$666.17	\$692.82	\$720.53	\$749.35
Additional unscheduled pickups (each)	\$245.05	\$281.81	\$293.08	\$304.80	\$317.00	\$329.67
<i>Temporary Service</i>						
Ten-day service, one pick-up	\$317.24	\$364.83	\$379.42	\$394.60	\$410.38	\$426.79
Five-day service, one pick-up	\$216.59	\$249.08	\$259.04	\$269.40	\$280.18	\$291.39
Each Extra Day (max 15)	\$62.98	\$72.43	\$75.32	\$78.34	\$81.47	\$84.73
6 CY once/week	\$788.32	\$906.57	\$942.83	\$980.54	\$1,019.77	\$1,060.56
Additional scheduled weekly pickups	\$788.32	\$906.57	\$942.83	\$980.54	\$1,019.77	\$1,060.56
Additional unscheduled pickups (each)	\$367.57	\$422.71	\$439.61	\$457.20	\$475.49	\$494.51
<i>Temporary Service</i>						
Ten-day service, one pick-up	\$381.01	\$438.16	\$455.69	\$473.92	\$492.87	\$512.59
Five-day service, one pick-up	\$259.88	\$298.86	\$310.82	\$323.25	\$336.18	\$349.63
Each Extra Day (max 15)	\$62.98	\$72.43	\$75.32	\$78.34	\$81.47	\$84.73
8 CY once/week	\$993.28	\$1,142.27	\$1,187.96	\$1,235.48	\$1,284.90	\$1,336.30
Additional scheduled weekly pickups	\$993.28	\$1,142.27	\$1,187.96	\$1,235.48	\$1,284.90	\$1,336.30
Additional unscheduled pickups (each)	\$462.63	\$532.02	\$553.31	\$575.44	\$598.46	\$622.39
Delivery charge for reinstatement delinquent accounts (1-8 yd)	\$145.49	\$167.31	\$174.01	\$180.97	\$188.20	\$195.73
<b>Special Containers (Downtown MW and Rec Enclosures)</b>						
Rate for common use of a refuse container	Regular container rate / proportional volume generated by the business or property = monthly refuse rate charged to business or property.					
Maintenance fee for downtown enclosures	Proportional share of actual maintenance costs based on average volume of refuse collected.					
<b>Customer Services</b>						
Cart locks installation	\$15.23	\$17.51	\$18.22	\$18.94	\$19.70	\$20.49
Container locks installation	\$52.74	\$60.65	\$63.08	\$65.60	\$68.22	\$70.95
Cart cleaning (special request)	\$15.23	\$17.51	\$18.22	\$18.94	\$19.70	\$20.49
Container renewal (clean/paint)	\$35.16	\$40.43	\$42.05	\$43.73	\$45.48	\$47.30
Compactor cleaning (per time)	\$179.25	\$206.14	\$214.38	\$222.96	\$231.88	\$241.15
Life-line rate - 20 gallon cart	\$21.36	\$23.50	\$24.44	\$25.41	\$26.43	\$27.49
Life-line rate - 32 gallon cart	\$35.04	\$38.54	\$40.09	\$41.69	\$43.36	\$45.09
Bulky item pickup (Resi pick up, scheduled)	\$24.31	\$26.74	\$27.81	\$28.92	\$30.08	\$31.28
Private enclosed cleaning fee	\$179.25	\$206.14	\$214.38	\$222.96	\$231.88	\$241.15
Special service fee (requested by customer)	\$15.23	\$17.51	\$18.22	\$18.94	\$19.70	\$20.49
Difficult to service fee	\$30.47	\$33.52	\$34.86	\$36.25	\$37.70	\$39.21
Additional Rec or GW cart fee	\$4.25	\$4.68	\$4.86	\$5.06	\$5.26	\$5.47
Special haul rate (per hour)	\$564.15	\$648.77	\$674.72	\$701.71	\$729.78	\$758.97
Special haul rate (minimum charge)	\$179.25	\$206.14	\$214.38	\$222.96	\$231.88	\$241.15
Weekend Collection Surcharge	15%	15%	15%	15%	15%	15%
Change of service fee	\$11.72	\$13.48	\$14.02	\$14.58	\$15.16	\$15.77

**Table 6 Proposed Commercial Rates**

<b>Municipal Wharf Rates</b>		<b>Current Rates</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>
Muni Wharf - Summer 32 gal Cart		\$36.04	\$41.45	\$43.10	\$44.83	\$46.62	\$48.49
Muni Wharf - Winter 32 gal Cart		\$36.04	\$41.45	\$43.10	\$44.83	\$46.62	\$48.49
Muni Wharf - Summer Level 0		\$97.47	\$112.09	\$116.57	\$121.24	\$126.09	\$131.13
Muni Wharf - Winter Level 0		\$97.47	\$112.09	\$116.57	\$121.24	\$126.09	\$131.13
Muni Wharf - Summer Level 1		\$234.64	\$269.84	\$280.63	\$291.85	\$303.53	\$315.67
Muni Wharf - Winter Level 1		\$189.72	\$218.18	\$226.91	\$235.98	\$245.42	\$255.24
Muni Wharf - Summer Level 2		\$410.70	\$472.31	\$491.20	\$510.85	\$531.28	\$552.53
Muni Wharf - Winter Level 2		\$300.89	\$346.02	\$359.86	\$374.26	\$389.23	\$404.80
Muni Wharf - Summer Level 3		\$693.12	\$797.09	\$828.97	\$862.13	\$896.62	\$932.48
Muni Wharf - Winter Level 3		\$466.18	\$536.11	\$557.55	\$579.85	\$603.05	\$627.17
Muni Wharf - Summer Level 4		\$1,125.26	\$1,294.05	\$1,345.81	\$1,399.64	\$1,455.63	\$1,513.85
Muni Wharf - Winter Level 4		\$803.96	\$924.55	\$961.54	\$1,000.00	\$1,040.00	\$1,081.60
Muni Wharf - Summer Level 5		\$1,988.60	\$2,286.89	\$2,378.37	\$2,473.50	\$2,572.44	\$2,675.34
Muni Wharf - Winter Level 5		\$1,363.68	\$1,568.23	\$1,630.96	\$1,696.20	\$1,764.05	\$1,834.61

**Table 7 Proposed Municipal Wharf Rates**

<b>Santa Cruz City School District - Proposed Resource Recovery Collection Rates</b>									
<b>School Name</b>	<b>Refuse Container Size</b>	<b>Refuse Pickups/Week</b>	<b>Current Rates</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>	
Bay View Elementary	6 yd	2	\$ 991.48	\$1,140.21	\$1,185.81	\$1,233.25	\$1,282.58	\$1,333.88	
Branciforte Elementary	4 yd	2	\$ 746.03	\$857.93	\$892.25	\$927.94	\$965.06	\$1,003.66	
Branciforte Middle School	4 yd	2	\$ 746.03	\$857.93	\$892.25	\$927.94	\$965.06	\$1,003.66	
DeLaveaga Elementary	4 yd	3	\$ 1,071.80	\$1,232.57	\$1,281.88	\$1,333.15	\$1,386.48	\$1,441.94	
Gault Elementary	4 yd	2	\$ 746.03	\$857.93	\$892.25	\$927.94	\$965.06	\$1,003.66	
Harbor High	4 yd	2	\$ 746.03	\$857.93	\$892.25	\$927.94	\$965.06	\$1,003.66	
	4 yd	3	\$ 1,071.80	\$1,232.57	\$1,281.88	\$1,333.15	\$1,386.48	\$1,441.94	
	4 yd	1	\$ 420.25	\$483.29	\$502.62	\$522.73	\$543.64	\$565.38	
Adult School - La Fonda	4 yd	1	\$ 420.25	\$483.29	\$502.62	\$522.73	\$543.64	\$565.38	
Mission Hill Middle School	4 yd	3	\$ 1,071.80	\$1,232.57	\$1,281.88	\$1,333.15	\$1,386.48	\$1,441.94	
Santa Cruz High	6 yd	3	\$ 1,425.35	\$1,639.15	\$1,704.72	\$1,772.91	\$1,843.83	\$1,917.58	
	Football Field	4 yd	\$ 420.25	\$483.29	\$502.62	\$522.73	\$543.64	\$565.38	
229 Weeks - Adult Ed	2 -32 gal	1	\$ 48.19	\$55.42	\$57.64	\$59.94	\$62.34	\$64.84	
Warehouse (536 Palm)	2 yd	1	\$ 254.98	\$293.23	\$304.96	\$317.16	\$329.85	\$343.04	
Westlake	2 yd	1	\$ 254.98	\$293.23	\$304.96	\$317.16	\$329.85	\$343.04	
	4 yd	1	\$ 420.25	\$483.29	\$502.62	\$522.73	\$543.64	\$565.38	
	4 yd	1	\$ 420.25	\$483.29	\$502.62	\$522.73	\$543.64	\$565.38	

**Table 8 Proposed City School Rates**

590 Ygnacio Valley Road, Suite 105  
Walnut Creek, California 94596  
Telephone: 925/977-6950  
Fax: 925/977-6955  
[www.hfh-consultants.com](http://www.hfh-consultants.com)

Robert D. Hilton, Emeritus  
John W. Farnkopf, PE  
Laith B. Ezzet, CMC  
Richard J. Simonson, CMC  
Marva M. Sheehan, CPA  
Robert C. Hilton

May 25, 2023

Bob Nelson  
Resource Recovery Operations Manager  
City of Santa Cruz  
809 Center Street, Room 201  
Santa Cruz, CA 95060

*Sent via e-mail*

**Subject: Update the City's Solid Waste Rate Model – FINAL REPORT**

Dear Bob Nelson:

HF&H Consultants, LLC (HF&H), at your request, has updated the City of Santa Cruz's (City) projected solid waste enterprise collection, processing, and disposal costs and revenues, for fiscal year (FY) 23-24 through FY 27-28 to determine the estimated operating surplus/shortfall for the City's solid waste system by customer class.

## EXECUTIVE SUMMARY

The City provides solid waste services to residents and businesses located within the City's limits. In order to increase rates for these services, the City intends to comply with Article XIID, Section 6 of the California Constitution, which was enacted by Proposition 218 in 1996. This Constitutional Section requires that (1) revenues derived from fees or charges for property-related service not exceed the cost to provide service; (2) revenues derived from fees or charges not be used for any purpose other than that for which it was imposed; and (3) the amount of a fee or charge upon a parcel not exceed the proportional cost of the service attributable to the parcel. The last rate study to analyze the nature of the City's solid waste collection fees and services was completed in 2020. The analysis conducted in support of this study was founded on legal direction related to Proposition 218, which was provided by special counsel engaged by the City.

This rate study included two analytic stages for the solid waste utility:

1. **Revenue Requirement Projections.** The expenses are projected based on the City's FY 21-22 actual expenditures, adjusted for anticipated future expenditures and cost escalation factors. The revenues are based on a revenue buildup of current subscriptions and current rates. The difference between expenses and revenues must be offset by annual revenue increases.
2. **Cost of Service Analysis.** The revenue requirement for the coming rate year (FY 2023-24) is allocated to each customer class based on the cost to provide the service.

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 May 25, 2023  
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The analysis was performed in a spreadsheet model. The tables presented in this report are derived from this model.

Figure 1-1 summarizes the annual revenue requirement that rates must be set to fund, for each class of customers.

**Figure 1-1. Revenue Requirement Projections**

	Projections					
	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28	
Carts	\$ 9,329,172	\$ 9,667,491	\$ 10,018,666	\$ 10,383,186	\$ 10,335,519	A
Bins	\$ 8,259,435	\$ 8,552,325	\$ 8,856,344	\$ 9,171,916	\$ 8,947,665	B
<b>Total</b>	<b>\$ 17,588,607</b>	<b>\$ 18,219,815</b>	<b>\$ 18,875,010</b>	<b>\$ 19,555,102</b>	<b>\$ 19,283,184</b>	<b>C = A + B</b>

## B. Cost of Service Analysis

The cost of service analysis indicated that both cart and bin customers are under-generating revenue compared to the cost of service. As a result, customer rates need to be increased to ensure revenue sufficiency over time. Even though the City has reserve funds, the City elected to save the reserve funds for CIP projects and other large expenditures outside of rate collection services. As such, the City elected to apply annual increases to each customer class from FY 23-24 through FY 27-28. The first rate increase will be implemented on September 1, 2023.

## BACKGROUND

The City is the provider of solid waste, recyclables, and yard waste collection to the City's residents, businesses, and City facilities. All materials are delivered to the City's Dimeo Lane Resource Recovery Facility for processing or disposal. Residents and businesses have the option of subscribing to cart, bin, and/or roll-off (also known as "drop box") collection service. These service types are provided in a range of sizes to meet each customer's specific needs. In addition to the current services being provided to its residents and businesses, the City is continuing to roll out food waste collection services to customers to comply with SB 1383.

To determine whether additional rate revenue is required for the forthcoming rate year, projected operating and capital expenses are compared with projected revenue from current rates by customer class. Rates are then proposed to be adjusted as necessary by line of business so that the expenses are covered, and reserves are maintained.

The City requested HF&H to prepare an updated analysis of the current solid waste rates and rate structure, and evaluate if, and to what extent, a rate increase may be necessary to cover the City's expenditures. The prior rate study conducted for rates to be implemented in FY 2020 was performed at a system-wide level (all rates increased the same percentage), but the current study went deeper into

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the cost to provide service at the customer class level (residential and commercial). Roll-off rates and the landfill rates were excluded from this analysis.

## SCOPE OF WORK

Based on the operational statistics provided by the City, HF&H developed a high-level solid waste rate model designed to project the effect on rate revenues based on potential rate increase scenarios compared to the enterprises financial requirements, including operations and maintenance (O&M), capital improvement, and reserve funds.

We performed the following procedures as part of our review:

- Obtained cost, rate, and current customer account data from the City;
- Prepared a summary schedule projecting the City's costs and revenues for the five fiscal years (FY 23-24 through FY 27-28). The City's FY 21-22 actual expenditures served as the starting point for projecting the City's expenses and revenues, based on an inflationary increase of 3.8% per year as requested by City Staff;
- Allocated expenditures to customer classes based on allocation factors including, but not limited to: routes, tonnage, subscribed volume, and revenue; and,
- Calculated the cost-of-service rate increase by customer class to achieve rate revenue that would meet the minimum revenue requirement.

## LIMITATIONS

This study was prepared solely for the City of Santa Cruz in accordance with the contract between the City and HF&H and is not intended for use by any other party for any other purpose.

In preparing this study, HF&H relied on information and instructions from the City, which we consider to be accurate and reliable and did not independently verify.

Revenues from landfill and collection operations may fluctuate based on consumer habits, migration between container sizes, and amount of materials disposed.

Revenues generated from the sale of recyclable materials remain highly variable as recyclable markets have recently encountered large fluctuations amid global market uncertainty.

Actual results of operations will usually differ from projections because events and circumstances frequently do not occur as expected, which can result in significant differences between projected and actual expense and revenues.

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This analysis addresses the relevant laws, regulations, and court decisions but should not be relied upon as legal advice. Questions concerning the interpretation of legal authorities referenced in this study should be referred to a qualified attorney.

## FINDINGS

To determine whether additional rate revenue is required, projected operating expenditures are compared with projected revenue from current rates. Rates are then increased so that projected expenses are covered.

### A. Operations for FY 23-24

HF&H reviewed the City's current (FY 22-23) annualized revenues compared to the projected (FY 23-24) revenue requirement. The revenue requirement is only reflective of residential and commercial collection operations and excludes expenditures for landfill operation, roll-off containers, and large construction in progress projects as the goal of this study was to determine the cost to provide basic refuse collection and processing services. Additional expenditures were added to the FY 23-24 projected budget as follows:

- Included an increase in the insurance and liability bond cost to solid waste of \$350,000 (subject to annual inflation factors).
- Included an additional \$1.3M in Capital Allocation Plan costs to solid waste (subject to annual inflation factors).
- Included an additional \$1M annually to build reserves for the IT system upgrade in FY 27-28.
- Included an additional \$373K to estimate the annual cost of 1.5 FTE and 2 trucks for additional commercial organics bin routes (subject to annual inflation factors).

As shown in **Figure 1-2**, the City is anticipating a system-wide revenue shortfall of \$2,209,681, or 14.4%, in FY 23-24, based on projected revenues of \$15,378,925 and projected costs of \$17,588,607, resulting in a drawdown of reserves in the City's fund balance.

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**Figure 1-2. FY 23-24 Revenue Requirement Analysis**

Analysis of Costs and Revenues at Current Rates		
	FY 22-23	FY 23-24
Projected Costs		\$ 17,588,607 <b>A</b>
Projected Revenue at <u>Current Rates</u>		\$ 15,378,925 <b>B</b>
Excess (Deficiency) of Revenues vs. Costs		\$ (2,209,681) <b>C = B - A</b>
Projected Rate Adjustment		14.4% <b>D = C / B</b>
Fund Balance before Rate Contribution		\$ 13,782,997 <b>E</b>
Contribution to/(of) Fund Balance from/(to) Rates		\$ (2,209,681) <b>C</b>
Fund Balance After Rate Contribution	\$13,782,997	\$ 11,573,315 <b>F = E + C</b>

HF&H projected out five years to see the impact the current rates and rate structure would have on the City's fund balance. HF&H inflated the costs using a 3.8% annual inflation factor for the purposes of this analysis.

As demonstrated in **Figure 1-3** below, current revenues are insufficient to cover the overall revenue requirement and will face a recurring annual shortfall based on the projected expenditures. The impact of not increasing rates results in a total decrease to the fund balance of \$16.6 million over the five-year projection period from FY 23-24 to FY 27-28. The result would be a negative fund balance of \$2.8 million by the end of FY 27-28.

**Figure 1-3. Projected Revenue Shortfall at Current Rates**

Analysis of Costs and Revenues at Current Rates						
	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Rate Increase / Decrease		0%	0%	0%	0%	0%
Projected Costs		\$ 17,588,607	\$ 18,219,815	\$ 18,875,010	\$ 19,555,102	\$ 19,283,184 <b>A</b>
Less: <i>IT System Upgrade Reserve</i>		\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ 4,000,000 <b>B</b>
Projected Costs for Collection		\$ 16,588,607	\$ 17,219,815	\$ 17,875,010	\$ 18,555,102	\$ 23,283,184 <b>C = A + B</b>
Projected Revenue at <u>Current Rates</u>		\$ 15,378,925	\$ 15,378,925	\$ 15,378,925	\$ 15,378,925	\$ 15,378,925 <b>D</b>
Excess (Deficiency) of Revenues vs. Costs		\$ (1,209,681)	\$ (1,840,890)	\$ (2,496,085)	\$ (3,176,177)	\$ (7,904,259) <b>E = D - C</b>
Fund Balance before Rate Contribution		\$ 13,782,997	\$ 12,573,315	\$ 10,732,425	\$ 8,236,341	\$ 5,060,164 <b>F</b>
Contribution to/(of) Fund Balance from/(to) Rates		\$ (1,209,681)	\$ (1,840,890)	\$ (2,496,085)	\$ (3,176,177)	\$ (7,904,259) <b>G</b>
Fund Balance After Rate Contribution	\$13,782,997	\$ 12,573,315	\$ 10,732,425	\$ 8,236,341	\$ 5,060,164	\$ (2,844,095) <b>H = F + G</b>

The result of this analysis indicates the need for increased overall revenues to cover operating costs. While reserves are available to accommodate the projected shortfalls in the next few years, using the reserves will dip the balance below the minimum reserve target and continued operating shortfalls will



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significantly deplete the City's reserves. The City prefers to keep a healthy reserve balance to fund CIP projects in addition to maintaining an operating reserve.

## **B. Expenses Allocated by Customer Class**

The total annual revenue requirement was allocated to the two customer classes (residential and commercial collection service). The allocations were distributed into the following major cost areas in a manner that reflects actual costs required to serve each customer class: administrative, resource recovery collection - containers, refuse disposal, recycling, waste recovery collection, additional commercial organics routes, street cleaning, and non-operating revenue. HF&H then used cost and operational data, provided by the City, to allocate each of these cost areas among customer classes in a manner which reflects the actual cost of providing service to each. Administrative costs were allocated based on monthly subscribed volume. Resource recovery collection costs were allocated based on routes. Refuse disposal costs were allocated based on solid waste tonnage. Recycling costs were allocated based on recycling and organic tonnage. Waste recovery costs were allocated based on weekly routes (excluding roll-off). Additional commercial organics routes were all allocated to commercial. Street cleaning costs were allocated by total tonnage (excluding third party). Non-operating revenue was allocated based on revenue generated by customer class. The allocation methodology by cost area and resulting allocation factors are shown in Figure 2-1.

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**Figure 2-1. Allocation Methodology and Factors**

Cost Category	Allocation Methodology	Allocation Factors
Admin (7301, 0000, & 7306,) Resource Recovery Collection – Container Services and Supplies, Insurance & Liability, Capital Reserve Transfer)	Monthly Subscribed Volume	Residential: 12,600 CY (43%) Commercial: 16,320 CY (55%) Roll-off: 655 CY (2%) Total: 29,575 CY (100%)
Resource Recovery Collection - Container (7302): Labor and Vehicles	Routes	Residential: 105 Routes (66%) Commercial: 47 Routes (29%) Roll-off: 7 Routes (4%) Total: 159 Routes (100%)
Refuse Disposal (7303)	Tonnage – Solid Waste	Residential: 7,964 tons (16%) Commercial: 13,947 tons (28%) Roll-off: 6,529 tons (13%) Third Party: 20,851 tons (42%) Total: 49,291 tons (100%)
Recycling Program (7304) Sale of Recyclable Materials	Tonnage – Recycling and Organics	Residential: 9,085 tons (40%) Commercial: 5,462 tons (24%) Roll-off: 492 tons (2%) Third Party: 7,475 tons (33%) Total: 22,514 tons (100%)
Waste Recovery Collection – Carts (7305)	Weekly Routes (Excl. Roll-Off)	Residential: 105 Routes (69%) Commercial: 47 Routes (31%) Total: 152 Routes (100%)
Additional Commercial Organics Routes	Manual	Residential: (0%) Commercial: ALL (100%) Total: (100%)
Street Cleaning (7307)	Total Tonnage (Excl. Third Party)	Residential: 16,978 tons (38%) Commercial: 19,379 tons (43%) Roll-off: 8,829 tons (19%) Total: 45,186 tons (100%)
Non-Operating Revenue	Revenue Allocation (Excl. Third Party & Interest)	Residential: \$8,169,406 (53%) Commercial: \$7,129,520 (46%) Roll-off: \$207,695 (1%) Total: \$15,506,620 (100%)

Figure 2-2 displays how the allocation factors were used to allocate FY 23-24 costs to each customer class. Figure 2-3 summarizes the costs in Figure 2-2 by customer class to calculate the rate increase or decrease to achieve cost of service.

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**Figure 2-2. Allocation of FY 2023-24 Costs by Customer Class**

Cost Area	FY 23-24 Total Cost	Allocation Factor		Allocated FY 23-24 Costs
Admin (0000, 7301, & 7306), Resource Recovery Collection - Container Services and Supplies, Insurance & Liability, and Capital Reserve Transfer	\$ 5,722,716	Residential	43%	\$ 2,438,096
		Commercial	55%	\$ 3,157,879
		Roll-Off	2%	\$ 126,740
Resource Recovery Collection - Container (7302): Labor and Vehicles	\$ 5,019,552	Residential	66%	\$ 3,323,754
		Commercial	29%	\$ 1,476,633
		Roll-Off	4%	\$ 219,165
Refuse Disposal (7303)	\$ 7,175,170	Residential	16%	\$ 1,159,318
		Commercial	28%	\$ 2,030,248
		Roll-Off	13%	\$ 950,398
		Third Party	42%	\$ 3,035,207
Recycling Program (7304)	\$ 310,282	Residential	40%	\$ 125,206
		Commercial	24%	\$ 75,274
		Roll-Off	2%	\$ 6,787
		Third Party	33%	\$ 103,015
Waste Recovery Collection - Carts (7305)	\$ 3,111,282	Residential	69%	\$ 2,154,229
		Commercial	31%	\$ 957,052
Additional Commercial Organics Routes	\$ 373,103	Residential	0%	\$ -
		Commercial	100%	\$ 373,103
Street Cleaning (7307)	\$ 763,052	Residential	38%	\$ 286,710
		Commercial	43%	\$ 327,257
		Roll-Off	20%	\$ 149,086
Non-Operating Revenue	\$ (300,174)	Residential	53%	\$ (158,142)
		Commercial	46%	\$ (138,012)
		Roll-Off	1%	\$ (4,021)

**Figure 2-3. FY 23-24 Revenue Requirement by Customer Class**

Analysis of Costs and Revenues at Current Rates				
	FY 23-24			
	Total	Residential	Commercial	
Projected Costs	\$ 17,588,607	\$ 9,329,172	\$ 8,259,435	<b>A</b>
Projected Revenue at <u>Current Rates</u>	\$ 15,378,925	\$ 8,224,797	\$ 7,154,128	<b>B</b>
Excess (Deficiency) of Revenues vs. Costs	\$ (2,209,681)	\$ (1,104,375)	\$ (1,105,307)	<b>C = B - A</b>
Projected Rate Adjustment	14.4%	13.4%	15.4%	<b>D = C / B</b>

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### C. Projected Rate Increases by Customer Class

After presentation of HF&H's findings regarding the projected revenue shortfall and discussion with City staff, the City wished to phase in the rate increases and use reserves to assist rate revenue in funding required costs. The proposed adjustments by the City are a 10% residential increase and a 15% commercial increase in FY 23-24 beginning September 1, 2023, with a 4% residential and 4% commercial annual increase thereafter. Each year, prior to implementing the rate increases, City staff should confirm the need for the rate adjustment and the amount of reserves used to fund the remaining costs. The City can implement a lower rate increase, if conditions warrant, without going through the Proposition 218 notification process. If higher rate increases are needed that exceed the adopted rates, the City should initiate a new Proposition 218 proceeding.

Figure 3-1 summarizes the annual rate increases to each customer class from FY 23-24 through FY 27-28.

**Figure 3-1. Rate Increases FY 23-24 through FY 27-28**

	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Residential Rate Increase	10.0%	4.0%	4.0%	4.0%	4.0%
Commercial Rate Increase	15.0%	4.0%	4.0%	4.0%	4.0%

Figure 3-2 below shows the impact on the fund balance assuming the rate adjustments are implemented September 1, 2023 and July 1 of each year thereafter.

**Figure 3-2. Solid Waste Fund Balance**

Analysis of Costs and Revenues at Adjusted Rates						
	FY 22-23	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Overall Rate Increase / Decrease		12%	4%	4%	4%	4%
Projected Costs		\$ 17,588,607	\$ 18,219,815	\$ 18,875,010	\$ 19,555,102	\$ 19,283,184 A
Less: IT System Upgrade Reserve		\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ (1,000,000)	\$ 4,000,000 B
Projected Costs for Collection		\$ 16,588,607	\$ 17,219,815	\$ 17,875,010	\$ 18,555,102	\$ 23,283,184 C = A + B
Projected Revenue at Adjusted Rates		\$ 16,958,593	\$ 17,963,908	\$ 18,682,464	\$ 19,429,763	\$ 20,206,953 D
Excess (Deficiency) of Revenues vs. Costs		\$ 369,986	\$ 744,092	\$ 807,454	\$ 874,661	\$ (3,076,231) E = D - C
Fund Balance before Rate Contribution		\$ 13,782,997	\$ 14,152,983	\$ 14,897,076	\$ 15,704,530	\$ 16,579,191 F
Contribution to/(of) Fund Balance from/(to) Rates		\$ 369,986	\$ 744,092	\$ 807,454	\$ 874,661	\$ (3,076,231) G
Fund Balance After Rate Contribution	\$ 13,782,997	\$ 14,152,983	\$ 14,897,076	\$ 15,704,530	\$ 16,579,191	\$ 13,502,960 H = F + G

Figure 3-3 and Figure 3-4 summarize the information presented in Figure 3-2 by customer class (excluding beginning and ending fund balance, which were not separately allocated to each customer class.)

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**Figure 3-3. Residential Rate Revenue Summary**

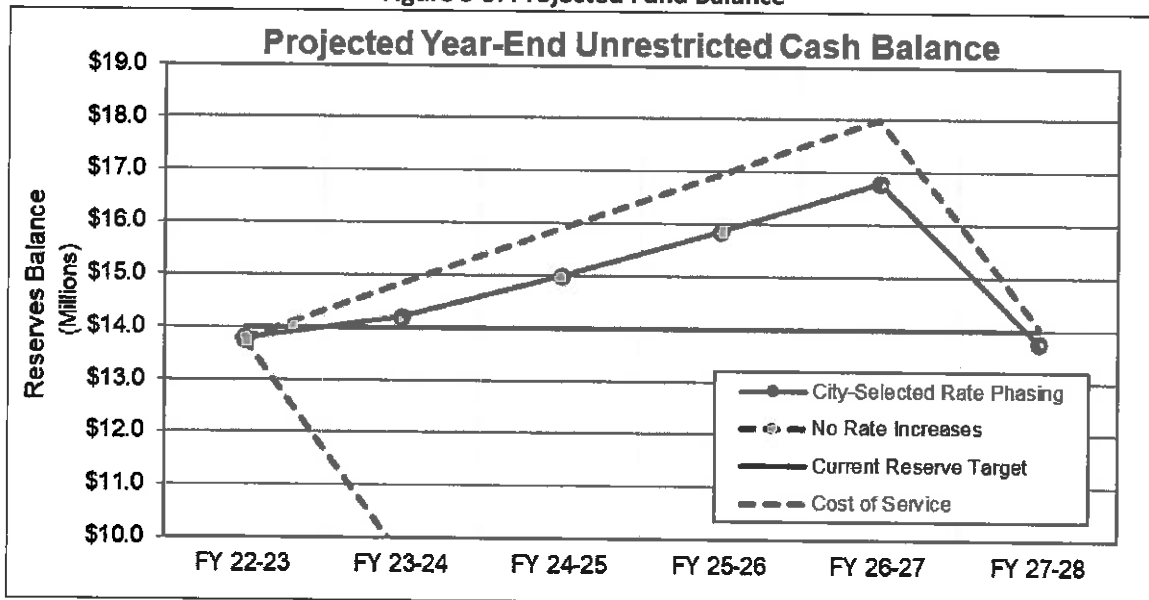
	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Rate Increase / Decrease	10%	4%	4%	4%	4%
Total Projected Costs	\$ 9,329,172	\$ 9,667,491	\$ 10,018,666	\$ 10,383,186	\$ 10,335,519 A
Total Projected Revenue at <u>Adjusted Rates</u>	\$ 8,910,197	\$ 9,408,208	\$ 9,784,536	\$ 10,175,917	\$ 10,582,954 B
Total Excess (Deficiency) of Revenues vs. Costs	\$ (418,975)	\$ (259,283)	\$ (234,130)	\$ (207,268)	\$ 247,435 C = B - A

**Figure 3-4. Commercial Rate Revenue Summary**

	FY 23-24	FY 24-25	FY 25-26	FY 26-27	FY 27-28
Rate Increase / Decrease	15%	4%	4%	4%	4%
Total Projected Costs	\$ 8,259,435	\$ 8,552,325	\$ 8,856,344	\$ 9,171,916	\$ 8,947,665 A
Total Projected Revenue at <u>Adjusted Rates</u>	\$ 8,048,396	\$ 8,555,700	\$ 8,897,928	\$ 9,253,845	\$ 9,623,999 B
Total Excess (Deficiency) of Revenues vs. Costs	\$ (211,039)	\$ 3,375	\$ 41,584	\$ 81,929	\$ 676,334 C = B - A

The summary of resulting impacts on the City's fund balance of the projected rate adjustments above can be seen in the figure below. The City's rate phasing follows closely to the Cost of Service rates, generates the additional funding for the IT system upgrade from FY 23-24 through FY 26-27, and drops upon purchase in FY 27-28.

**Figure 3-5. Projected Fund Balance**



The City's decision to use rate phasing will strategically leverage the City's reserve funds to supplement the rates over the coming years and return the fund balance to near the reserve target. HF&H recommends that the City revisit the cost to provide service in FY 25-26 and beyond as revenues and

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expenditures may change due to unknown conditions, and the use of reserve fund may need to be adjusted.

\* \* \* \*

We appreciate the opportunity to be of service to the City. We value our relationship with you and the City and are committed to providing you the highest level of service in the performance of this matter for you. Should you have any questions, please feel free to call me at (925) 977-6964.

Sincerely,  
HF&H CONSULTANTS, LLC



Dave Hilton  
Senior Project Manager

# Services Included with Resource Recovery Refuse Collection Rates

## Curbside Recycling

Residents and businesses in the City are provided unlimited recycling collection with their refuse service. Recycling reduces the amount of garbage that must be collected and may enable you to reduce cart or container size and lower monthly rates. Materials to recycle include mixed paper, junk mail, newspapers, cardboard, glass bottles and jars, metal cans, bagged and tied plastic bags, and plastic bottles, jars, jugs and tubs. Used motor oil and oil filters may be recycled curbside in City-provided jugs. Please recycle right! Don't include contaminants such as single plastic bags, garbage, polystyrene foam, or items with food residue—these can damage equipment and/or cause an entire recycling load to be landfilled.

## Yard Waste Recycling

Resource Recovery collection rates include weekly collection of a 64-gallon yard waste cart. Grass clippings, leaves, pine needles, prunings, branches, plants, unpainted/untreated lumber scraps, and untreated wood chips, bark, or sawdust may be put into the green cart and placed curbside on your regular collection day. City crews will collect it, grind it, and send it to a local farm for composting or use as mulch. It is critical that you only include the items listed to prevent contamination and damage to the grinder. Yard waste recycling saves landfill space and helps you reduce your refuse cart size and monthly fees.

## Street Sweeping

Our City Street Sweeping program is funded through Resource Recovery collection rates. Our crews attempt to sweep streets in the high-use business areas, beach areas, and bike paths at least once a week and more often during high-use seasons. They attempt to sweep residential streets twice a month on the day after collection service. Heavy on-street parking limits the ability of sweepers to access areas next to curbs. You can help by not parking on the street the morning after your refuse collection. Street sweeping helps keep pollutants out of storm drains, and ultimately, out of Monterey Bay and the ocean. Sweeping also helps clear gutters of leaves and debris that can clog storm drains and lead to street flooding. Your assistance in helping to keep storm drains near your home free of leaves during the rainy season is appreciated. If you observe a street debris problem that could cause a safety hazard, please call (831) 420-5558.

## Food Scrap Diversion Program

**(Commercial rates now include this service!)**

The new Food Scrap Collection Program serves residents and businesses in compliance with SB 1383 to reduce greenhouse gas emissions. It is now part of the bundled service including garbage, yard waste, and recycling. Collection for residents is curbside, and onsite for businesses. The scraps are turned into mash that is processed into a variety of products including pellets for pig feed; eventually it will be transformed into energy for onsite use at the Wastewater Treatment Facility. Customers are provided containers for food scrap collection that may include vegetables, fruits, meat, dairy products, seafood, solid fats, and more. Learn more at [cityofsantacruz.com/foodwaste](http://cityofsantacruz.com/foodwaste).

## Bulky Item Pickup

Contact Customer Service at (831) 420-5220 or [scmu@cityofsantacruz.com](mailto:scmu@cityofsantacruz.com) to ask about our convenient "on call" bulky item pickup. If the utility bill is in your name, you are eligible to have up to four bulky items collected at one time or one item picked up four times a year, free of charge. Appliances, bags of trash and other "bulky" items qualify. Schedule a pickup any time during the year. Once you have used up your four free opportunities, the regular bulky item fee will be charged to your municipal utility account. If you are a renter and the utility bill is not in your name, bulky item collection is still available for a fee.

## Household Hazardous Waste Drop-Off

Our Resource Recovery program provides free drop-off for Household Hazardous Waste (HHW) to all residents. The Resource Recovery Facility, 605 Dimeo Lane, has a HHW facility open on Saturdays from 7:30 a.m. to 3:30 p.m. City residents may also use the two HHW sites at the County's Buena Vista Landfill and Ben Lomond Transfer Station. It is both dangerous and illegal to dispose of HHW in the garbage, down the drain, or on the ground. For a free brochure on safe HHW disposal, call (831) 420-5591.

## Medications and Sharps Drop-Off Sites

Prescription and over-the-counter medications (pills, liquids, or creams) should never be flushed down the toilet, poured down the sink, or placed in the trash. Used needles and lancets (often called "sharps") should never be placed in a recycling or trash cart, flushed down the toilet, or discarded individually. Properly dispose of sharps by placing them into an approved red sharps container available at pharmacies. Resource Recovery collection rates help fund a number of free drop-off locations in Santa Cruz for safe disposal of needles and meds. Find drop-off sites at [med-project.org/locations](http://med-project.org/locations).

## Home Composting \$40 Rebate Program

If you are a City resident and a Resource Recovery collection customer, our Waste Reduction program will give you a \$40 rebate the first time you purchase a home compost or worm bin from participating local businesses. Home composting can help you reduce your refuse volume and will produce a soil amendment that your plants will love! Visit [cityofsantacruz.com/homecomposting](http://cityofsantacruz.com/homecomposting) for the rebate form and a listing of participating merchants.

## Fluorescent Bulb & Battery Drop-Off Sites

It is illegal to dispose of fluorescent bulbs and tubes, and household batteries in your trash. You may drop off these items for safe recycling at a number of local businesses or public facilities. There is no fee since your Resource Recovery collection rates include the costs of these programs. Find drop-off locations at [cityofsantacruz.com](http://cityofsantacruz.com).

### For more information, contact:

Resource Recovery Operations Manager Bob Nelson  
[bnelson@santacruzca.gov](mailto:bnelson@santacruzca.gov) or (831) 420-5548



Public Works Department  
809 Center Street, Room 201  
Santa Cruz, CA 95060  
[cityofsantacruz.com](http://cityofsantacruz.com)



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Public Works Department  
Prop. 218 Notice  
Proposed Rates  
June 2023



## Resource Recovery Programs & Services

In a typical week, our City of Santa Cruz Resource Recovery Division collects 660 tons of refuse, 252 tons of recycling, and 250 tons of organic material from over 16,000 residential and 13,000 commercial customers.

All these materials are transported to the Resource Recovery Facility. There, trash is deposited in the landfill while all recyclable materials are sorted, processed, and/or packaged for their next life.

One hundred and three staff members conduct these and many other operations. They also sweep our City streets, collect public area trash cans and illegally dumped waste. They manage household hazardous waste disposal services and waste reduction education and outreach programs. They conduct capital improvements and environmental monitoring needed to design and construct new landfill cells and to maintain and upgrade recycling facilities to meet regulatory requirements.

They also manage free Christmas tree collection and bulky item/appliance pick-up, a rebate program for compost or worm bins, and free drop-off locations for fluorescent bulbs, household batteries, and unwanted medications and sharps.

The results of these services include an estimated 65% rate of waste diversion from the landfill, while the national diversion rate is about 34%. The new food scrap collection program is increasing the diversion percentage and reducing methane landfill emissions.

Our City's landfill disposal level is down about 60,000 tons a year from 120,000 tons in 1989. This is tangible progress thanks to the active recycling and waste reduction by our Santa Cruz residents and businesses.

## Why Are Rate Increases Needed?

Our City of Santa Cruz Resource Recovery programs and services described at left are self-supporting operations within the Refuse Enterprise Fund. Their expenditures are covered by refuse collection fees which have not been increased since July 2018 and are projected to exceed revenues and deplete the fund balance by FY2027. There are several reasons for this.

First, personnel service costs for FY2023 have increased by 36% since FY2018. Trucks and heavy equipment are more expensive given steel prices and availability. Also, Resource Recovery is responding to the state-mandate to replace diesel vehicles with electric versions at considerable increase in cost.

Capital construction costs have substantially risen. Construction of a new landfill cell has created a deficit of about \$6 million, severely cutting into the fund balance.

The passage of California State's mandated SB 1383 has brought new costs with requirements to provide residential and commercial food waste collection and recovery programs.

Last, citywide software that runs finances and other services is aging and must soon be replaced; the Resource Recovery portion will cost \$3-4 million.

With the proposed rate increases, annual revenues are projected to equal annual expenditures by FY2025 and return a moderate unrestricted fund balance in FY2028 as a hedge against any unforeseen costs.

The proposed fees are based on the refuse container size (volume) and the frequency of collection. They offer customers a financial incentive to reduce waste and move to a smaller cart or container size. Commercial customers may also choose to have refuse picked up less frequently at lower cost. These financial incentives help our City meet our Climate Action goals of increased waste reduction, increased landfill diversion, and landfill life extension.

The proposed Resource Recovery refuse collection rates are detailed in the following pages.

## Notice of Public Hearing

The Santa Cruz City Council will hold a public hearing on

### Proposed Resource Recovery Refuse Collection Rate Increases

Tuesday, August 8, 2023 - after 11 a.m.  
City Council Chambers, 809 Center St.

The City Council will consider adoption of proposed Resource Recovery refuse collection rate increases affecting all residential and commercial customers. Interested persons are encouraged to attend and comment on the issues being discussed.

Written protests: Any property owner or a tenant who is a customer of the City Resource Recovery collection program may protest the proposed Resource Recovery collection rates. Only one written protest per parcel, filed by an owner or a tenant who is a customer, will be counted. Only written and signed protests that include the writer's address and/or assessor parcel number will be counted to determine whether a majority protest to the proposed Resource Recovery col-

lection rate increase exists. Written protests may be mailed or hand delivered to the Santa Cruz Mayor and City Council at 809 Center St, Rm. 10, Santa Cruz, CA 95060.

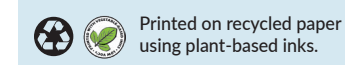
If you oppose the proposed rate increases, your protest must be submitted in writing to be counted, even if you plan to attend the public hearing. To be counted, the protest must:

- 1) be in writing;
- 2) state opposition to the proposed rate increase;
- 3) identify the parcel by assessor's parcel number or street address;
- 4) include the original signature of the owner of record or a tenant who is a customer of the City Resource Recovery collection service submitting the protest;
- 5) be received before the conclusion of the public hearing on August 8, 2023 which will be held in City Council Chambers at 809 Center St.

**For more information, contact:**  
Resource Recovery Operations Manager Bob Nelson  
[bnelson@santacruzca.gov](mailto:bnelson@santacruzca.gov) or (831) 420-5548

## Hay tres opciones para la traducción al español de este boletín de tarifas:

- Para leer y/o descargar nuestra versión, visite [cityofsantacruz.com/resourcecoveryrates](http://cityofsantacruz.com/resourcecoveryrates).
- Recoja una copia impresa: Departamento de Obras Públicas, 809 Center St. Rm. 201, Santa Cruz, 95060
- Llame a Resource Recovery (831) 420-5575 para recibir una copia.



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## PROPOSED RESOURCE RECOVERY REFUSE COLLECTION RATE INCREASES

Monthly rates unless otherwise stated

	Current Rates	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
<b>Cart Service (Residential and Commercial)</b>		10%	4%	4%	4%	4%
20-gallon cart, one/week	\$22.36	\$24.60	\$25.58	\$26.60	\$27.67	\$28.77
32-gallon cart, one/week	\$36.04	\$39.64	\$41.23	\$42.88	\$44.59	\$46.38
64-gallon cart, one/week	\$77.25	\$84.98	\$88.37	\$91.91	\$95.59	\$99.41
95-gallon cart, one/week	\$123.60	\$135.96	\$141.40	\$147.05	\$152.94	\$159.05
Additional unscheduled setout (per bag)	\$16.72	\$18.39	\$19.13	\$19.89	\$20.69	\$21.52
Call-back service (carts)	\$39.53	\$43.48	\$45.22	\$47.03	\$48.91	\$50.87
<b>Commercial Containers (City Owned)</b>		15%	4%	4%	4%	4%
1 CY one/week	\$218.50	\$251.28	\$261.33	\$271.78	\$282.65	\$293.96
Additional scheduled weekly pickups	\$218.50	\$251.28	\$261.33	\$271.78	\$282.65	\$293.96
Additional unscheduled pickups (each)	\$61.26	\$70.45	\$73.27	\$76.20	\$79.25	\$82.42
2 CY once/week	\$325.68	\$374.53	\$389.51	\$405.09	\$421.30	\$438.15
Additional scheduled weekly pickups	\$325.68	\$374.53	\$389.51	\$405.09	\$421.30	\$438.15
Additional unscheduled pickups (each)	\$122.52	\$140.90	\$146.53	\$152.40	\$158.49	\$164.83
<b>Temporary Service</b>						
Ten-day service, one pick-up	\$157.52	\$181.15	\$188.39	\$195.93	\$203.77	\$211.92
Five-day service, one pick-up	\$108.76	\$125.07	\$130.08	\$135.28	\$140.69	\$146.32
Each Extra Day (max 15)	\$31.57	\$36.31	\$37.76	\$39.27	\$40.84	\$42.47
3 CY once/week	\$456.74	\$525.25	\$546.26	\$568.11	\$590.84	\$614.47
Additional scheduled weekly pickups	\$456.74	\$525.25	\$546.26	\$568.11	\$590.84	\$614.47
Additional unscheduled pickups (each)	\$200.87	\$231.00	\$240.24	\$249.85	\$259.84	\$270.24
4 CY once/week	\$557.00	\$640.55	\$666.17	\$692.82	\$720.53	\$749.35
Additional scheduled weekly pickups	\$557.00	\$640.55	\$666.17	\$692.82	\$720.53	\$749.35
Additional unscheduled pickups (each)	\$245.05	\$281.81	\$293.08	\$304.80	\$317.00	\$329.67
<b>Temporary Service</b>						
Ten-day service, one pick-up	\$317.24	\$364.83	\$379.42	\$394.60	\$410.38	\$426.79
Five-day service, one pick-up	\$216.59	\$249.08	\$259.04	\$269.40	\$280.18	\$291.39
Each Extra Day (max 15)	\$62.98	\$72.43	\$75.32	\$78.34	\$81.47	\$84.73
6 CY once/week	\$788.32	\$906.57	\$942.83	\$980.54	\$1,019.77	\$1,060.56
Additional scheduled weekly pickups	\$788.32	\$906.57	\$942.83	\$980.54	\$1,019.77	\$1,060.56
Additional unscheduled pickups (each)	\$367.57	\$422.71	\$439.61	\$457.20	\$475.49	\$494.51
<b>Temporary Service</b>						
Ten-day service, one pick-up	\$381.01	\$438.16	\$455.69	\$473.92	\$492.87	\$512.59
Five-day service, one pick-up	\$259.88	\$298.86	\$310.82	\$323.25	\$336.18	\$349.63
Each Extra Day (max 15)	\$62.98	\$72.43	\$75.32	\$78.34	\$81.47	\$84.73
8 CY once/week	\$993.28	\$1,142.27	\$1,187.96	\$1,235.48	\$1,284.90	\$1,336.30
Additional scheduled weekly pickups	\$993.28	\$1,142.27	\$1,187.96	\$1,235.48	\$1,284.90	\$1,336.30
Additional unscheduled pickups (each)	\$462.63	\$532.02	\$553.31	\$575.44	\$598.46	\$622.39
Delivery charge for reinstatement delinquent accounts (1-8 yd)	\$145.49	\$167.31	\$174.01	\$180.97	\$188.20	\$195.73
<b>Roll-Off Rates</b>		<b>**No Rate Change to Roll-Off Rates</b>				
<b>10 CY</b>						
Temporary 15-day service, 1 pickup	\$459.98	\$459.98	\$459.98	\$459.98	\$459.98	\$459.98
Minimum permanent Service, 1 pickup/month	\$511.35	\$511.35	\$511.35	\$511.35	\$511.35	\$511.35
Additional pickups	\$485.53	\$485.53	\$485.53	\$485.53	\$485.53	\$485.53
<b>15 CY</b>						
Temporary 15-day service, 1 pickup	\$573.19	\$573.19	\$573.19	\$573.19	\$573.19	\$573.19
Minimum permanent Service, 1 pickup/month	\$637.20	\$637.20	\$637.20	\$637.20	\$637.20	\$637.20
Additional pickups	\$605.03	\$605.03	\$605.03	\$605.03	\$605.03	\$605.03
<b>20 CY</b>						
Temporary 15-day service, 1 pickup	\$671.01	\$671.01	\$671.01	\$671.01	\$671.01	\$671.01
Minimum permanent Service, 1 pickup/month	\$745.95	\$745.95	\$745.95	\$745.95	\$745.95	\$745.95
Additional pickups	\$708.29	\$708.29	\$708.29	\$708.29	\$708.29	\$708.29
<b>30 CY</b>						
Temporary 15-day service, 1 pickup	\$866.63	\$866.63	\$866.63	\$866.63	\$866.63	\$866.63
Minimum permanent Service, 1 pickup/month	\$963.41	\$963.41	\$963.41	\$963.41	\$963.41	\$963.41
Additional pickups	\$914.78	\$914.78	\$914.78	\$914.78	\$914.78	\$914.78
<b>Weekend Special, 10-yard, 15-yard</b>						
10 CY drop off Fri, pickup Mon	\$292.08	\$292.08	\$292.08	\$292.08	\$292.08	\$292.08
15 CY drop off Fri, pickup Mon	\$365.13	\$365.13	\$365.13	\$365.13	\$365.13	\$365.13

## PROPOSED RESOURCE RECOVERY REFUSE COLLECTION RATE INCREASES (cont'd)

	Current Rates	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28		
<b>Compactor Containers (Customer Owned)</b>								
Roll-off truck service (based on 12 CY)	\$67.35	\$77.45	\$80.55	\$83.77	\$87.12	\$90.61		
Front-loader truck service	\$29.08	\$33.44	\$34.78	\$36.17	\$37.62	\$39.12		
<b>Municipal Wharf Rates</b>								
Muni Wharf - Summer 32 gal Cart	\$36.04	\$41.45	\$43.10	\$44.83	\$46.62	\$48.49		
Muni Wharf - Winter 32 gal Cart	\$36.04	\$41.45	\$43.10	\$44.83	\$46.62	\$48.49		
Muni Wharf - Summer Level 0	\$97.47	\$112.09	\$116.57	\$121.24	\$126.09	\$131.13		
Muni Wharf - Winter Level 0	\$97.47	\$112.09	\$116.57	\$121.24	\$126.09	\$131.13		
Muni Wharf - Summer Level 1	\$234.64	\$269.84	\$280.63	\$291.85	\$303.53	\$315.67		
Muni Wharf - Winter Level 1	\$189.72	\$218.18	\$226.91	\$235.98	\$245.42	\$255.24		
Muni Wharf - Summer Level 2	\$410.70	\$472.31	\$491.20	\$510.85	\$531.28	\$552.53		
Muni Wharf - Winter Level 2	\$300.89	\$346.02	\$359.86	\$374.26	\$389.23	\$404.80		
Muni Wharf - Summer Level 3	\$693.12	\$797.09	\$828.97	\$862.13	\$896.62	\$932.48		
Muni Wharf - Winter Level 3	\$466.18	\$536.11	\$557.55	\$579.85	\$603.05	\$627.17		
Muni Wharf - Summer Level 4	\$1,125.26	\$1,294.05	\$1,345.81	\$1,399.64	\$1,455.63	\$1,513.85		
Muni Wharf - Winter Level 4	\$803.96	\$924.55	\$961.54	\$1,000.00	\$1,040.00	\$1,081.60		
Muni Wharf - Summer Level 5	\$1,988.60	\$2,286.89	\$2,378.37	\$2,473.50	\$2,572.44	\$2,675.34		
Muni Wharf - Winter Level 5	\$1,363.68	\$1,568.23	\$1,630.96	\$1,696.20	\$1,764.05	\$1,834.61		
<b>Special Containers (Downtown MW and Rec Enclosures)</b>								
Rate for common use of a refuse container		Regular container rate / proportional volume generated by the business or property = monthly refuse rate charged to business or property.						
Maintenance fee for downtown enclosures		Proportional share of actual maintenance costs based on average volume of refuse collected.						
<b>Customer Services</b>								
Cart locks installation	\$15.23	\$17.51	\$18.22	\$18.94	\$19.70	\$20.49		
Container locks installation	\$52.74	\$60.65	\$63.08	\$65.60	\$68.22	\$70.95		
Cart cleaning (special request)	\$15.23	\$17.51	\$18.22	\$18.94	\$19.70	\$20.49		
Container renewal (clean/paint)	\$35.16	\$40.43	\$42.05	\$43.73	\$45.48	\$47.30		
Compactor cleaning (per time)	\$179.25	\$206.14	\$214.38	\$222.96	\$231.88	\$241.15		
Life-line rate - 20 gallon cart	\$21.36	\$23.50	\$24.44	\$25.41	\$26.43	\$27.49		
Life-line rate - 32 gallon cart	\$35.04	\$38.54	\$40.09	\$41.69	\$43.36	\$45.09		
Bulky item pickup (Resi pick up, scheduled)	\$24.31	\$26.74	\$27.81	\$28.92	\$30.08	\$31.28		
Private enclosed cleaning fee	\$179.25	\$206.14	\$214.38	\$222.96	\$231.88	\$241.15		
Special service fee (requested by customer)	\$15.23	\$17.51	\$18.22	\$18.94	\$19.70	\$20.49		
Difficult to service fee	\$30.47	\$33.52	\$34.86	\$36.25	\$37.70	\$39.21		
Additional Rec or GW cart fee	\$4.25	\$4.68	\$4.86	\$5.06	\$5.26	\$5.47		
Special haul rate (per hour)	\$564.15	\$648.77	\$674.72	\$701.71	\$729.78	\$758.97		
Special haul rate (minimum charge)	\$179.25	\$206.14	\$214.38	\$222.96	\$231.88	\$241.15		
Weekend Collection Surcharge	15%	15%	15%	15%	15%	15%		
Change of service fee	\$11.72	\$13.48	\$14.02	\$14.58	\$15.16	\$15.77		
<b>Santa Cruz City School District - Proposed Resource Recovery Collection Rates</b>								
<b>School Name</b>	<b>Refuse Container Size</b>	<b>Refuse Pickups/Week</b>	<b>Current Rates</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>
Bay View Elementary	6 yd	2	\$991.48	\$1,140.21	\$1,185.81	\$1,233.25	\$1,282.58	\$1,333.88
Branciforte Elementary	4 yd	2	\$746.03	\$857.93	\$892.25	\$927.94	\$965.06	\$1,003.66
Branciforte Middle School	4 yd	2	\$746.03	\$857.93	\$892.25	\$927.94	\$965.06	\$1,003.66
DeLaveaga Elementary	4 yd	3	\$1,071.80	\$1,232.57	\$1,281.88	\$1,333.15	\$1,386.48	\$1,441.94
Gault Elementary	4 yd	2	\$746.03	\$857.93	\$892.25	\$927.94	\$965.06	\$1,003.66
Harbor High	4 yd	2	\$746.03	\$857.93	\$892.25	\$927.94	\$965.06	\$1,003.66
	4 yd	3	\$1,071.80	\$1,232.57	\$1,281.88	\$1,333.15	\$1,386.48	\$1,441.94
	4 yd	1	\$420.25	\$483.29	\$502.62	\$522.73	\$543.64	\$565.38
Adult School - La Fonda	4 yd	1	\$420.25	\$483.29	\$502.62	\$522.73	\$543.64	\$565.38
Mission Hill Middle School	4 yd	3	\$1,071.80	\$1,232.57	\$1,281.88	\$1,333.15	\$1,386.48	\$1,441.94
Santa Cruz High	6 yd	3	\$1,425.35	\$1,639.15	\$1,704.72	\$1,772.91	\$1,843.83	\$1,917.58
Football Field	4 yd	1	\$420.25	\$483.29	\$502.62	\$522.73	\$543.64	\$565.38
229 Weeks - Adult Ed	2 -32 gal	1	\$48.19	\$55.42	\$57.64	\$59.94	\$62.34	\$64.84
Warehouse (536 Palm)	2 yd	1	\$254.98	\$293.23	\$304.96	\$317.16	\$329.85	\$343.04
Westlake Elementary	2 yd	1	\$254.98	\$293.23	\$304.96	\$317.16	\$329.85	\$343.04
	4 yd	1	\$420.25	\$483.29	\$502.62	\$522.73	\$543.64	\$565.38
	4 yd	1	\$420.25	\$483.29	\$502.62	\$522.73	\$543.64	\$565.38



### Right Size Your Trash Cart

Choose the right size trash cart based on the number of people in your household & your consumption habits.

20 Gallon Trash Cart	32 Gallon Trash Cart	64 Gallon Trash Cart	96 Gallon Trash Cart
Holds Approximately 2 Tall Kitchen Bags per Week <b>1 - 2 People</b>	Holds Approximately 3 Tall Kitchen Bags per Week <b>2 - 3 People</b>	Holds Approximately 5 Tall Kitchen Bags per Week <b>3 - 4 People</b>	Holds Approximately 7 Tall Kitchen Bags per Week <b>5+ People</b>

Avoid extra fees from overloading and recycle cart contamination. 420-5220

## Careful Choices Will Save You Money

Resource Recovery refuse collection rates include weekly service for recycling, yard waste, and food scrap collection. By reducing waste, Recycling *Right!* and properly sorting and diverting organics, most customers can reduce the size of their refuse container. Careful waste management will save you money and increase the lifespan of our City landfill.







## City Council AGENDA REPORT

**DATE:** 05/31/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Water/Planning and Community Development

**SUBJECT:** Graham Hill Water Treatment Plant Facility Improvements Project –  
Update Report / City Council Direction (WT/PL)

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**RECOMMENDATION:** Motion to:

- 1) Notify the Water and Planning Commissions that the Graham Hill Water Treatment Plant Facility Improvements Project (Project) will be brought to the City Council for final consideration and action on the Environmental Impact Report (EIR), discretionary permits/entitlements, and final project approval per Santa Cruz Municipal Code 24.04.175.2; and
  - 2) Direct staff to coordinate with the Water and Planning Commissions to obtain project recommendations from those commissions on the Project EIR (Water Commission) and Project entitlements (Planning Commission) prior to Council’s final action on the Project.
- 

**BACKGROUND:** As the City Council is aware, the Water Department (Department) is currently engaged in the design and environmental review of the Graham Hill Water Treatment Plant Facility Improvements Project (Project). The Graham Hill Water Treatment Plant (GHWTP) was originally constructed in 1960 and standards and regulations enacted over the intervening sixty-three years necessitate the Project. The preliminary budget for the Project, including its design, environmental review, permitting, and construction, is approximately \$154,000,000. The major components of the Project include the following:

- Improved treatment reliability;
- New and upgraded water treatment and related processes;
- New and upgraded buildings; and
- Infrastructure and site improvements.

The GHWTP parcel is within City limits; however, the parcel is non-contiguous to the City and hence constitutes an “island annexation” surrounded by parcels of residential property in the unincorporated County, most of which are within the City’s water service area and whose residents are customers of the City.

An EIR for the Project is currently being prepared in accordance with the California Environmental Quality Act (CEQA). Pursuant to California Government Code Section 53091(e), city and county zoning ordinances do not apply to “the location or construction of facilities for the production, generation, storage, treatment, or transmission of water[.]” This broad language

clearly applies to facilities such as tanks, pipelines, and water treatment equipment. However, related facilities which serve functions other than those listed above, such as the Project's proposed administrative and operations buildings remain subject to the City's zoning requirements. Accordingly, the Project, being located in the City's Public Facilities zoning district, will require a Design Permit and a Special Use Permit for the administrative and operations buildings while the remainder of the Project is exempt from these permitting requirements.

This means that the Project's approvals will require, first of all, certification of the Project's Final EIR, secondly, approval of the Project's Design Permit and Special Use Permit applications, and thirdly, approval of the remainder of the Project.

**DISCUSSION:** Per its bylaws, the City's Water Commission is charged with acting in an advisory capacity to the City Council in all matters pertaining to the City's water system and that system's maintenance and management. The Water Commission is also responsible for reviewing and making recommendations to the City Council pertaining to the improvement and extension of the City's water system, including sources, storage, quality, transmission, and distribution.

In accordance with these duties, the Water Commission has historically reported to the City Council annually to provide a comprehensive recommendation about the Water Department's operating and capital budgets, including the Department's multi-year Capital Investment Program that provides details about planned infrastructure projects. Additionally, the Water Commission has worked with Water Department staff to review certain CEQA documents projects and to make recommendations to the Council regarding Council actions on CEQA documents and project approvals.

Per its bylaws, the City's Planning Commission is authorized to hear and decide matters relating to the application of the Zoning Ordinance. This includes the consideration of Design Permit and Special Use Permit applications and the approval of those permits. Here, as explained above, such permits are only needed for certain components of a larger project.

Per Santa Cruz Municipal Code Section 24.04.175.2, the City Council may, by motion, direct the Planning Commission to make a recommendation to the City Council on permit applications which the Planning Commission is otherwise authorized to rule upon, in which case the Council, rather than the Commission, makes the final permit issuance decision.

Staff recommends that the City Council follow that process here, as staff believes that it is in the public interest that the City Council consider the entire GHWTP Facility Improvements Project, including its permit applications, at a single public hearing and that the City Council serve as the final decision maker for all aspects of the Project. We make this recommendation for the following reasons:

- First, this is a project of major importance and application to the City's entire Water Service Area.
- Second, two different Commissions will need to consider different aspects of the Project.
- Third, the Planning Commission's decision-making jurisdiction would be limited, and its permit approvals would be appealable to the Council.

- And finally, the Council will be charged with certification of the Final EIR before approving Project components exempt from the City’s Zoning Ordinance, even in the absence of an appeal from the Planning Commission.

Consequently, it makes sense for the City Council to be the decision maker with respect to the EIR and all aspects of the Project (i.e., both those components requiring permits and those components exempt from the zoning ordinance).

Accordingly, staff recommends that the Council direct staff to coordinate with the Water Commission and Planning Commission so as to obtain Project recommendations from those Commissions with regard to the Project EIR (Water Commission) and Project entitlements (Planning Commission) and have those recommendations simultaneously submitted to the City Council for the Council’s final action on the Project. During the draft EIR public comment period the Planning Commission, like all other agencies and individuals, will have the opportunity to comment on the EIR, which comments will be forwarded to the Council as part of its EIR consideration and action.

It is anticipated that the Project’s draft EIR will be circulated for public/agency comment by Fall 2023, that the necessary Water Commission and Planning Commission hearings will take place by Spring 2024, and that the Project will be presented to the City Council for final action by Summer 2024. It is anticipated that the Project will be constructed and fully operational by 2029.

With respect to the City’s Health in All Policy (HiAP), this item implements a procedural change allowable by Santa Cruz Municipal Code and is consistent with the City’s HiAP decision-making framework.

**FISCAL IMPACT:** None.

**Prepared By:**  
John G. Barisone  
Deputy City Attorney

**Submitted By:**  
Rosemary Menard  
Water Director

**Approved By:**  
Matt Huffaker  
City Manager

Lee Butler  
Director of Planning and  
Community Development

**ATTACHMENTS:**  
None.



## City Council AGENDA REPORT

**DATE:** 05/23/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Water

**SUBJECT:** Loch Lomond Reservoir Oxygen Diffuser System – Notice of Completion (WT)

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**RECOMMENDATION:** Motion to:

- 1) Ratify Change Order No. 1 with Mobley Engineering Inc. (Norris, TN) related to redesign of the system to accommodate differing field conditions and several delays and remobilizations to the project in the amount of \$53,521.80; and
  - 2) Accept the work of Mobley Engineering Inc. (Norris, TN) as complete per the agreement and authorizing the filing of a Notice of Completion for the Loch Lomond Reservoir Oxygen Diffuser System and to authorize the Water Director to sign the Notice of Completion as the Owner's Authorized Agent.
- 

**BACKGROUND:** The Loch Lomond Reservoir is owned and operated by the City of Santa Cruz Water Department and is the primary source of untreated water storage. The reservoir supplements other water sources during peak demands, prolonged droughts, and during times when other sources are not available; for example, when surface water sources are too turbid for treatment, emergencies, maintenance projects, etc. All these factors make Loch Lomond a critical component of the City's overall water supply portfolio.

On March 23, 2021, the City Council authorized staff to execute an agreement with Mobley Engineering Inc. (Norris, TN) to construct the Loch Lomond Reservoir Oxygenation System (Project). The Project replaced an existing aeration system that had reached the end of its useful life and allowed the City to address the older system's lower efficiency compared with currently available systems. The new system provides improved operational flexibility and control, reduced maintenance costs, and significant improvements to water quality.

**DISCUSSION:** During the course of construction the project faced several challenges including redesign to accommodate differing field conditions, delays and remobilization costs due to drought conditions that resulted in low-water levels, and conflicts with other in-reservoir work associated with the Newell Creek Dam Inlet/Outlet Replacement Project. To avoid additional delay costs and to expedite the ability to use the new aeration system, staff approved additional work resulting in one change order and a net increase of \$53,521.80.

All services required under the contract have now been completed, inspected by Water Department staff and found to be constructed in accordance with the Agreement.

**FISCAL IMPACT:** The final cost of all work under this contract was \$425,983.80. The project was funded by the Water Department Capital Investment Program, Aerator Replacement Project, c701706.

**Prepared By:**  
Taylor Kihoi  
Associate Professional  
Engineer

**Submitted By:**  
Rosemary Menard  
Water Director

**Approved By:**  
Matt Huffaker  
City Manager

**ATTACHMENTS:**

1. CHANGE ORDER NO. 1.PDF
2. NOTICE OF COMPLETION FOR LOCH LOMOND RESERVOIR OXYGENATION.DOCX



**CONTRACT CHANGE ORDER**  
**# 1**  
*(EFFECTIVE ONLY WHEN APPROVED BY THE CITY)*

**WATER DEPARTMENT**  
 212 Locust St., Suite C  
 Santa Cruz, CA 95060  
 Phone: 831-420-5200  
 Fax: 831-420-5201

<b>Contractor Name:</b> Mobley Engineering Inc.		<b>Project Name:</b> Loch Lomond Oxygenation System		<b>Subject:</b> Redesign and delay/remobilize	
<b>Contract date:</b> 4/28/21		<b>P.O. #:</b> 91-21120	<b>CWO#:</b> 21-006	<b>C.O. Date:</b> 05/16/23	<b>C.O. #:</b> 1
<b>Description of Changes</b> (Attach all applicable documents, including drawings, plans, or reports): a) Additional redesign based upon actual conditions b) Delay project by approximately 1-year and re-deploy for final diffuser installation					
<b>Contract Revision</b> (Include any applicable Contract Sum or Contract Time adjustment): a) Lump sum increase of \$13,652.80 b) Lump sum increase of \$39,869					
<i>When approved by the City, Contractor is directed to promptly make the above described changes or to perform the above described work. The Change Order process shall comply with General Conditions Section 11.</i>					
			<b>Time</b> (in days and hours):	<b>Recommended by:</b> Taylor Kihoi Associate Professional Engineer <i>Date</i>	
<b>Base Contract as Bid:</b>	<b>Price:</b> \$372,462	0		<b>Reviewed by</b> (when City staff review is required): <i>NOT USED</i> <i>Date</i>	
<b>Base Contract Including All Previous Change Orders:</b>	\$372,462	0			
<b>Contract Contingency:</b>	\$37,246.20	0		<b>Reviewed by:</b> Heidi Luckenbach, P.E. Deputy Director/Engineering Mngr. <i>Date</i>	
<b>Contingency Allocated:</b>	\$0.00	0			
<b>Contingency Available:</b>	\$37,246.20	0		<b>Approved by:</b> Rosemary Menard Water Director <i>Date</i>	
<b>C.O. #1 Increase:</b>	\$53,521.80 (\$16,095.60 over contingency)	0			
<b>C.O. #1 Decrease:</b>		N/A		<b>Authorized by</b> (when Council review is required):	
<b>Net Change:</b>	\$53,521.80	0			
<b>Revised Contract Amount:</b>	\$425,983.80	0		Matt Huffaker, City Manager <i>Date</i>	
<i>For valuable consideration set forth herein, Contractor hereby releases the City of Santa Cruz from any and all claims for direct, indirect, and impact expenses and adjustments to the Contract Sum as well as additional time impact now existing or which may hereafter arise out of or result from the work or change described herein.</i>					
<b>Contractor:</b>					
<i>Signature</i>		<i>Printed Name, Title</i>		<i>Date</i>	



INVOICE # **230331**

**Submitted to:**

Water Engineering  
 City of Santa Cruz  
 212 Locust St. Suite C  
 Santa Cruz, CA 95060-3813

ATTN: Accounts Payable 831-420-5080

**Payable to:**

Moble Engineering, Inc.  
 P.O. Box 600  
 Norris, TN 37828-0600

ATTN: Susan Mobley 865-494-0600

Project	Billing Period	PO Number	Date
Loch Lomond HOS	Thru March 31, 2023	91-21120	3/31/2023

CHANGE ORDER						Amount
<b>Loch Lomond Hypolimnetic Oxygen Diffuser System- <i>March 2023 Reschedule</i></b>						
<b>System Design</b>				<b>Labor</b>	<b>Material</b>	
- Additional redesign two diffuser layout for actual conditions				\$13,652.80	\$0	\$13,652.80
<b>Re-Deploy for Final Diffuser Installation- <i>Mobilization (2023)</i></b>						
- Load Pack Ship Tool Crates				\$6,734.40	\$4,200.00	\$10,934.40
- Logistics, Site Setup and Cleanup				\$ 7,881.60	\$0.00	\$7,881.60
	<b># Crew</b>	<b>Qty</b>	<b>Rate</b>	<b>Labor</b>	<b>Material</b>	
- Travel Time	6	25 /hrs	varied	\$12,605.00	\$0.00	\$12,605.00
- Per Diem	6	2 /days	\$200/day			\$2,400.00
- Airfare/baggage fees		6	\$1008/person			\$6,048.00
<b>Subtotal</b>						<b>\$53,521.80</b>

<b>MEI Invoice # 230331</b>	<b>Total Amount</b>	<b>\$53,521.80</b>
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Terms: Net 30 Days

Susan R. Mobley, President

Please make checks payable to:

**Moble Engineering, Inc.**

30 Hickory Trail, PO Box 600, Norris, TN 37828-0600 Phone:(865) 494-0600 Cell: (865) 806-8051 email: [susan@mobleengineering.com](mailto:susan@mobleengineering.com)

RECORDED AT THE REQUEST OF:  
City of Santa Cruz, Water  
Attn: Taylor Kihoi

WHEN RECORDED MAIL TO:  
City Clerk's Department  
809 Center Street, Room 9  
Santa Cruz, CA 95060

(Space above for Recorder's use only)

This instrument is being recorded for the benefit of the City of Santa Cruz.  
No recording fee is required pursuant to Government Code § 27383.

**NOTICE OF COMPLETION  
(CA Civil Code Sections 8102 and 9204)**

**NOTICE IS HEREBY GIVEN THAT:**

The undersigned is an authorized representative of the owner of the interest or estate stated below.

1. The Owner's Name and Address. The Project owner is the City of Santa Cruz, a municipal corporation (the "City"). The City's mailing address is 809 Center Street, Santa Cruz, California 95060. The City of Santa Cruz has the following interest in the subject Property described below: Loch Lomond Reservoir, Ben Lomond, CA 95005
2. Project Title and Number. The full name of the work of improvement/public works project (the "Project") which is the subject of this Notice of Completion is: Lomond Reservoir Oxygen Diffuser System, CWO 2021-006.
3. Nature of Work Performed on the Property or Materials Furnished for the City. The Project consisted of work described as: Installation of a hypolimnetic oxygenation system at Loch Lomond Reservoir
4. The general site location description or address (the "Property") of the public improvement is located at: Loch Lomond Reservoir, 10322 Newell Creek Road, Ben Lomond, CA 95055
5. Name and Address of Contractor. The Contractor on the Project is: Mobley Engineering Inc., P.O. Box 600, Norris TN 37828-0600.
6. Construction Lender. The name and address of the construction lender, if any, is: N/A
7. Date of Completion. The Project on the Property was completed on: April 28, 2023



8. The filing of this Notice of Completion was authorized by the Santa Cruz City Council Minute Order on Tuesday, June 13, 2023

DATE: \_\_\_\_\_

\_\_\_\_\_  
Rosemary Menard  
Water Director, City of Santa Cruz



## City Council AGENDA REPORT

**DATE:** 05/31/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Water

**SUBJECT:** Contract Amendment 2024-01 with HDR Inc. for Capital Program Management Services (WT)

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**RECOMMENDATION:** Motion authorizing the City Manager to execute Contract Amendment No. 2024-01 with HDR for Service Order No. 9 in the amount of \$6,933,644 in a form to be approved by the City Attorney.

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**BACKGROUND:** The Water Department (Department) is implementing a large and complex capital program to enhance water system resiliency and water supply security. The program directly impacts nearly all aspects of the water system through rehabilitation or replacement of water diversions, pipelines, and water treatment infrastructure. Example projects include:

- Modernization of the Graham Hill Water Treatment Plant (GHWTP) to ensure continued delivery of high-quality drinking water to our customers that meets or exceeds all regulatory standards; a \$112 million construction project currently in design.
- Newell Creek Pipeline (GHWTP to Felton Booster Pump Station) Replacement project with a cost estimate of \$41 million; completing design this calendar year and starting construction in early 2024.
- Ongoing evaluation, selection, and construction of supplemental water supplies as directed by the Securing Our Water Future policy.

In 2017, recognizing that the staffing required for this 10–15-year capital program would exceed the capacity of existing Department staff, a program management model was adopted to successfully deliver the work. Program management is a common model used when staffing needs vary significantly in terms of area(s) of expertise and level of effort as projects develop from planning and design through construction and project closeout. A prevalent contracting model for program management services is the use of a Master Services Agreement (MSA) with annual Service Order contracts. The MSA is used when it is not possible at the outset of a long-term contract to define an exact scope of services needed over a multi-year period, and annual Service Orders are issued through contract amendments to define specific scopes of work, fee estimates, and schedules as the program matures and projects are implemented.

Program management services can vary widely based on the types of projects and the owner's needs. Typical program services have included staff augmentation to strengthen the depth and breadth of staff resources, development-and-use cost and schedule tracking tools, and adoption of new software applications to facilitate design reviews. Both large and small public entities

like the City of San Jose and Soquel Creek Water District are using a program management model to implement large-scale infrastructure programs similar to that of the Santa Cruz Water Department.

HDR was selected through a qualifications-based procurement process. In December 2017, City Council authorized a renewable five-year Master Services Agreement (MSA) for program management services with HDR. After five successful years of project implementation, on June 28, 2022, Council authorized an extension of the MSA for an additional five years.

**DISCUSSION:** Staff recommends approval of Service Order No. 9 (SO 9) which covers all program management activities planned for Fiscal Year 2024 (FY 2024). SO 9 is very detailed in order to direct the work of HDR in an efficient, clear, and transparent manner, and includes clearly identified assumptions and deliverables.

To summarize the work performed in FY 2023 and that planned for in FY 2024 under Service Order 9, staff has worked with HDR to develop an Annual Work Plan. The Annual Work Plan is a summary of the projects, resources, and planned activities over the next year; it also includes a schedule and the program management fee apportioned to each project managed within the program.

Notable HDR Services/staffing resources planned for FY 2024 include:

- Provide a staff person to serve as operations and maintenance (O&M) liaison. This role supports O&M staff and coordinates the planning, design, and execution of projects, with a particular focus on projects at the Graham Hill Water Treatment Plant.
- Project and construction management services for the construction of the Concrete Tanks Replacement project.
- Provide project management and technical support for the GHWTP Facility Improvement project.
- Supplement project teams with engineering and right-of-way services on several projects including the Newell Creek Pipeline and Brackney Landslide Risk Reduction projects.
- Support development of the Water Supply Augmentation Implementation Plan.
- Support ongoing scheduling, cost forecasting, budgeting, and cash flow estimates through project controls support.

The program management services contract is funded through the respective capital projects which are financed by a mixture of grants, pay-as-you-go, and debt.

**FISCAL IMPACT:** The cost for Service Order No. 9 is \$6,933,644. Funds are available in the FY 2024 Water Department's Capital Investment Program budget.

**Prepared By:**  
Heidi Luckenbach  
Deputy Water  
Director/Engineering Manager

**Submitted By:**  
Rosemary Menard  
Water Director

**Approved By:**  
Matt Huffaker  
City Manager

**ATTACHMENTS:**

1. CONTRACT AMENDMENT NO. 2024-01.PDF
2. FISCAL YEAR 2024 - ANNUAL WORK PLAN.PDF

AMENDMENT 2024-01 TO MASTER SERVICES AGREEMENT FOR  
**PROGRAM MANAGEMENT SERVICES FOR THE  
CITY OF SANTA CRUZ WATER DEPARTMENT**

THIS AMENDMENT No. 2024-01, dated \_\_\_\_\_, (“Service Order No. 9”) TO THE MASTER SERVICES AGREEMENT dated July 5, 2022, is made by and between the City of Santa Cruz (“City”) and HDR Engineering, Inc. (“Consultant”).

**RECITALS**

**WHEREAS**, City and Consultant have previously entered into that certain Master Services Agreement (“Agreement”) dated July 5, 2022, which is incorporated by this reference, and

**WHEREAS**, City and Consultant desire to amend the Agreement as specified herein.

**AGREEMENT**

NOW, THEREFORE, it is agreed between the Parties to incorporate the above Recitals hereto, and that the Agreement is hereby amended as follows:

- A. Add The Scope of Work for Service Order No. 9 and amend Exhibit A of the Master Scope of Work as follows:

Add Service Order No. 9 Tasks 2 through 6 per the attached 60-page scope of work referenced as Exhibit A and titled: “Service Order No. 9 – Program Activities (FY 2024)” dated June 5, 2023.

- B. Add Fee Schedule for Service Order No. 9 and amend Exhibit B as follows:

Add the attached one-page table referenced as Exhibit B and titled “Estimated Work Effort and Fee Estimate”. This table presents a breakdown of the total fee for all Fiscal Year 2024 Services. The Authorized total fee for Fiscal Year 2024 services is not to exceed \$6,933,644.00.

- C. Add Work Schedule for Service Order No. 9 and amend Exhibit C as follows:

Add the attached three-page schedule referenced as Exhibit C titled " Level 3 - z01 Detail Schedule" dated May 4, 2023.

Notwithstanding these amended terms of the original Agreement by this Amendment No. 2024-01, all other terms and conditions of the original Master Services Agreement and attachments, shall remain in full force and effect. The terms of this Amendment No. 2024-01 shall control if any conflict exists.

Each party acknowledges that it has reviewed Amendment No. 2024-01 and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Amendment No. 2024-01.

The parties may execute this Amendment No. 2024-01 in two or more counterparts, which shall, in the aggregate, be deemed an original but all of which, together, shall constitute one and the same instrument. A scanned, electronic, facsimile or other copy of a party's signature shall be accepted and valid as an original.

The signatories to this Amendment No. 2024-01 warrant and represent that each is authorized to execute this Amendment No. 2024-01 and that their respective signatures serve to legally obligate their respective representatives, agents, successors and assigns to comply with the provisions of this Amendment No. 2024-01.

IN WITNESS WHEREOF, the City and the Consultant have executed this Amendment No. 2024-01 effective as of the date shown above.

[SIGNATURES ON FOLLOWING PAGE]

Technical Review By:

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Heidi Luckenbach, Deputy Water Director / Engineering Manager

Approved As To Form:

By: \_\_\_\_\_ Date: \_\_\_\_\_  
City Attorney

CONSULTANT

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Printed: \_\_\_\_\_ Title: \_\_\_\_\_

CITY OF SANTA CRUZ WATER DEPARTMENT:

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Rosemary Menard, Water Director

CITY OF SANTA CRUZ

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Matt Huffaker, City Manager

## **SCOPE OF WORK**

### **Service Order 9—Program Activities (FY 2024)**

The City of Santa Cruz Water Department (City) has taken a program management approach to implementing its capital improvement program (the Program). It has contracted with HDR, under a Master Services Agreement (MSA), to provide Program management services. This service order falls under the MSA and covers ongoing Program activities and Program deliverables that will occur in FY 2024 (July 1, 2023 - June 30, 2024). Unless specifically noted, it is assumed that the scope and fee refer to work planned for completion in FY 2024.

As with all service orders, this service order follows the structure of the MSA in terms of major tasks:

- Task 1—Program Mobilization (complete-not used)
- Task 2—Design and Planning Management
- Task 3—Program Administration
- Task 4—Planning and Preliminary Engineering
- Task 5—Construction Management
- Task 6—Program Support

The tasks of the MSA were created to allow the Program to transition from the initial stages of defining the Program projects, structure, and procedures, through the planning and design of capital projects and department processes and protocols, and finally to project construction and start-up of almost two dozen capital projects. Each service order utilizes tasks from the MSA as appropriate with the expectation that the planning and administrative tasks will be utilized less over time with design and construction tasks being used more in the future.

### **Task 1—Program Mobilization (not used)**

Task 1 will no longer be used. Program mobilization was completed in June 2018 as part of Service Order 1.

### **Task 2—Design and Planning Management; Project Staff Augmentation**

This task covers coordination and management of planning and design activities. As an integrated team, HDR and staff work with the project teams to continuously improve, adapt, and consistently apply the established project management tools to capital projects. This includes the planning and design activities of outside consultants, as well as designs prepared by City staff. For the purposes of estimating the labor requirements for this task, HDR assumes it will provide or support design and planning management services as indicated on the Design and Planning Management project activity matrix shown in Table 1.

This task also covers staff augmentation to support project management throughout all project phases.

**Table 1. Design and Planning Management Key Activities by Project Task and Staff Augmentation**

No.	Project Name	Duration in FY 2024 (Months)	PE/PM Augmentation	Activity A Delivery Methods Support	Activity B Select Final Design Consultants	Activity C Monitor Project Progress and Changes (all project phases)	Activity D Review Plans and Specs (#)	Activity D Review Planning Reports, Memos (#)	Activity E Facilitate Bidding Process	Activity F Cost Est. Support
1.5	Newell Creek Dam Inlet/Outlet Replacement Project	3	Asst. PM @ 0.1 FTE PE @ 0.1 FTE			X				
2.2.1	Newell Creek Pipeline Felton/Graham Hill	12	Sr. PM @ 0.30 FTE Asst. PM @ 0.1FTE EIT @ 0.20 FTE			X	Bid Documents (IFC)		X	
2.2.3	Brackney Landslide Area Pipeline Risk Reduction	12	Sr PM @ 0.1 FTE Asst. PM @ 0.15FTE EIT @ 0.15 FTE			X	Bid Documents (IFC)		X	
2.4	Intertie 1: Santa Cruz - Scotts Valley	12	PM @ 0.4 FTE EIT @ 0.2 FTE			X	1 (100%)		X	X
3.1	Water Supply Augmentation	12	Tech Advisor (Shaw) @ 0.15 FTE Tech Advisor (Thompson) @ 0.06 FTE PE @ 0.8 FTE EIT @ 0.33 FTE			X				
3.3.1	ASR Existing Infrastructure	12	Staff support included in 3.1, deliverable reviews only				3 (30, 60, 90%)			
4.3	Graham Hill WTP Concrete Tanks Project	12	PM @0.5 FTE EIT @ 0.2FTE O&M Liaison @ 0.48 FTE Electrical Review @ 0.05 FTE (total)			X				
4.3.1	Graham Hill WTP Entrance Improvements Project: Phase 2	6	none, deliverable reviews only			X	1			
4.4	Graham Hill WTP Facility Improvement Plan	12	PM @ 0.5 FTE Sr. PE @ 0.4 FTE Asst. PM @ 0.5 FTE DB Advisor @ 0.05 FTE Ops Liaison @ 0.15 FTE Sr. Eng Advisor @ .2 FTE Electrical Lead @ .02 FTE Electrical EIT @ .05	X		X	2 (90%, 100%)	X	X (GMP negotiations)	X
4.7	Beltz 12 Well Ammonia	12	PM @ 0.25 FTE Tech Advisor @ 0.15 FTE			X	1 (P2 100%)		X	X
4.8	Beltz Water Treatment Plant Upgrades	12	PM @ 0.25 FTE Tech Advisor @ 0.15 FTE		X	X	2 (30%, 60%)	2		X
6.1	University Tank No. 4 Rehab/Replacement	12	(City PM; City PE Advisor) PE @ 0.1 FTE EIT @ 0.1 FTE Electrical Lead @ 0.025			X	1 (100%)	-	X	
ECIP. 301	Felton Diversion Pipeline Emergency Repair	8	Sr. PM @ 0.2 FTE EIT @ 0.2 FTE			X				
NCIP. 912	Branciforte Creek Restoration	12	PM: 0.25 FTE			X	Structural (90, 100)	Hydraulics and Geotech	X	



Design and planning management teams may include a package manager, project manager(s), project engineer(s), technical advisors, O&M lead, O&M liaison, and environmental lead, and may be composed of either City or HDR staff. CM support is described in Task 5.

The package manager's role includes, but is not limited to:

- Oversight of project managers for projects within their package.
- Coordination and information transfer across projects within the package, as well as with other packages. Identification and facilitation of resolution on overlaps and interfaces between adjacent projects.

The project manager's role includes, but is not limited to:

- Coordination and implementation of activities A through H, as applicable to the project type and phase.
- Leadership of project reporting efforts to Program controls and department leadership.

The project engineer's role is to support the project manager in project activities. Typical tasks may include performing technical analyses, responding to data requests from the design consultant, coordinating and scheduling meetings, and maintaining the project's document management via SharePoint.

The O&M lead coordinates the necessary and appropriate level of input for the Operations staff on a project. O&M lead roles may include meeting participation, review of deliverables, and coordination with site visits or on-site construction activities.

The environmental lead coordinates the environmental planning and permitting process for a project. This role is scoped in Task 6.1.

Task 2 consists of the following general and project-specific subtasks:

- Task 2 – 0.0 General Planning and Design Administration
- Task 2 – 1.5 Newell Creek Dam Inlet/Outlet Pipeline Replacement
- Task 2 – 2.2.1 Newell Creek Pipeline Felton/Graham Hill
- Task 2 – 2.2.3 Brackney Landslide Area Pipeline Risk Reduction
- Task 2 – 2.4 Intertie 1: Santa Cruz - Scotts Valley
- Task 2 – 2.5 Felton Diversion Pipeline 2023 Emergency Repair
- Task 2 – 3.1 Water Supply Augmentation
- Task 2 – 3.3.1 ASR Mid County Existing Infrastructure
- Task 2 – 4.3 GHWTP Concrete Tanks Replacement
- Task 2 – 4.3.1 GHWTP Entrance Improvements: Phase 2
- Task 2 – 4.4 GHWTP Facility Improvement Project
- Task 2 – 4.7 Beltz 12 Ammonia Removal
- Task 2 – 4.8 Beltz WTP Upgrades
- Task 2 – 6.1 University Tank No. 4
- Task 2 – B40 Branciforte Creek Restoration

Each project subtask may include the following key activities. The number of projects and expected durations are noted accordingly.

- Activity A – Support Collaborative Delivery Method Implementation (1 project; 12-month duration)
- Activity B – Select Final Design Consultants (1 project expected during FY 2024)
- Activity C – Monitor Project Progress and Changes (11 projects, up to 12-month duration) [Note 5 additional projects will be supported/tracked as part of Task 5 and Task 6.1]
- Activity D – Review Reports, Plans and Specifications (14 design submittals and 0 planning deliverables; 12-month duration)
- Activity E– Facilitate Bidding Process (7 projects expected during FY 2024)
- Activity F– Cost Estimate Support (up to 4 projects assumed during FY 2024)

For the purposes of defining scope and labor requirements for this task, it is assumed that the projects managed are/will be delivered through a design-bid-build delivery method, except for Project 4.4 (GHWTP Facility Improvement Project), which is delivered through a progressive design-build delivery method.

## **Task 2 – 0.0 General Program Planning and Design Support Activities**

This task covers planning and design phase support and management activities that are generally program-wide in nature or are not affiliated with a specific project. When not provided by designated City staff, the scope of the Planning Lead and Design Management Lead positions are included in this task. (During FY24, the Planning Lead (Heidi Luckenbach) and Design Management Lead (Isidro Rivera) roles, as described in the Introduction section of the Program Management Plan, are provided by the City.)

1. HDR will provide general planning and design phase project support, which may include the activities described below:
  - Development of (not yet scoped) technical evaluations, such as the assessment of current and future operations costs) project management scopes and levels of effort for projects or tasks not previously defined in the FY workplan (ex. Development and review of Riverbank Filtration evaluation scope and schedule).
  - Design review and input on projects, including project cost estimate (PCE review support) or schedule support for projects not previously identified or budgeted in Table 1; such as in preparation for deliverable or Stage Gate review.
  - Engagement in monthly program PM or staff meetings and/or trainings, especially for PM support staff engaged in multiple program projects.
  - Cross project engagement and coordination (review meetings, follow up actions, etc.).
  - Miscellaneous as-needed tasks on behalf of the City to support planning or design progression of projects (i.e., traffic study, department generator assessment, systems design criteria, decision making support)
  - Coordination with O&M liaison
  - Other general, non-scoped support tasks, as requested by City staff and approved by City leadership

Up to 24 combined hours per month (~15% FTE) are assumed for these activities, completed by HDR staff not otherwise identified in this task.

2. O&M Liaison Support: Support the implementation of the Project Delivery Model for various planning, design, and construction projects focusing on the interaction and information transfer between the Operation and Maintenance Group, the Engineering Group and the Design Engineers. One objective of the O&M Liaison is to support the City's O&M needs during these projects, while streamlining deliverable reviews. The O&M Liaison will apply his/her familiarity with City O&M standards and preferences and prepare and execute deliverable review with O&M staff. Another objective of this role is to facilitate development of operations plans related to planned outages, construction phase operational risk mitigation, start up and commissioning. Where project-specific support needs are defined, time for O&M Liaison support is identified in Table 1. During FY24 it is assumed the O&M Liaison will focus primarily on the Concrete Tanks and FIP projects. This task covers assistance with other projects, which is NOT USED for FY24.
3. Electrical, Instrumentation and Controls (E, I&C) support: At the request of the City and in response to the City being understaffed in the area of E, I&C, HDR will provide general support to the Operations Group during FY24. Support will be provided through monthly on-site visits, as required, and interim follow-on actions support. Activities for E, I&C support may include:
  - Support: GE Intellisys Maintenance contract / Arc Flash for main electrical building.
  - Utility pole relocation reviews.
  - Beltz 12 Programming

Brief descriptions of these activities are described below:

GE Intellisys. The City continues to have problems with the Automatic Throwover System (ATS) despite the recent site visits that GE performed. Among these include: 1) continued failure of the system to switch over from utility power to generator power during a power outage and he continued receipt of spurious alarms. Further, it has been discovered that the system's operating system (OS) is out of date and must be updated. Lastly, coordination with the current Concrete Tanks project have led to delays with the maintenance of the ATS and switchgear maintenance, and ARC Flash update. The City has decided to install a temporary bypass Automatic Transfer Switch until formal servicing of the GE system has been completed. The scope will include continued onsite oversight of the ABB maintenance repair crew, coordination, research, documentation, and training of the City staff.

Total estimated coordination visits: 1  
Support: 50 hours over the fiscal year.

Utility Pole Relocation. During project phase engagement with PG&E, it was recommended that the utility pole in front of the GHWTP be moved across the street and that the utility power lines continue to be routed overhead (rather than moved underground) into the plant. Per PG&E, this new approach should save the City considerable monies. PG&E is currently in design phase. HDR will provide limited design review and coordination with PG&E and local utilities to relocate the utility pole in front of GHWTP, and provide reporting to the City.

Total estimated coordination visits: 1  
Support: 32 hours over the fiscal year.

BELTZ 12 Programming (Controls) Evaluation and Update / Startup and Commissioning. The City has reported that the existing controls for the BELTZ 12 pump station had not been properly tested and documented. The current Beltz 12 Ammonia Project will add additional

programming. The City has asked HDR to review and document the existing program and to assist in the proper startup and commissioning of this project. Activities include the following:

1. Download the existing program and clean up the leftover remnants.
2. Review the program and integrate it with our new strategy.
3. Provide guidance to the programmer given the current City Standards.
4. Provide startup and commissioning of the existing program.
5. Review programming submittals and final documentation.

Total estimated coordination visits: 2

Assist with deployment of programming, including startup and commissioning and documentation: 60 hours

This E, I&C support role (0.1 FTE for FY2024) is in addition to the technical review of project deliverables that are budgeted within the project specific tasks. The City's needs may increase upon initiation of the design for the GHWTP FIP, at which time the need for an amendment will be reassessed.

### **Sub-Task Activities**

This section describes each of the key activities that may occur during FY24 for a specific project, as indicated by Table 1. The LOE is dependent upon HDR's role on each project.

#### **Activity A – Support Best Value Delivery Methods Implementation [None scoped for FY24]**

#### **Activity B – Select Final Design (or other) Consultants**

In alignment with City procurement policies and procedures, the Program's procurement guidelines, and together with the integrated team involved with the specific project, HDR will assist the City in selecting design (or other) consultant(s) by leading or assisting with the following, as appropriate per project:

1. Conduct a meeting with City staff to confirm the recommended process for selecting the final design consultants.
2. Prepare draft RFP(s) for retaining final design consultants for each solicitation and submit to the City for their review and approval.
3. Conduct pre-proposal meetings for each proposed final design contract. Record attendance and questions, and issue answers to questions and modifications to the selection process if appropriate in addendum format.
4. Receive consultant proposals in accordance with the City procedures. Review the proposals in accordance with the approved selection process. Meet with City staff to provide input and receive comments on the proposals. Summarize in writing the City's recommendations on what firms should be selected for interview. Review of up to six proposals is assumed per RFP.
5. Conduct interviews, as appropriate, with up to three shortlisted firms in accordance with the authorized selection process. Prepare written comments on the firm interviews to support the City's decision process on firm to be awarded the design consultant contract.
6. Using the City-designated contract terms and conditions, negotiate the scope, level of effort, and schedule for each final design contract with the selected firm. Prepare cost analysis

metrics for evaluation of levels of effort associated with various professional services contracts. Prepare independent cost of services estimates, if needed. Prepare backup materials for City Council action and other procurement requirements and document selection processes. Coordinate discussions with the City and consultant's legal counsel, if required. Prepare final contract for signature by the City and the final design consultant.

*Deliverables: None*

Where HDR is PM on projects:

1. City meeting agenda and minutes to confirm final design consultant lists, selection process, schedule, and draft RFP development.
2. Draft and final design RFP(s).
3. Written recommendation for selection of final design consultant.
4. City Council agenda package (attachments to staff reports) for final design contracts.

*Assumptions:*

1. Budget for independent cost of services estimate(s) is not included in this fee. If determined to be needed, this will be added via contract change amendment.
2. HDR will support the City in preparation of the City Council agenda package for submitting each final design contract to the City Council for their review and approval. It is assumed that HDR will not attend City Council meetings in FY 2024.
3. LOE to support this activity is included in the staff augmentation FTE in Table 1.

### **Activity C – Manage Project Progress and Changes**

HDR, where augmenting City staff as project manager, will monitor the progress of the planning, design, and construction phases, and also manage the process for making changes to those scoped efforts. Where augmenting City staff as assistant project manager or project engineer, HDR will support the project manager. Where HDR is not augmenting staff at the project level, general support and oversight will be provided via the Design and Planning management Task 2-0. Project management tasks include:

1. As part of the project kick-off meeting with the consultants, project manager will provide information (as applicable) regarding the program or design guidelines, standard details, design review process, quality control procedures and quality assurance procedures.
2. Attend progress meetings lead by the consultants on a bi-weekly basis. These meetings will cover items such as progress to date, major issues, contract compliance, deliverables, QA/QC, and impacted agencies and utilities.
3. Lead planning and design coordination and deliverable review meetings and workshops.
4. Address questions and issues from the planning and design consultants. Interface with City staff and receive feedback when necessary. Issues and their status will be discussed at the bi-weekly team meeting.
5. Implement project-specific change management, including documentation of change log items with associated analysis to support approvals for proposed changes during a project that impact cost or schedule.
6. Work with package manager, as applicable, to identify and facilitate resolution on overlaps and interfaces between adjacent projects.

7. Review the monthly project progress report and invoice submitted by the final design consultant. Provide invoice recommendations to City staff for their final action.
8. Provide the status of project activities, deliverables, and cost accruals to Program controls and Program Design and Planning Manager for reporting.
9. Participate in meetings with regulatory agencies, as needed, regarding planning or design activities and document reviews and approvals.
10. Manage preparation of permit submittal packages by final designers to meet regulatory requirements. Monitor permit submittals and coordinate modifications, as required and requested by the permit lead. Coordinate CEQA, as applicable.
11. Manage survey, geotechnical, and right-of-way (ROW) efforts.
12. Prepare or direct the modification of Division 0 and Division 1 specification templates.
13. Lead the implementation of construction management strategy and guidelines on the project, including constructability review during design.
14. Procure and manage technical advisors for project, as applicable.
15. Identify, together with City staff, which bid packages require contractor pre-qualification.
16. Develop, administer, and maintain contractor pre-qualification criteria and solicitation documents. Manage and coordinate the pre-qualifications process.
17. Manage (or support City management of) construction phase services, including CM (see task 5) and engineering services during construction.

*Deliverables:*

1. Meeting agendas, presentations, and minutes from project coordination and review meetings.
2. Change log entries, as required.
3. Monthly project status reports.
4. Permit applications (prepared by others).

*Assumptions:*

1. The labor hours in the budget table are based on HDR's understanding of the LOE for the listed projects as per Table 1.
2. Two bid packages are assumed to require pre-qualification within this Service Order (Project 2.2.1 – Newell Creek Pipeline (Felton/Graham Hill) and Project 2.2.3 – Brackney Landslide Area Pipeline Risk Reduction project).

**Activity D – Technical Review of Deliverables, Plans and Specifications**

HDR will augment City staff to support review of planning studies, design submittals, and design and constructability review of the final designs, including facility design elements, equipment vendor selection, configuration, and process control. In doing so, HDR will supplement the City's technical resources and confirm that Program design guidelines and standards are integrated. Specifically, HDR will:

1. As needed and requested by the project manager, HDR will conduct a review of project's plans and specifications at the 30%, 60%, 90% and 100% completion point. The detailed check of each design submittal will remain the design consultant's responsibility and will be completed prior to providing the submittal to the Program team for review.

2. As needed and requested by the project manager, HDR will conduct a review and comment on the cost estimate and schedule provided in the 30%, 60%, 90% and 100% submittals.
3. Provide a constructability review, likely at the 60% submittal.
4. Where HDR is project manager, HDR will document and track the action taken by designer on items noted during each review.
5. Operability reviews will be provided by the City's O&M staff. HDR, where project manager, will conduct workshops on 60%, and 90% final design consultant submittals for City O&M staff to provide comments.
6. As project manager, HDR will conduct a "plan in hand" field walk and create a checklist with O&M lead at 60% deliverable, to verify adequacy and completeness of design documents.
7. As project manager, HDR will work with the final designer to identify long lead procurement items, and develop an approach to address those issues.

*Deliverables:*

1. Review comments at 30%, 60%, 90% and 100% final design completion, including constructability review at 60%
2. Agenda and minutes of the meetings for City O&M staff reviews at 60% and 90% final design consultant submittals
3. Spreadsheet to document and track design review comments and actions taken.

*Assumptions:*

1. Design reviews are assumed to include up to three HDR technical reviewers (i.e. electrical, mechanical, structural) to support City review on each project deliverable.

**Activity E – Facilitate Bidding Process**

During the construction bidding process, the project manager will perform the services below. HDR's LOE associated with this scope applies to projects where HDR is the project manager (to lead these activities) and to support these activities where HDR is support staff augmentation.

1. Prepare for and participate in pre-bid or pre-proposal conferences in support of procurement.
2. Facilitate review of bids and formal recommendations of award.
3. Assist with the procurement of long-lead time and pre-purchased equipment and materials, as needed.
4. Coordinate the assembly of construction bid packages with designers and City staff.
5. Monitor the distribution of construction bid packages (plans and specifications) to prospective bidders.
6. Participate in pre-bid meetings and possible site visits for each of the construction packages.
7. Manage and facilitate pre-bid geotechnical condition demonstration activities.
8. Oversee the addenda development process. Up to two addenda are assumed per bid package.
9. Evaluate construction bids for completeness, develop bid tabulations, and consult with the final design engineers and City staff to recommend award of each contract.
10. Develop and maintain an overall comprehensive bid tab for the Program, including unit price information, lump sum, and other bid cost data items and reference to appropriate construction cost index.

11. Work with City staff to execute construction contracts and obtain performance bonds and insurance documents.
12. Coordinate with final designers and construction contractors to confirm that they obtain required construction permits prior to proceeding with construction.

*Deliverables:*

1. Agenda and minutes from pre-bid meetings.
2. Contractor pre-qualification solicitation documents.
3. Bid tabulations.

*Assumptions:*

1. The projects that will undergo all or part of the bidding phase in FY24 include: Project 2.2.1 – Newell Creek Pipeline (Felton/Graham Hill), led by City PM with assistance from HDR, and Project 2.2.3 – Brackney Landslide Area Pipeline Risk Reduction project), led by City PM with assistance from HDR and project 2.4 Intertie 1-Santa Cruz-Scotts Valley.

**Activity F –Cost Estimating Support [Select projects for FY24]**

HDR will provide construction cost estimating review services, as requested, during the project design phase. Review of the design engineer's cost estimate is intended to provide validation and alignment with program processes.

HDR will provide summary comments to the project manager and, as requested by the PM, will meet with the design engineer to discuss and resolve the comments. The PM will provide process mechanical equipment and specialty Sub equipment quotes as discussed.

*Assumptions:*

1. Detailed take offs will not be performed.
2. One meeting with the City (and designer, as desired) to review the estimate review comments (by phone).
3. A placeholder budget of up to 10 hours is allocated for each estimate review. Budget will be refined and confirmed upon selection of project and prior to initiating this task.



## Task 3—Program Administration

Task 3 covers the ongoing implementation of the Program structures, policies, procedures and systems that were developed initially during Program mobilization and have in many cases continued to evolve and improve. Over the course of the Program management services contract, the implementation of program administration activities (including program risk management, safety, quality, project delivery, and schedule and budget tracking) described within this section will be completed in close association with the City's Program leadership team. This task consists of the following subtasks, each over a 12-month duration:

- Task 3.1 – General Program Administration
- Task 3.2 – Risk Management
- Task 3.3 – Document Management
- Task 3.4 – Training and Workforce Development
- Task 3.5 – Quality Assurance Implementation
- Task 3.6 – Program Controls
  - Task 3.6.1 – Program Controls Management
  - Task 3.6.2 – Program Schedule
  - Task 3.6.3 – Program Cost / Estimating,
  - Task 3.6.4 – Program Change Management
- Task 3.7 – Miscellaneous Support for Water Finance / Accounting Department
- Task 3.8 – Design Drawing Review Software

### Task 3.1 – General Program Administration

HDR will complete the following general Program administration tasks:

1. Update Program workflow policies and procedures, as determined needed by the integrated City/HDR Program team, and implement following submission to and approval by City. Incorporate these updates in the PgMP.
2. Manage Program resources and make available technical, management, and support resources to meet the goals and objectives of the City. Implement staff approval policy and maintain approved staff matrix list and resume library. Revisit project and program staffing assumptions and future needs on twice annual (or more often as needed) basis.
3. Attend Water Commission, City Council, and other meetings as requested. Support preparation for presentations given at these meetings, as requested by Program Director.
4. Conduct bi-weekly Program review meetings with Program Director and monthly progress meetings with Program Executive Team.
5. Work with the Program Director to maintain the overall Program management organization chart and related roles and responsibilities.
6. Prepare an Annual Work Plan to provide the City staff with information needed for the City's annual budgeting cycle and to support council review and approval of next year's Program management service order.
7. Manage the program management contract, including preparation of monthly invoices and associated invoice activity progress reports, maintain the program management contract change log to track and document interim scope changes and subsequent contract amendments, review and update of HDR contract schedule, and development of annual work order including scope of work and associated budget.

8. Implement the Program Safety, Health, & Environmental (SHE) guidelines by performing the following:
  - a. Summarize and consolidate safety reports from Contractors, including Occupational Safety and Health Administration (OSHA) required reporting or status, and submit with monthly safety status report.
  - b. For individual significant safety items, communicate with City and program staff by implementing the Incident Communication Plan per the PgMP.
  - c. Coordinate with the City's safety consultant for review of Contractor's site-specific safety plans
  - d. Train new Program team members on SHE guideline requirements. Communicate safety status to wider team through periodic SHE guideline training refreshers.
  - e. Coordinate with the City's safety consultant regarding information to report out through the Program. Coordinate with HDR corporate safety to confirm alignment of program safety guidelines with HDR policy and implement internal HDR safety policies.
  - f. Coordinate with City's water department safety committee specific to program SHE guidelines.

For FY 24, it is assumed that City staff will perform items a b, and c above.

The key Program roles supported in this task are described below. The hours associated with the major tasks for each role are also shown.

1. Program Manager: Overall leadership of the Program activities and Program leadership team, leads reporting to executive staff, leads the ongoing development and implementation of the PgMP (approximately 0.54 FTE).
  - a. Manage program resources, including:
    - i. Leading annual service order kick off.
    - ii. Leading monthly project managers meeting.
    - iii. Meeting regularly with HDR program core leadership to assess and respond to resource needs.
    - iv. Meeting monthly with wider HDR team and individually with local core HDR team.
    - v. Developing and managing hiring requisitions in response to Program needs.
    - vi. Coordination of technical expertise to support the Program.
    - vii. Coordination of resource needs and availability with Program Director and other City leadership.
    - viii. Lead staff approval process.
    - ix. Develop and maintain Program staff plan.
    - x. Estimated 25 hours per month.
  - b. Track project and program progress and completion: 0.5 - 1 hour per project per month (10 hours per month).
  - c. Facilitate continued development and progression of the implementation of the overall risk analysis and management strategy; ( 4 hours per month).
  - d. Support general communication about, preparation for, and participate in stage gate meetings: Up to 3 hours for each stage gate meeting (4 hours per month on average).

- e. Review of Program costs, schedule, change management log, quality review reports, support development of monthly Program report: (8 hours per month on average).
  - f. Identify, coordinate, and schedule trainings (up to 2 hours per month).
  - g. Review meetings with Program Director, Program Executive Team, and City's program management consultant, including associated action items (10 hours per month).
  - h. Update Program Management policies and procedures (4 hours per month).
  - i. Manage Program Management contract, include contract change log and amendments, quarterly internal program reviews, program management invoices and associated status reports (14 hours per month).
2. Assistant Program Manager: Supports Program Manager in execution of their role and supports Program project managers, technical staff, and administrative staff in accessing and using program resources. (approximately 0.6 FTE)
- a. Manage program resources, including:
    - i. Assist development of Annual Work Plan.
    - ii. Supporting annual service order kick off.
    - iii. Assist in planning and recording monthly project managers meeting.
    - iv. Meeting regularly with HDR program core leadership to assess and respond to resource needs.
    - v. Meeting monthly with wider HDR team.
    - vi. Support staff approval process.
    - vii. Facilitate HDR Program staff onboarding and provide ongoing support to in use of program tools and policies.
    - viii. Items i. through vii are estimated 36 hours per month.
  - b. Track project and program progress and completion: half hour per project per month (10 hours per month).
  - c. Identify, coordinate, and schedule trainings (up to 4 hours per month).
  - d. Update Program Management policies and procedures: 8hours per month.
  - e. Manage Program Management contract (28 hours per month).
    - i. Review monthly contract invoices and monthly contract status reports.
    - ii. Support HDR task managers to track task costs, progress, and scope completion.
    - iii. Manage HDR contract change log.
3. Construction Management (CM) Lead: Maintains CM strategy document; coordinates program CM activities, supports City staff where City is CM and HDR staff where HDR is CM. CM Lead scope and LOE is described in Task 5, CM.
4. Program Administrative Coordinator: Provides Program administrative support. The hours associated with this task (General Program Administration) are estimated at 42 hours per month (0.27 FTE). Typical tasks include:
- a. Support staff approval process and management of HDR staff matrix
  - b. Support monthly HDR invoice and monthly status reporting
  - c. Coordinate HDR and City staff calendars to schedule meetings, trainings, and workshops
  - d. Contract management support, including subcontracts and purchase orders
  - e. Coordination of internal Program quarterly reviews
  - f. General administration support
  - g. Prepare and support the development of the Program Monthly Report

5. Project Controller/Accountant: Provides financial and accounting management for HDR contract including developing monthly invoices, financial review of HDR contract budget and amendments, and assists in contract and task budget management (26 hours per month)

*Deliverables:*

1. Draft and final Service Order scope, fee, and Annual Work Plan
2. Monthly Program Progress Report
3. Monthly invoice(s), one per service order, including summary table, invoice activity status report, earned value report.
4. Contract change log updates, contract amendments for new scope or reallocation of existing scope, as applicable.
5. Staff approval requests, as applicable.
6. Updates to working Program tracking tools, including staff planning spreadsheets, and program improvement log.
7. PgMP updates, as applicable.

*Assumptions:*

1. Contractor safety plan submittals for construction projects during the FY24 will be reviewed by the City's third-party safety consultant.
2. Contractor safety data is submitted to the Program by the CM for each respective project.

### **Task 3.2 – Risk Management**

HDR will administer and manage the Risk Management Plan (RMP), and support associated activities as follows:

1. Develop, maintain, and improve processes, tools, and templates, including updating the PgMP document as appropriate.
2. Review and manage Program risk register (quarterly). Coordinate with risk item owners to support the development and implementation of mitigation activities.
3. Bi-annual risk review meetings. Coordinate and facilitate the risk review meetings for the purpose of communicating progress, challenges, and successful mitigations associated with the Program risk register (and establish new risks, as applicable).
4. Facilitate risk planning discussions, including assessment and use of management reserves. Incorporate identified risks and mitigations into cost and schedule reporting.
5. Coordinate with the PMs to conduct a risk assessment workshop and perform qualitative and/or quantitative risk analysis with risk specialist for a TBD project before construction contract award.
6. Support project managers in their implementation of risk management at the project level, including progression of project risk register documentation, and associated mitigation activities.
7. Support the program director on project and program risk contingency management.

*Deliverables:*

1. Quarterly (or as needed) Program risk register updates
2. Bi-annual Risk review meeting materials, meeting minutes
3. Draft and Final risk workshop report (one project and one Program-wide)

*Assumptions:*

1. One quantitative risk workshop for the Program and one quantitative risk workshop for projects (GHWTP FIP Upgrades) will be performed in this Service Order 9, assuming up to 156 total hours with input from the risk specialist, Sr. Economist, and risk workshop assistant.
2. Up to three qualitative facilitated project risk workshops will be performed in this Service Order 9.

### **Task 3.3 – Document Management**

HDR will implement the Document Management Plan, per the PgMP. Specific activities within this task and estimated combined hours for the document management team include:

1. Provide general management and over-sight of the Document Management and SharePoint processes and support tasks (7 hours per month).
2. Provide ongoing document management support (32 hours per month).
  - a. Monitoring placement of documents and use of proper naming conventions and folder structures.
  - b. Provide communication and ongoing training to support team members on accessing and utilizing document storage.
  - c. Work with City staff to maintain alignment of P drive and SharePoint document and folder structures.
  - d. Identify areas for improvement, develop options, and facilitate decision making regarding long-term storage and repository of project files.
  - e. Execute ad-hoc support tasks and special projects as requested by leadership and team members. If not achievable within assumed budget, develop scope and LOE for approval in advance of initiating such work.
  - f. Maintain and support the Photo Management workflow.
  - g. Support Stage Gate preparation as requested.
  - h. Maintain project files for reference, retrieval, and storage in electronic format. Maintain hard copies for those documents that the City deems necessary, according to the PgMP; contractual-related or contract change documents are to be finalized in hard copy format.
3. Provide basic SharePoint administration support (12 hours per month).
  - a. Maintain and update user profile information.
  - b. Provide ongoing training and support for team members.
  - c. Perform basic technical support, including tech support requests, management of site settings, editing of program pages, photos, schedules, and safety graphics.
  - d. Create and manage SharePoint Libraries and folder structures.
  - e. Act as liaison for team members and IT support.

4. Provide ongoing SharePoint maintenance, configuration and technical support throughout the year to for system functionality and end-user experience, including the following (34 hours per month):
  - a. Perform detailed technical support including troubleshooting, trainings, setup new projects, create workflows, respond to team member tech support requests.
  - b. Perform system updates and resolve issues with Microsoft.
  - c. Activate and deactivate user accounts. Manage and update individual groups, including access and permissions.
  - d. Provide ongoing necessary tasks during the year such as creating new lists, adding libraries and landing pages, and editing metadata.
5. Support continuous improvements, such as adding security groups, dashboards, workflows, closeout repository, metadata, and long-term storage decisions as feasible within the budget established for items 3-4 above. Where improvements would require exceeding the approved budget, a scope and LOE will be developed for approval by Program Director in advance of performing work (40 hours per month):

*Deliverables:*

1. Document management processes and tools updated, as appropriate.
2. Updates to SharePoint processes and tools, as appropriate.

### **Task 3.4 –Training / Workforce Development**

Continue to support the Water Department’s workforce development objectives and efforts by providing direct training on project management and Program management processes to City staff through day-to-day interactions with the Program Management team, short monthly refresher trainings, one-hour topical seminars, extended workshops, and ongoing refinement of project management tools. Update the workforce development TM in the PgMP, as required, to reflect changes and input from the Program leadership team. Coordinate and plan for training topics with Program leadership.

*Deliverables:*

1. Presentation materials for all training sessions and seminars.
2. Updates to the PgMP, as appropriate.

*Assumptions:*

1. Ten monthly ten minute “refresher” trainings during the PM monthly meeting at three hours each.
2. Six one hour-long trainings at 8 hours each. Assume half of these are performed by core program staff and half are performed by others travelling to Santa Cruz.
3. One half-day training at 24 hours each for planning, execution, and trainer travel.

### **Task 3.5 – Quality Management**

HDR will administer and manage the Quality Management Plan, per the PgMP. The primary objective of the Quality Management Plan is to assist project teams in the compliance with Program

and Project standards. As such, the management of quality covers the four general categories, below:

- **Process Quality:** Covers the implementation of the processes and procedures established for the Program.
- **Project Quality Plan:** Covers the preparation and implementation of a Project Quality Plan by each project team, primarily by the consultants preparing deliverables.
- **Business Delivery:** Covers how well each project is delivering to business metrics—cost, schedule, change and risk management.
- **Technical Delivery:** Covers the overall technical quality of the work being done, primarily associated with deliverables.

HDR's scope for this task includes:

1. Develop, maintain, and improve processes, tools, and templates, including updating the PgMP document, as appropriate.
2. On a monthly basis, perform a quality check at the Program and Project levels, identifying areas of compliance as well as areas for improvement, and report the results in the Program quality report card and the Program Monthly Report. Example areas include: monthly project reporting, risk registers, safety, and Program tools, such as project quality checklist and project quality plans. Summarize in the monthly Quality Report Card and program overview table.
3. Quality Management Reviews are performed and reported once every four months via a report delivered to the Program Director. The report covers four general categories including: Process Quality, Project Quality Plan, Business Delivery, and Technical Delivery.
4. Review and evaluate Key Performance Indicators (KPIs) for continuing development and refinement to support Program tracking. For FY24, it is assumed that monthly project overview KPI for cost, schedule, and quality will be continued within the monthly program report. No additional KPIs will be developed.

*Deliverables:*

1. Updates to the PgMP, and other processes and tools, as appropriate
2. Monthly quality reports, including Project Overview and Quality Report Card
3. Tri-annual review reports

### **Task 3.6 – Program Controls**

This task includes services required to implement the Program Controls Plan, per the PgMP.

#### ***Task 3.6.1 – Program General Management***

The Program Controls Lead oversees Program administration activities, including risk, document management, safety, quality, administration of the Program SharePoint site, and controls, including change management. The Controls Lead has scope in several Program Administration subtasks. Scope and effort associated with Tasks 3.2 through 3.5 and 3.7 is included in each respective task. The hours associated with this task (Program General Management) are estimated at 22 hours per month (0.15 FTE):

1. Participate in various Program meetings, including executive, leadership and PM meetings, as well as other miscellaneous meetings and workshops (14 hours per month).
2. Support Program Director and Program Manager as requested (6 hours per month).
3. Participate in and provide training for various Program processes and tools (2 hours per month, plus additional hours in Task 3.4 Training).

### **Task 3.6.2 – Program Schedule**

Program schedule will continue to be developed and maintained in P6, by the designated P6 scheduler. Schedules will be updated with Project Managers during and as follow up to the recurring individual monthly project update meetings and will be posted monthly to the SharePoint site for review and use by the Program team.

1. General oversight and schedule support (12 hours per month).
2. Attending monthly PM Update meetings, updating schedules, performing variance analysis and generating various reports (28 hours per month).
3. The following six types of schedules are anticipated for posting monthly during FY2024.
  - a. Level 1 Single Line schedule
    - i. Consolidated high level, showing 'key' WBS phase durations
  - b. Level 3 Activity Detail
    - i. Expanded to show all detailed activities, this is the lowest level schedule
  - c. Level 3 60 Day Look Ahead
    - i. A layout showing detailed activities that have been finished in the previous 30 days, activities in progress, and activities highlighted starting within the next 60 days, and anticipated activities during the current fiscal year.
  - d. Level 3 Activity Detail by PM
    - i. Expanded to show all detailed activities, sorted by Project Manager
  - e. Level 3 City Council and Water Commission Meetings
  - f. Level 3 z01 Detail Schedule
    - i. Detailed schedule of program administrative activities

In addition, at the request of Program team members, the P6 scheduler will support producing specific schedule reports (such as variance reports), filtered schedules, and custom layouts. HDR will perform schedule re-baselining per the PgMP, in conjunction with change management, and in coordination with the Program Director.

#### **Deliverables:**

1. Updated monthly schedules, as indicated above.
2. Updated scheduling processes, tools as part of PgMP updates, as appropriate.

#### **Assumptions:**

1. This task assumes no hours for reviewing construction Contractors' schedules or construction progress reporting. Where needed, effort for construction schedule review is included in Task 5: CM.



### **Task 3.6.3 – Program Cost / Estimating**

HDR will perform estimating, cost collection, analysis, forecasting and reporting of Program and Project costs. Specific activities include:

- Update the PgMP documents, and associated processes and templates, as appropriate. (Estimated 2 hours per month).
- Prepare for and address action items from the monthly PM Update meetings. Review and evaluate Program and project cost, schedule, risk and change management status. Present for review and approval by the City as part of the Program Monthly Report (Estimated 24 hours per month).
- Support Project Managers in the updates of their Project Cost Estimate (PCE). Review and update project budgets, forecasts, and perform variance analysis (8 hours per month).
- In coordination with the City Finance team, collect Program and Project actual costs on a monthly basis. Update CASPER (the Program cost management system), with Program level data, including program administration, escalation, contingencies, management reserves, and time-phasing based on the current schedule (24 hours per month). Develop and distribute regular cost performance reports, including cost and cash flows, thru a variety of tables, dashboards, graphs, and reports with appropriate levels of detail for various audiences. Also provide various ad-hoc reports as requested (8 hours per month).
- Maintain CASPER, the Cost Management System (CMS), an Excel and database tool, which is the Program's primary tool for managing costs. (Estimated 16 hours per month).
- Support Program Director on general cost and schedule-related items, including the approach, development, monitoring, and use of Program and project contingencies, and management reserves (Estimated 8 hours per month).

#### **Deliverables:**

1. Monthly Dashboards posted to SharePoint, and a Cost Performance Report, (included in Program Monthly Report), various cost reports as requested.
2. Updated cost and estimating processes, tools as part of PgMP updates, as appropriate.

#### **Assumptions:**

1. Katy Fitzgerald (City) will provide cost controls support at up to 12 hours per month.

### **Task 3.6.4 –Program Change Management**

Program Controls will provide ongoing support to the Change Management process, according to the PgMP. The Change Management process facilitates the identification, tracking, and resolution of changes that impact project or Program cost or schedules (8 hours per month). Specific activities include:

- Maintain and improve processes, tools, and templates related to change management, including updating the PgMP document, as appropriate. Communicate updates to the Program team in a timely manner.
- Coordinate with project managers to efficiently prepare and submit appropriate documentation of proposed changes for recommendation and approval by Program leadership.

- Support the administration and maintenance of the Program Change Log that resides on SharePoint.

*Deliverables:*

1. Updates to Section 2 (Change Management) of the PgMP, as appropriate.

*Assumptions:*

1. Katy Fitzgerald (City) will provide change support at up to 16 hours per month.

### **Task 3.7 – Water Finance / Accounting Support to the Water Department**

As requested by the City, HDR will provide miscellaneous support in the areas of finance and accounting to assist the Water Department in capital planning, annual budgeting, alternative funding or similar tasks. This scope is intended to reflect work that is beyond the scope of Task 3.6 which may include, but is not limited to, the following:

- Additional reporting for Program CIP and Non-Program CIP projects
- Support for development of annual budgets, additional cost/cash flows and forecasting alternatives, coordination with the City's pro forma consultant
- Support associated with project funding options

*Assumptions:*

1. An allowance of 12 hours per month is allocated for this task.

### **Task 3.8 – Design Drawing Review Software**

The City Water Department continues to implement Bluebeam as a collaborative design drawing review tool that enables multiple reviewers to edit and comment on a common document. The Department will need to continue to provide training, enhance the use of Bluebeam and support the review work processes as more Program Projects use the tool. This task provides additional support for the Bluebeam collaborative review processes. The anticipated work includes:

- Prepare one Program Refresher (4 hours)
- Project support for the different projects moving forward/going into design. Staff will engage HDR as the first resource, and City Subject Matter Expert will provide additional support as needed (26 hours for 6 projects: 2.4, 3.3.1, 4.4, 4.7, 4.8 and 6.1).
- Update training documentation – This will include modification of existing training materials previously implemented with incorporation of lessons learned. (3 hours)

*Deliverables:*

1. Updated Program Documents (3 hours)

*Assumptions:*

1. Assume six projects will use Bluebeam for design drawing review during the fiscal year.

## Task 4—Planning and Preliminary Engineering

In general, Task 4 covers activities critical to the planning of Program projects. This task involves planning and preliminary engineering efforts by HDR that would be performed during this Service Order. It includes the following subtasks:

### Task 4.1 – Planning Efforts

Task 4.1.6 – Distribution System Water Quality Improvements. [Carryover from SO7]

Task 4.1.18 – Felton Booster Pump Station Arc Flash Study

Task 4.1.19 – GHWTP SCADA Radio System Replacement

Task 4.2 – Preliminary Engineering Efforts [Not used].

### Task 4.3 – Asset Management

Task 4.3.6 – Asset On-boarding Support

Task 4.3.7 – Computerized Maintenance Management System Implementation Support  
[Carryover from SO8]

Task 4.4 – Main Replacement Program Support [Completed]

Task 4.5 – GHWTP CMMS Implementation Planning

Task 4.6 – [Not Used]

Task 4.7 – Beltz 12 Well Ammonia Removal

### Task 4.1 – Planning Efforts

*Task 4.1.1 – Task 4.1.5 Completed under previous Service Orders*

#### **Task 4.1.6 – Distribution System Water Quality**

The PgM will utilize the City's hydraulic water model to assess improvements needed in the outer reaches of the water system where water age can be excessive and requires constant maintenance to flush the system.

Issues anticipated to be addressed include:

1. System requirements
  - Storage capacity
  - Reliable pumping capacity (accounts for redundant pumps and backup power)
  - Fire flow reserve (FFR)
  - Current average day demand (ADD)
  - Current maximum day demand (MDD)
2. Long distribution mains with low demand.
3. Fire storage significantly larger than daily demands of the area.
4. Ability to implement effective system flushing due to staff availability or pipe diameter (water volumes).

A planning-level study to determine feasible projects will be prepared. Alternatives will be evaluated to compare the advantages, disadvantages, and order of magnitude costs to provide recommendations and a prioritized list of projects for City implementation. Assistance with the Solicitation Package for the Request for Proposal will also be provided by the PgM.

Three areas have been identified for evaluation:

1. DeLaveaga-Santa Cruz Gardens.
2. Pasatiempo-Rollingwoods system.
3. Carbonera.

Anticipated alternatives in each area are summarized below. A preliminary solution to water quality issues will be generated to a 10% design level.

1. DeLaveaga – SC Gardens Zones Water Quality Improvement - 10% Design Alternative Development. Investigation/Modelling of the following Project Alternatives:
  - Reduced storage and fire storage only in SC Gardens Tanks
  - Deliveries to Soquel Creek Water District
  - ASR Injection Wells
  - Add power to SC Gardens tank site for mixing and aeration
2. Water Quality Improvement - 10% Design Alternative Development Pasatiempo-Rollingwoods Zones. Investigation/Modelling of the following Project Alternatives:
  - Improvements to the Pasatiempo Tank
    - Reduced online storage
    - Use of Aerators
    - PRV at Eastridge Way and elimination of Carbonera Tank
  - Rollingwoods Pressure Zone Improvements
    - Resizing pump station
    - Convert zone to hydropneumatics
    - Deliveries to Scotts Valley Water District
    - Water exchange Scotts Valley Interie
    - Deliveries to San Lorenzo Valley Water District
    - ASR Injection Wells
    - Recirculation/bleed down station connection to raw water at Newell Creek
    - Rollingwoods tank site improvements
      - Aerators
      - Tank Recirculation pump
    - Bleed-down-recirculation station to relocated Newell Creek raw water transmission main (current recirculation bleed down effectiveness is limited by recirculation back to Rollingwoods Pump Station)
    - Expand Rollingwoods Tank zone into the Hillsdale-Oak Knoll and/or Myers Dr. Neighborhoods
    - New pressure reducing station at zone valve between Pasatiempo and Carbonera
3. Carbonera Pressure Zone Water Quality Improvement - 10% Design Alternative Development. Investigation/Modelling of the following Project Alternatives
  - Carbonera Zone reconfiguration
    - Removal of Carbonera Tank
    - Isolate Carbonera Tank either seasonally or semi-permanently and make Carbonera a sub-zone of Pasatiempo
    - Interconnection of R-12 and Eastridge Way/Highway 17 zone valve

- Reconfiguration such that Tanner Heights line is fed from Pasatiempo Zone through R-12
- Reconfiguration of Carbonera pump station in basement of GHWTP
- Operate Carbonera pump station in basement of GHWTP continuously to server fresh water to Carbonera (fill Tank with low TOC, isolate and manage WQ due to low turnover) Zone backed up by Pasatiempo
- Consideration of long dead-end water quality issues at Branciforte Drive.
  - Reinstall fire booster pump station along B40 Dr
  - Reinstall water storage tank and/or hydropneumatic system at end of B40 Dr
  - Drill new production well at end of B40 Dr

Alternatives for each of the studied areas will includes figures appropriate for a 10% concept-level planning to clarify information provided to the City and will also include preliminary concept-level order of magnitude costs to determine feasibility and to be used to prioritize future projects.

*Meetings:*

1. As needed with onsite PgM staff and by phone with offsite PgM staff.

*Deliverables:*

1. Draft and Final Distribution System Water Quality Improvements TM (emailed PDF file)
2. Draft and Final Design Services Solicitation Package

*Assumptions:*

1. Any condition assessment, pilot test, survey, geotechnical investigation, CEQA analysis, or other testing needed will be covered under a separate contract.
2. HDR will use the model received from the City for the analysis
3. HDR's scope does not include model updates, or model calibration or validation
4. The model received from the City is adequate for water age analysis in that it is calibrated, and properly represents the network configuration and controls
5. The scope of the modeling analysis is limited to water age analysis. Other water quality analyses such as chlorine residual or tracer study analyses are not included in this scope of work.
6. Modeling analyses to address water age in the system may include evaluation of storage and pressure zone configuration.
7. Fire protection requirements and/or land use information will be made available to HDR in electronic format.
8. Maximum day and peak hour demand information for each pressure zone will be provided to HDR for use in the analysis.

*City Responsibilities:*

1. Provide model access.
2. Identification of environmental documents, permits, and processes needed for selected alternative.
3. Provide project description of CEQA process.
4. Confirm ROW needs.

5. Provide background data.
6. Identify any changes/modifications to as-builts.

*Task 4.1.7 – Task 4.1.17 Completed under previous Service Orders*

**Task 4.1.18 – Felton Booster Pump Station ARC Flash Study**

HDR will conduct a short circuit, coordination, and arc flash study for the City of Santa Cruz Felton Booster Station, which will meet the requirements of the “NFPA 70E Handbook for Electrical Safety in the Workplace”. Specifically, it will cover NFPA 70E, Article 130 which includes Section 130.5, “Arc Flash Risk Assessment” and the incident energy analysis method captured in Section 130.5(G).

**General Assumptions:**

1. All deliverables to be provided electronically via email unless otherwise noted.
2. City review cycles are limited to 2-weeks.
3. Project will be completed within 8 weeks from notice to proceed.

Task 4.1.18.1 - Project Management and Quality Assurance/Quality Control (QA/QC)

**Subtask 1.1 - Project Management**

**Objective:** This task will capture general task management efforts including the kick-off meeting, monthly invoicing, and progress reports.

**Approach:** General “best practices” for project management will be applied. Weekly status meetings will include key stakeholders (as defined during the kick-off meeting).

*Deliverables:*

1. Kick-off Meeting Agenda and Minutes
2. Weekly status meeting notes
3. Invoices and Progress Reports

*Assumptions:*

1. Kick-off meeting to be completed via telephone call and will last no more than 1 hour.
2. Weekly status meetings will be completed via telephone call and will last no more than 30 minutes.
3. Weekly status meetings will be informal and will be followed up with emailed notes for review.

*City Responsibilities:*

1. Timely review and payment of invoices.
2. Select representative(s) to participate in weekly status meetings.

**Subtask 1.2 – QA/QC Program**

HDR will institute and maintain a QA/QC program for the work performed on this project. Senior technical staff, not involved in the project, will perform internal QA/QC upon completion of draft and final report before they are submitted to the City.

**Deliverables:** QA/QC plan to be included in the project management plan.

Task 4.1.18.2 - Document Review, Site Field Investigations, Testing, and Modeling

**Subtask 2.1 – Kick-off Meeting**

HDR will conduct a virtual meeting with the City to introduce the project team, collect background information, discuss the City's project goals and objectives, and establish lines of communication. The City's safety requirements will be discussed.

*Deliverables:* Meeting agenda and minutes.

*Assumptions:* Kick-off meeting to be held the same day as the visit for data gathering. Up to two HDR team members will attend this meeting, assumed to be up to one hour in length.

*City Responsibilities:* Participate in kick-off meeting.

**Subtask 2.2 – Document Collection and Review**

HDR will gather and review related existing documents, including: single line diagrams, record drawings, operations and maintenance (O&M) manuals, and utility (PG&E) information. HDR will analyze these documents, prior to performing the field data collection.

*Assumptions:*

1. The city will coordinate with PG&E.
2. HDR will markup existing single line diagrams or create new single lines sketches, as necessary, during field visits.

*City Responsibilities:*

1. Provide latest coordination study performed for the facility, as well as protective relay settings that may have changed since last coordination study, if available. Provide minimum, normal, and maximum operating service voltage levels, three-phase short circuit MVA and X/R ratio, line-to-ground short circuit MVA and X/R ratio at the point of connection, and cable information and distances for utility connection to facility meter.
2. Or, provide customer service representative's contact information, from whom HDR can retrieve this data.

**Subtask 2.3 – Field Surveys**

HDR will perform a field survey of electrical equipment to determining the information necessary to perform the study. All electrical equipment where survey is to be done, needs to be de-energized. Field surveys will be performed at the following facility:

1. Felton Booster Station

An energized work permit or job safety analysis for field work where live parts are exposed will be provided by HDR.

HDR will visually inspect equipment to collect the necessary nameplate data used in the analysis. HDR will be responsible for visual verification of this data, including transformers, switchgear and breakers, relays, and direct-acting trip units. Data collection will include the stepdown transformer from the utility service, down through each motor control center (MCC) and 120/208 volt or 120/240-

volt panel for the systems. Data collection for utility-owned equipment will be limited to data provided by the utility.

The City shall be responsible for opening all electrical equipment enclosures necessary to collect nameplate data.

Field data collection and system modeling will be based upon the system represented by the single line drawings and other drawings provided by the City. HDR will make hand-markups of corrections and updates to the single line drawings and documents to reflect actual field findings as necessary to complete the work. If no single line diagrams exist, HDR will sketch a single line diagram during the site visit.

*Assumptions:* We have budgeted 24 hours for the field surveys (includes travel time). The field survey will include equipment rated 4160 volts and less. Based on documentation provided, no 12 KV equipment will need to be accessed.

HDR assumes that none of the equipment will be located in a confined space area. If there are pieces of equipment in a confined space, the city will provide confined space mitigation equipment, and will assist in gathering the necessary data, under HDR's direction.

*City Responsibilities:*

1. Open all electrical equipment enclosures necessary to collect nameplate data. On energized equipment, where de-energization is not possible, the electrician, or personnel opening the electrical equipment shall be responsible to wear appropriate personal protective equipment (PPE). The personnel will also be responsible to gather any information, necessary to perform the analysis, requested by the engineer.
2. Coordinate the de-energization of live equipment, as needed.
3. Assist with the collection of data, as needed.

**Subtask 2.4 – Electrical and Power Distribution System Modeling**

SKM Power Tools will be used to model the electrical system and calculate the short circuit currents, breaker and fuse tripping times, and resulting arc flash energies.

*Deliverables:* Power system model in PDF.

*Assumptions:* SKM Power Tools will be used.

**Subtask 2.5 – Short Circuit Analysis, Protection Coordination Study, and Arc Flash Hazard Analysis**

**Short Circuit Analysis**

HDR will perform a short circuit and equipment duty analysis to determine maximum short circuit currents at electrical equipment and verify that equipment is rated to safely handle short circuit currents without creating hazardous conditions.

*Deliverables:* Short Circuit Analysis in SKM format.

*Assumptions:* SKM Power Tools will be used.



### **Protection Coordination Study**

HDR will perform a protective device coordination study and analysis to determine the existing coordination of electrical equipment and overcurrent devices and provide recommended equipment settings for improvement. The protective device coordination study and analysis will help verify proper electrical system reliability and determine if arc flash hazard energy levels can be reduced.

*Deliverables:* Protection coordination study in SKM format.

*Assumptions:* SKM Power Tools will be used.

### **Arc Flash Hazard Analysis**

HDR will perform an arc flash hazard analysis in accordance with the 2018 Edition of Institute of Electrical and Electronics Engineers (IEEE) Standard 1584 to determine the hazard risk category associated with each piece of equipment as defined in the 2020 Edition of NFPA 70E. Arc flash hazard assessments will be performed for locations and/or equipment where workers are exposed to risk. The arc flash analysis study will determine incident energies, and hazard/risk categories for equipment.

HDR will provide recommendations or modifications to reduce incident energy.

The following items of electrical equipment, if in use at the facility, will be required to have a risk category assigned:

1. switchgear
2. switchboards
3. MCC
4. panel boards
5. VFDs and control panels (separately mounted)
6. transfer switches

Deliverables will include the following:

1. Single line diagrams (11"x 17") showing the configuration of electrical distribution equipment from the 12 KV level down to 480-volt level divided into sections. The single line diagrams include switchgear, switchboards, generators, transfer switches, MCCs, variable frequency drives (VFDs) control panels, 480-volt power panels, and transfer switches. The single line diagrams include the following information:
  2. Buses and connections
  3. Arc flash analysis results, including incident energy (cal/cm<sup>2</sup>), arc flash boundary (inches), and hazard/risk category
  4. Bus labels and locations
  5. Bus rating
  6. Bus short circuit interrupting rating
  7. Description and tag numbers for all loads
  8. Horsepower, kW, or kVA rating for loads
  9. Power cable voltage, phase, sizes, and lengths
  10. Transformer kVA, voltages, and impedances
  11. Current transformer (CT) and potential transformer (PT) ratios
  12. Protective device table that includes the following information (if available):
  13. Physical location and tag number

14. Source description and tag number
15. Existing trip settings of circuit breakers and fuses
16. Manufacturer and model
17. Coordination diagrams (time versus current curves) of major components down to the coordination of 480-volt equipment.
18. Arc flash evaluation table that includes the following information:
19. Bus name
20. Bus kV
21. Incident energy (cal/cm<sup>2</sup>)
22. Arc flash boundary (inches)
23. Hazard/risk category
24. Working distance (inches)

*Deliverables:* Single line diagrams and arc flash analysis in SKM format. Updated site single line diagrams drawings will also be provided in PDF format.

*Assumptions:* SKM Power Tools will be used.

*City Responsibilities:* Evaluation review.

#### Task 4.1.18.3 – Summary Report

##### Subtask 3.1 – Report Preparation

HDR will provide a detailed arc flash hazard analysis report for each circuit condition and arc location analyzed that includes the following information:

1. Arching fault magnitude
2. Device clearing time
3. Duration of arc
4. Arc flash boundary
5. Working distance
6. Incident energy
7. PPE requirements for each incident energy level
8. Recommendations for new equipment and/or system changes necessary to reduce the calculated arc flash energy level below.
9. Recommendations for arc flash hazard reduction

The report will include single line diagram updates.

*Deliverables:* PDF copy of the draft report for review and comment by City staff. PDF copy of the final report. MS Word or Excel files and PDF file of the final report.

*City Responsibilities:* Review report and provide comments to HDR within ten business days.

##### Subtask 3.2 – Review Meeting

HDR will meet with City staff to discuss the draft report. Meeting will be attended by up to two HDR team members.

*Deliverables:* Meeting agenda and minutes.

*Assumptions:* Meeting will be virtual. Duration will not exceed 2 hours in length.

*City Responsibilities:* Participate in the meeting.

Task 4.1.18.4 - Arc Flash Warning Labels and Signage/Breaker Settings

**Subtask 4.1 - Arc Flash Warning Labels and Signage Production / Breaker Settings**

HDR will provide the required warning labels and other signage as determined by the study and evaluation. HDR will provide the final breaker settings, as determined by the report, that will provide both breaker coordination as well as reduce the arc flash incident energies.

*Deliverables:* Arc flash warning labels and signage. Final breaker settings.

*City Responsibilities:* Affix the arc flash labels to the equipment.

**Task 4.1.19 – GHWTP SCADA Radio System Replacement**

The radios that the City uses are now obsolete. The City is concerned about replacement radios should one of their existing radios fail. As part of the program to upgrade all of their remote sites, there is a desire to switch their existing radio system over to a new radio system. The City has decided to perform the radio upgrades in house, but is looking to HDR to provide documentation review. Part of this scope will involve the evaluation of the proposed technologies, the participation in the radio study, and the evaluation of reports and designs, and participation in the startup, and commissioning of the new radio system.

Total estimated coordination visits: 2

Support: 24 hours over the project duration.

**Task 4.2 – Preliminary Engineering Efforts [None scoped for FY24].**

**Task 4.3 – Asset Management**

Task 4.3.1 – Task 4.3.5 completed under previous Service Orders.

**Task 4.3.6 – Asset On-boarding Support**

This task provides as-needed support to implement asset onboarding for capital projects that will be designed or constructed during FY2024 as well as additional services to help the Department improve the use of their data management systems to support asset management. The effort for this task is based on allocating a budget for two capital projects in the Design Phase (28 hours of support for each) and two projects in the Construction phase (a total of 66 hours total) during the fiscal year, and budget to provide data management support to update the AMMS database so that data collected during construction of these new capital projects is ready for use,

*Meetings:*

1. Up to two meetings with each project team for training and project coordination (total of ten meetings for four projects)
2. Two meetings to support as-needed data management for the AMMS

*Deliverables:*

1. Training materials for asset on-boarding for each project

*Assumptions:*

1. Each project's PM will be responsible for developing the initial managed asset list during project design.
2. Contractors will be responsible for providing construction-phase asset data in the defined format during project construction.
3. There will be five projects that are in the design phase during fiscal year 2024 and six projects entering the construction phase that require asset on-boarding services.

***Task 4.3.7 – Computerized Maintenance Management System Implementation Support***

The Department is in the process of implementing a new computerized maintenance management system (Cityworks). The vendor (Centricity) is providing implementation services that cover specific activities for software installation and training, and is expected to complete implementation by the end of September. This task is a continuation of the support services provided by HDR under SO 8. Task 4.3.7.1 – CMMS Implementation Management

This subtask is a continuation of the management activities needed to keep the implementation on schedule and on track. HDR will continue to prepare invoices and work with Department staff to coordinate activities on a monthly basis, including coordination with the CMMS vendor, assistance in planning and scheduling on-site meetings, and coordinating the quality assurance effort.

*Meetings:*

1. As-needed project status meetings.

*Deliverables:*

1. Monthly status reports
2. Monthly invoices

***Task 4.3.7.6 – CMMS Training***

HDR will participate in vendor-led End-User and Administrator training sessions and then develop standard operating procedures (SOPs), specific to the Department, for the common processes. These SOPs will provide standardized steps that staff can follow in order to fully utilize the system to support their operations and maintenance work practices. These procedures will cover the most common data management functions of the system, including:

- Adding/updating asset records
- Creating new preventive maintenance procedures and schedules
- Assigning and scheduling work
- Creating and completing work orders
- Creating task lists and procedures

A draft copy of the SOPs will be provided to the Department for review and comment. These comments will be addressed and the final version of the SOPs will be submitted to the Department.

Once the SOPs have been completed, HDR will provide work-process specific training to assist the Department in optimizing the use of the system to support various Department functions such as main break response, meter change outs, and customer service.

*Meetings:*

1. Vendor-led training sessions
2. Review draft SOPs
3. Work process training

*Deliverables:*

1. Draft and final SOPs
2. Work process documentation

*Assumptions:*

1. HDR will participate in the Vendor-led training activities
2. Up to three days of work process training are anticipated

*Task 4.3.7.7 – CMMS Post-implementation Support*

Once the system has been configured and the Department is fully trained on its use, it will be ready to be used by staff. HDR will facilitate this implementation in coordination with the Department and the vendor. HDR will provide on-site support during the implementation to assist the Department as needed. During the rollout, HDR will help Department staff perform the new work processes and SOPs and help troubleshoot any issues or problems that may come up.

Once the rollout has been completed, HDR will provide post-implementation support. This includes conducting up to 12 weekly change management meetings following the software's "go-live" date.

The goal of these meetings is to discuss issues and topics uncovered by Department staff after implementation, prioritize any changes requested by the Department, and facilitate problem resolution. It is anticipated that these meetings may initially occur frequently (e.g. weekly) and become less frequently needed over time, but should still be scheduled once a quarter. Over time, the Department will take over scheduling and running these meetings so that they can continue to manage and improve the use of the system themselves.

*Meetings:*

1. Go-live planning meeting (2 hours)
2. 12 change management meetings

*Deliverables:*

1. Go-live planning
2. Post-implementation support
3. Change management meeting agendas and notes

*Assumptions:*

1. System configuration changes identified during the go-live process will be addressed by the vendor

Task 4.3.7.8 – Implementation Plan to support Main Break Risk Modeling

This task will develop and initiate a plan to incorporate the main break risk modeling into the Cityworks CMMS. Currently the main break data is captured and managed in a separate set of spreadsheets. The break data are entered via a mobile application in the field during main break repair activities. Moving forward, the Cityworks CMMS will be used to capture main break repairs on a work order instead of being managed in a separate tool and data source. The goal of this task is to determine how best to transition to Cityworks for main break data capture, and to define how the Cityworks data will be used to update the main break model in the future.

The outcome of this task will be a technical memorandum describing the approach to implementing/integrating the main break risk modeling with Cityworks. The draft TM will be provided to the City for review and comment. Comments will be addressed in the final version.

Also included is a small budget for implementation. This budget may not be sufficient for full implementation. Once the planning effort is completed, a revised implementation effort will be estimated. Implementation will not proceed until authorization is received from the City.

*Meetings:*

1. 2 meetings with Engineering to discuss the current process and identify the implementation approach (2 hours each)
2. 1, 2-hour meeting to discuss City review comments and implementation planning

*Deliverables:*

1. Meeting notes
2. Draft and Final Main Break Implementation Plan

*Assumptions:*

1. The training provided by Centricity as part of the CMMS Implementation (in a separate project that is already being executed) is assumed to be sufficient to enable the City to complete the implementation themselves with support from HDR
2. Up to 20 hours of technical staff time are budgeted for implementation support

**Task 4.4 – Task 4.6 [ Not Used]**

**Task 4.7 – Design: Beltz 12 Ammonia Removal**

Since 2020, elevated ammonia and varying levels of hydrogen sulfide has put Beltz No. 12 out of production due to limited treatment capacity. It was determined that equipment and site improvements would be required to remove ammonia and hydrogen sulfide at Beltz 12 to regain operational functionality of Beltz 12.

The project is proceeding in two phases. Phase I will install a new contact tank, piping, and modify the chlorine injection system to increase chlorine contact time. Construction for Phase I kicked off in FY23 under Service Order 8 and will continue into FY24. Phase II will review the need of replacing current metering pumps and design a replacement onsite chlorine generation system to increase chlorination capacity. The decision to replace the current onsite chlorine generation system was established after reviews of other treatment alternatives. Design for Phase II began in FY23 under Service Order 8 and will complete in FY24, followed by construction.

**Task 4.7.1 – Design Management and Quality Assurance/Quality Control (QA/QC)**

Design management is a continuous task throughout the project duration including project administration and meetings. Project administration includes monitoring and controlling project budget and schedule, informal project updates, quality assurance and quality control (QA/QC) for project deliverables, and staff scheduling.

Project coordination and review meetings are also included as part of the project management task. HDR shall prepare agendas, and record and distribute meeting minutes. We assume thirteen total meetings. The meetings shall be:

1. One (1) bid and award Q&A prep meeting (non-Stage-Gate meeting)
2. Twelve (12) monthly check-in meetings

*Deliverables:*

1. Meeting agenda and minutes, including action items
2. Monthly Invoices and Progress Reports

*Assumptions:*

1. Prep meetings will be completed via telephone call or online meeting and will last no more than 1 hour.
2. Agenda for all meetings will be emailed at least one day in advance of the meetings.
3. Draft meeting minutes will be emailed within 1-day after the meeting. The City will have 2-days to review and provide comments. Final meeting minutes will be released 5-days after the meeting.

*City Responsibilities:*

1. Provide review and comment on all meeting minutes.
2. Timely review and payment of invoices.
3. Select representative(s) to participate in bi-weekly status meetings.

**Task 4.7.2 – Engineering Services During Construction (Phase I)**

HDR will provide engineering services during construction of Phase I including the review and responses to RFIs and submittals, assisting in permitting activities such as updating the O&M manual and completing record drawings. This task was initiated in FY23 under Service Order 8 and will continue through the end of construction of Phase I in FY24.

*Deliverables:*

1. Submittal reviews
2. RFI responses
3. Materials required for permit applications
4. Startup and commissioning services.

*Assumptions:*

1. One (1) RFI per sheet
2. Two (2) Submittals per sheet
3. One site visit for startup and commissioning, and for punch-list walk
4. Up to two HDR staff will participate in the weekly construction progress meetings

*City Responsibilities:*

1. City will lead the construction management efforts including communications with contractor.

**Task 4.7.3 – 100% (Final) Design (Phase II)**

HDR engineering staff will complete the final design documents for the onsite chlorine generation system based on latest long-term design criteria and City's comments to the 50% design submitted under Service Order 8.

*Deliverables:*

1. Engineering design plans at 100% design level in electronic and CAD format
2. Specifications at 100% design level

**Task 4.7.4 – Bid Documents (Phase II)**

HDR engineering staff will prepare bid documents to support City's bid and award process for the Phase II design of the onsite chlorine generation system. Phase I design of the pressure contact vessel was completed under Service Order 8

*Deliverables:*

1. Complete bid documents in electronic and CAD format.

*City Responsibilities:*

1. Lead bid and award efforts.

**Task 4.7.5 – Bid Period Services (Phase II)**

HDR staff will facilitate and attend Pre-bid meeting in person.

*Assumptions:*

1. HDR will coordinate and facilitate the Pre-Bid meeting.
2. HDR will not attend a pre-bid site walk. It is assumed that the City will provide a conference meeting room to host all interested contractors. One HDR staff will attend the pre-bid meeting in person and will answer questions.
3. HDR assumes up to two (2) addenda to the original design

*City Responsibilities:*

1. Lead internal bidding process to ensure adequate construction time.



**Task 4.7.6 – Engineering Services During Construction (Phase II)**

HDR will provide engineering services during construction of Phase II including the review and responses to RFIs and submittals, assisting in permitting activities such as updating the O&M manual and completing record drawings.

*Deliverables:*

1. Submittal reviews
2. RFI responses
3. Materials required for permit applications
4. Startup and commissioning services.

*Assumptions:*

1. One (1) RFI per sheet
2. Two (2) Submittals per sheet
3. One site visit for startup and commissioning, and for punch-list walk
4. Up to two HDR staff will participate in the weekly construction progress meetings

*City Responsibilities:*

1. City will lead the construction management efforts including communications with contractor.

## Task 5—Construction Management

Construction Management (CM) for the Program projects is implemented in accordance with the CM Strategy and CM Guidelines documents that were developed during mobilization and are included in the PgMP. CM may be performed by the City, HDR, an integrated City-HDR team, or in certain circumstances, by a third-party firm. HDR will implement or continue CM services for the following project subtasks for this service order:

- Task 5 – 0.0 General Construction Management Oversight
- Task 5 – 1.5 Newell Creek Dam Inlet/Outlet
- Task 5 – 2.2.1 Newell Creek Pipeline Felton/Graham Hill
- Task 5 – 2.2.3 Brackney Landslide Area Risk Reduction
- Task 5 – 2.4 Intertie 1: Santa Cruz - Scotts Valley
- Task 5 – 4.3 Graham Hill WTP Concrete Tanks Project
- Task 5 – 4.7 Beltz 12 Well Ammonia Removal
- Task 5 – 6.1 U4 Tank Rehab / Replacement

Each project subtask includes performing construction management services that align with the phase(s) of project construction during FY2024. Table 2 summarizes the types of services for each task that are planned for Service Order 9. A detailed description of each type of service follows.

**Table 2. Construction Management Key Activities Duration by Project Task**

No.	Project	Pre-Construction Services	Construction Phase Services	Facility Testing and Commissioning	Project Closeout & Transfer of Operations
1.5	Newell Creek Dam Inlet/Outlet <sup>(2)</sup>	Done	Done	Done	3 months
2.2.1	Newell Creek Pipeline Felton/Graham Hill <sup>(2)</sup>	2 months	4 months	included in construction phase	not in FY24
2.2.3	Brackney Landslide Area Risk Reduction <sup>(3)</sup>	8 months	4 months	included in construction phase	not in FY24
2.4	Intertie 1: Santa Cruz - Scotts Valley <sup>(1)</sup>	6 months	6 months	included in construction phase	not in FY24
4.3	Graham Hill WTP Concrete Tanks Project <sup>(3)</sup>	not in FY24	12 months	included in construction phase	not in FY24
4.7	Beltz 12 Well Ammonia Removal <sup>(1)</sup>	not in FY24	Phase I: 5 mo. Phase II: 4 mo.	included in construction phase	Phase I: 7 mo. Phase II: not in FY 24
6.1	U4 Tank Rehab/ Replacement <sup>(1)</sup>	7 months	5 months	Included in construction phase	Not in FY24

1. City-led PM/CM team. *If HDR support inspection is needed, scope will be added via amendment.*  
 2. Third-party-led CM team.  
 3. HDR-led CM team (may include part-time City support or part time HDR and subcontractor inspectors).

## **Task 5.0. General Construction Management CM Support. Key Scope Activities**

The CM lead or designee will provide oversight of construction management planning and implementation for the Program. Typical tasks will include:

1. Coordinate planning for CM services with project PMs and Program Director.
2. Lead staffing for CM team, whether HDR or integrated City/HDR teams.
3. Develop project-specific CM services budgets.
4. Oversee CM services across Program for consistency and adherence to CM Strategy and CM Guidelines to facilitate accomplishment of Project goals, including timely reporting and communication with the City of Santa Cruz on key issues.
5. Develop monthly CM Report, for inclusion in Program Monthly Report, to provide status on each project in the construction phase, including those such as Newell Creek Dam Inlet/Outlet with a third-party CM.
6. Coordinate technical support resources, as required, for the construction phase such as cost estimating. Provide cost estimating support during the construction phase, either “in house” or from third-party party consultant.
7. Champion the use of the Program’s CM information system software (Procore) for all projects, wherever possible. Coordinate technical support and training supplements to enhance use by CMs and optimize capability of the system.

### *Assumptions:*

1. The LOE for the CM Lead to perform the above tasks is 0.0.8 FTE. In addition, this task includes 22 hours for Ops Liaison support, 40 hours for CM support and 80 for CM Document Controls Administrator.

### **Task 5 – 1.5 Newell Creek Dam Inlet/Outlet**

Up to 24 hours of construction phase support for this project is assumed for the Program CM Lead.

### **Task 5 – 2.2.1 Newell Creek Pipeline Felton/Graham Hill**

Up to 50 hours of construction phase support for this project is assumed for the Program CM/RE, including CM procurement; Contractor pre-qualification; Bid Phase support.

### **Task 5 – 2.2.3 Brackney Landslide Area Risk Reduction**

Construction Management (CM) for the Program projects is implemented in accordance with the CM Strategy and CM Guidelines documents that were developed during mobilization and are included in the Program Management Plan (PgMP). CM may be performed by the City, HDR, an integrated City-HDR team, or in certain circumstances, by a third-party firm. HDR will implement or continue CM services for the following project subtasks for this service order:

Each project subtask includes performing construction management services that align with the phase(s) of project construction during FY2023. Table 1 summarizes the types of services for each task that are planned for Service Order 8. A detailed description of each type of service follows.

**Table 1. Construction Management Key Activities Duration by Project Task**

No.	Project	Construction Duration in FY 2023	Pre-Construction Services	Construction Phase Services	Facility Testing and Commissioning	Project Closeout & Transfer of Operations
2.2.3	Brackney Landslide Area Risk Reduction <sup>(1)</sup>	not in FY23	4 months	not in FY23	not in FY23	not in FY23

Notes:

1. HDR-led CM with full-time HDR CM/RE, no City support assumed, and part-time HDR administration support and subcontractor labor compliance and materials testing.
2. Construction will be begin in FY24 (Aug 2023)

**Task 5.0. General Construction Management**

The CM lead or designee will provide oversight of construction management planning and implementation for the Program. Typical tasks will include:

1. Coordinate planning for CM services with project PMs and Program Director.
2. Lead staffing for CM team, whether HDR or integrated City/HDR teams.
3. Develop project-specific CM services budgets.
4. Oversee CM services across Program for consistency and adherence to CM Strategy and CM Guidelines to facilitate accomplishment of Project goals, including timely reporting and communication with the City of Santa Cruz on key issues.
5. Develop monthly CM Reports, for inclusion in Program Monthly Report, to provide status on each project in the construction phase, including those such as Newell Creek Dam Inlet/Outlet with a third-party CM.
6. Coordinate technical support resources, as required, for the construction phase such as cost estimating. Provide cost estimating support during the construction phase, either “in house” or from third-party party consultant. [Note for FY23, the only cost estimating support is scoped for the Concrete Tanks Replacement project (4.3).]
7. Champion the use of the Program’s CM information system software (Procore) for all projects, wherever possible. Coordinate technical support and training supplements to enhance use by CMs and optimize capability of the system.

*Assumptions:*

1. The LOE for the CM Lead to perform the above tasks is 1.0 FTE (1920 hours). In addition, this task includes 60 hours for CM Program Lead, 112 hours for scheduler, 60 hours for Project controls, and 320 for CM Document Administrator.

**Task 5 – 2.2.3 Newell Creek Pipeline Brackney**

This section describes each of the key activities that may occur during FY2023 for a specific project subtask, as indicated by the construction phases in Table 2. This section is organized as follows:

Activity 1 – Project-Specific Construction Management Activities

- 1.1 Project Management and Construction Management Plan
- 1.2 Communications

- 1.3 Document Control and internet-Based Communication System (Procore)
- 1.4 Contract Compliance Verification
- 1.5 Progress and Coordination Meetings
- 1.6 Schedule Monitoring
- 1.7 Change Management
- 1.8 Contractor Invoices and Payment Recommendations
- 1.9 Quality Assurance / Quality Control
- 1.10 Submittal Process
- 1.11 Request for Information (RFI) Process
- 1.12 Record Documents

Activity 2 – Inspections, Special and Specialty Inspections

- 2.1 Inspections
- 2.1 Specialty Inspections

Activity 3 – Division 1 and Special Provisions Compliance

Activity 4 – NOT USED

Activity 5 – Training, Testing, Start-Up, and Commissioning

- 5.1 Operators Training
- 5.2 Testing, Start-Up, and Commissioning

Activity 6 – Acceptance and Close-Out

**Activity 1. Project-Specific Construction Management Activities**

Program Manager (PgM) will administer the construction contract in accordance with the requirements as stated in HDR's agreement with City of Santa Cruz. HDR will maintain Project records and finalize during Project close-out. The Construction Manager (CM) will coordinate the activities of the Project participants including the City of Santa Cruz management and operations staff, designer, and the construction Contractor. The CM will balance the objectives of stakeholders to achieve completion of construction, startup and commissioning while managing the Project risks including cost, schedule, and quality.

**1.1. Project Management and Construction Management Plan**

This task includes all Project management efforts required to organize PgM's Construction Management team, assign and control work, and report progress to the City in the form of monthly progress reports.

The Construction Management Plan (CMP) defines Project guidelines and procedures that conform to the Program's CM Guidelines as applicable and incorporates the PgM's CM best practices to address and mitigate the anticipated challenges and risks of each Project. The CMP will define the approach of the CM team in completing the scope of services. It will explain the structure and organization of the CM team with roles and responsibilities defining tasks and deliverable actions of team members, as well as communication between the CM team, City of Santa Cruz staff, designer, Contractor, and other Project participants. The processes and procedures for construction contract administration and quality assurance will be defined along with the methodology for their

implementation. The CMP will provide for documentation and recordkeeping and define the document control system and use.

The CM will:

1. Define an approach to effectively manage and administer the construction contract;
2. Develop and implement a CMP that includes guidelines, procedures and policies for management of Project construction. The CMP guidelines and procedures will conform with the construction contract documents and/or consultant's CM best practices as applicable and appropriate;
3. Include, but not be limited to, the following components in the CMP:
  - a. Construction management organization, structure, roles and responsibilities, staffing plan and contact list, including identifying CM team staff to conduct direct communications with City of Santa Cruz and design consultant performing the Project design services (City of Santa Cruz Designer).
  - b. Construction management activities and deliverables, including, but not limited to, communications protocols, document control, progress meetings, schedule reviews, change management, Contractor invoicing, quality assurance and quality control (QA/QC), submittal process, and Request for Information (RFI) process, preparation of record documents;
  - c. Inspections and Contractor compliance with City of Santa Cruz's Special Provisions portion of the Contract Documents;
  - d. NOT USED
  - e. Training, testing, and start-up;
  - f. Partnering and dispute management;
  - g. Spare parts and warranties;
  - h. Acceptance and close-out of Construction Contract;
4. Amend and update the CMP during the Project as required to incorporate changes or refinements in scope, schedule, or deliverables; and
5. Implement the CMP.

*Deliverables:*

1. Original and Updated CMPs, as necessary.

### 1.2. Communications

The Construction Manager will facilitate teamwork; achieve common goals for the Project; facilitate coordination of team members to complete tasks without disruption of plant operations; and generate and maintain a record of Project activities, communications, quality of performance, negotiations, and payments.

Construction Manager will:

1. Coordinate communications among the participants in the Project by directing communications through the Construction Manager or other representative at the job site, in accordance with the Consultant's CM best practices as applicable and appropriate. Participants include, but not limited to, Contractor, City of Santa Cruz, and City of Santa Cruz's Designer.

2. Serve as the primary point of communication for coordination between the Contractor, the City of Santa Cruz, City of Santa Cruz's Designer, and other parties; receive Contractor correspondence, prepare draft responses, and transmit City of Santa Cruz approved responses.
3. Establish, implement, and manage a master calendar of significant events and meetings for the construction Project. The Master Calendar will be accessible by team members from their personal computer workstations.
4. Establish, implement, and maintain a master Project directory listing Project participants, their role on the Project, address, phone number(s), email address, and other pertinent information. The master Project directory will be accessible by team members from their personal computer workstations.
5. Initiate correspondence with and respond to correspondence from Contractor, Designer, the City of Santa Cruz, and other entities as may be required to administer the Project.

*Deliverables:*

1. Project data and communications as compiled within the document control system (the Project record).

1.3. Document Control and internet-Based Communication System

The Program has selected and will provide Procore, the web-based Document Control System (DCS), and internet connectivity to facilitate efficient communication and maintain Project data and records. DCS will include features to log and track documents (submittals, RFIs, PCO) as well as store electronic copies. It will provide secure viewing levels that will be controlled by the City, and it will be configured and monitored by the CM team who will train project participants on its use. A primary objective of the DCS is to provide the Project team with a centralized document exchange portal to communicate technical and other Project-related information. The Construction Manager will post Project information, logs and reports, meeting agendas and notes, QA reports, and other similar information. The DCS will provide a repository for Project data and records; its electronic database will be archive-able and will provide for a protected record of the Project history.

The CM will maintain complete, current files utilizing City of Santa Cruz's Project directory on Project-related records including correspondence, construction photographs, public outreach tracking inquiries, job files, submittals, shop drawings, requests for information, Contract Document clarification, potential change order documentation, directed change order documentation, change order and potential change order documentation, issue/action tracking log, claims, nonconformance reports, stop-work notices, daily inspection diaries, weekly inspection summary report, field memos, claims management files, warranty/guarantee files, as-built drawings and specs, shop drawings, training plan, qualification records, material test reports, Project payment estimates and records, certified payrolls, manpower utilization reports, insurance, bonds, status reports and meeting minutes, in accordance with the CM best practices as applicable and appropriate.

1. Establish anon-site document management system (Procore) for the timely logging, filing, and tracking of Project-related correspondence, and to enable efficient retrieval and to establish the chronology of events;
2. Procure, and maintain an internet-based communication system which can be asked to share information among team members and track Project communication by date, subject, and status and contract specification number;

3. Allow the use of the internet-based communication system to connect the Project controls system to the jobsite, central Project personnel, and City of Santa Cruz managers;
4. Provide training for City of Santa Cruz, Consultant, Designer, and Contractor as appropriate for proper use of internet-based communication system; and
5. At completion of the Project, provide the complete Project database of construction management documentation to City of Santa Cruz in format that does not need the internet-based system to review.

*Assumptions:*

1. The CM will organize and maintain the document control system (Procore).

*1.4 Contract Compliance Verification*

The CM will administer the construction Contract Documents to check Contractor compliance with its terms and conditions. The CM will:

1. Administer the Construction Contract including prosecution and progress of work, quality control administration, daily documentation of work, and measurement and payment;
2. When necessary and appropriate, consult and coordinate with City of Santa Cruz's Designer regarding interpretation of the Contract Documents; notify City of Santa Cruz in writing in cases of disagreements regarding such interpretations that require resolution. CM will analyze such disagreements and provide input to City of Santa Cruz;
3. Document Contractor-obtained permits, licenses, insurance, bonds, warranties, and guarantees in accordance with the Contract Documents;
4. Monitor that documentation required from Contractor is received in a timely manner and that Project records are complete; and
5. Review and document compliance with the Contract Documents.

*1.5 Progress and Coordination Meetings*

The CM will organize, coordinate, and lead progress and coordination meetings. The CM will provide Project team with agendas, meeting notes, action items, and identify follow-up activities. The weekly meetings will include review of recent activities and agenda items, exchange of new information, and planning and coordination of upcoming construction and related activities.

The CM will:

1. Organize and conduct regular weekly Progress Meetings with Contractor, City of Santa Cruz and other participants as necessary to discuss construction progress and planned work, coordination with City operations, submittals, RFIs, construction issues, potential change orders;
2. Organize and conduct periodic and special meetings to resolve issues with Contractor, utilities (e.g., PG&E), regulators, and local agencies having jurisdiction (e.g., Department of Health Services, fire department, Bay Area Air Quality Management), City of Santa Cruz's operations staff and contractors, and any participants as necessary and appropriate;
3. Identify construction, schedule and/or cost, coordination and potential dispute issues and recommend an approach for resolving issues;
4. Prepare agendas, and produce meeting minutes with a summary of meeting discussion, action items and decision logs; and
5. If required, attend other periodic and/or special meetings organized by City of Santa Cruz.



*Deliverables:*

1. Meeting agenda, minutes, and action items log

*Assumptions:*

1. The CM will organize and lead Project meetings and will receive information from other team members in planning and coordinating meetings;
2. Deliverables will be distributed through the DCS and email;
3. Meetings will be held weekly for the duration of the Project or as otherwise directed by City of Santa Cruz.

1.6. Schedule Monitoring

The CM team will manage contract time through the implementation of Project controls on the construction schedule. The CM will review the Contractor's preliminary and baseline schedules prior to commencement of work to verify that the full scope of construction work is included and properly sequenced, and that adequate time is provided for the performance of construction activities.

Monthly monitoring of Contractor's schedule and progress will provide early feedback on deviations from the baseline schedule and identify trends which could lead to Project delay. To validate the schedule for measuring work progress, the CM will confirm that the schedule updates provided by the Contractor are consistent with the work actually performed. In order to maintain an accurate accounting of Project time from the Notice to Begin Work to Project completion, schedule updates will be compared with previous submissions, noting progress compared to observations of current and planned work activities.

Negotiated adjustments in contract time and schedule will be evaluated by analyzing each PCO and change order for its impact. The CM will include and evaluate rain delays, work disruptions and other impacts to Contractor's schedule for adjustments to Project completion. Incorporating the baseline schedule with the time adjustments made during change management will provide a basis for evaluating timely completion, evaluating potential assessment of liquidated damages, and the resolution of potential claims.

The CM will:

1. Review construction baseline schedule and monthly updates for conformance with the Contract Documents with regard to activity sequencing, logic, milestones, and constraints, in accordance with the Program Construction Guidelines and/or PgM's CM best practices as applicable and appropriate; check for proper preparation and accuracy of the Contractor's schedule and recommend acceptance or rejection to City.
2. Review monthly construction schedule updates and evaluate progress and associated effect on Project cost.
3. Monitor and document actual start and finish dates.
4. Track and document individual activity duration and sequencing through comparisons with daily inspector's reports.
5. Identify critical and sub-critical activities, including City of Santa Cruz's operational requirements; check that Work is scheduled in an acceptable sequence with reasonable manning, and includes appropriate time for shop drawing preparation, review, material fabrication and shipping, complete installation, finishing, systems testing, and delivery of third party's material and equipment; verify that submittals are included in the schedule and that

schedule includes acceptance-testing period and indicates milestone completion for each separate portion and/or phase of Work.

6. Review activities that interface or tie-in within the same construction contract, or with other construction contracts or City of Santa Cruz activities to optimize preparation for the coordination of these interfaces or tie-ins.
7. Evaluate initial schedules submitted by Contractor pending complete schedule submittal are adequate to pursue initial construction work.
8. Conduct a pre-schedule submission meeting with Contractor to inform the Contractor of its Contract responsibilities regarding the development and submission of the preliminary and baseline schedules.
9. After prior approval by the City of Santa Cruz's Project Manager, CM will require Contractor to prepare and submit a recovery schedule demonstrating its program and proposed plan to make up a lag in scheduled progress and to demonstrate completion of the Work within the contract time. CM will review Contractors' Recovery Schedule for compliance with the Contract Documents and coordination with the overall Project and submit it to the City of Santa Cruz's Project Manager with written recommendation for acceptance or rejection.
10. On a monthly basis, review the progress of construction, evaluate the percentage complete of each construction activity as indicated in the Contractor's Updated Schedule and review such percentages with Contractor.
11. After City's acceptance, use the accepted schedule to monitor progress. When significant changes are made to the Contract Documents or when time extensions are granted, CM will direct Contractor to immediately revise the schedule based on the changed conditions.
12. Evaluate potential delays and advise the City accordingly. CM will highlight such matters during each weekly progress meeting.
13. Observe the Contractor's progress with the Work and evaluate whether completion will occur within the specified time and will conform with the requirements of the Contract Documents. If a delay in the Work is identified or it appears that the Work is not progressing such that the Project can be completed within the specified time, or if the Project is beyond the completion date and still not complete, inform City of Santa Cruz promptly.
14. If delays continue and it appears likely that the Construction Contractor is not cooperating in correcting the problem, PgM will immediately consider and recommend appropriate contract enforcement actions to the City.

#### 1.7 Change Management (Contract Document Clarification, Potential Change Orders, Directed Change Orders, and Change Orders)

The PgM will perform services relating to changes to the Contract Documents including change orders. The CM will:

1. Develop a Change Management Process to manage and control changes to the Contract Documents, including claims in accordance with the City of Santa Cruz's and/or PgM's CM best practices as applicable and appropriate.
2. Manage timely processing of documents in accordance with the construction Contract Documents.
3. Work with Contractor to mitigate field conditions that could result in added work or completion schedule delays.
4. Institute a screening process for change requests initiated by City of Santa Cruz; City of Santa Cruz's Designer, or Contractor.
5. Initiate appropriate negotiation, approval, payment, and documentation of changes;

6. Administer the changes as follows, for each PCO:
  - a. Receive Contractor's proposal and perform technical analysis for negotiations of final term and price;
  - b. Analyze Contractor's requests for time extensions with analytical software and generate an independent fragnet schedule, and prepare findings of fact for extending or not extending time;
  - c. Compare and evaluate Contractor's proposal with the reconciled and City of Santa Cruz approved independent cost estimate and schedule analysis;
  - d. Upon City of Santa Cruz's approval, negotiate with Contractor the cost and any time extensions associated with the PCO work; if mutually agreeable terms cannot be negotiated on Change Orders, submit to the City of Santa Cruz's Project Manager the pertinent facts and a recommendation of what action should be taken;
  - e. For Change Orders on which agreement has not been reached on the amount of equitable adjustment prior to commencing work, CM will inspect construction Contractor performance, and make detailed records of equipment, material, and labor utilized, the impact of changed and unchanged work, and other data or information pertinent to a determination of the amount of equitable adjustment of contract price and time of performance;
  - f. Prepare a change order package for approval and execution by City of Santa Cruz and Contractor; for each change order package, prepare and submit to City of Santa Cruz;
  - g. Issue Directed Change Order to Contractor for the purpose of unilaterally modifying the Contract Documents if: (a) Contractor fails to submit a proposal for PCO work within the time specified; (b) when City and Contractor cannot agree on the terms and conditions of PCO work within a reasonable amount of time as determined by City of Santa Cruz and CN;
  - h. Or when in the judgment of City of Santa Cruz it is impractical because of the nature of the change or for any other reason, such as the best interests of the City of Santa Cruz or the public, for City of Santa Cruz and Contractor to determine and agree on the costs and schedule impacts before the change must be performed. CM will prepare a draft Directed Change Order with a cover letter for City of Santa Cruz's Project Manager's approval before issuing; and
  - i. Negotiate with Contractor mutually acceptable terms and conditions of a Change Order to replace a Directed Change Order, if deemed appropriate by City of Santa Cruz.
7. Establish and implement a Construction Contract Change Order management system to track the status of proposed and executed changes in the work of the Contractor, in a format acceptable to, or prescribed by, the City of Santa Cruz.
8. Keep City of Santa Cruz informed of potential changes. All changes affecting Project design, quality, schedule, or costs are subject to approval by the City.

#### *1.8. Contractor Invoices and Payment Recommendations*

The CM will review the Contractor's proposed schedule of values for reasonableness and ease of monitoring in progressing payments. Changes will be negotiated as needed to provide for accurate valuation, ease of verification, and processing payments. Once approved, the schedule of values will be entered into the City of Santa Cruz's standard payment forms and submitted for City of Santa Cruz approval. The approved payment form will be used by the CM and Contractor in preparing monthly payment requests. The progress payments will incorporate Contract Document changes, payment for materials on hand, and retentions withheld.

In reviewing the Contractor's payment request, CM will consider compliance with permits, SBE participation, prevailing wages, quality of work, current insurance certificates, SRF funding requirements labor compliance requirements, and other items. Each month, the CM will review the progress payment with the Contractor and members of the CM team to confirm progress of the work and its conformance with the Contract Documents.

The CM will, in accordance with the City of Santa Cruz's Construction Manual and/or CM best practices as applicable and appropriate:

1. Review the Contractor's initial cost breakdown (Schedule of Values) for reasonableness and ease of monitoring; examine the Schedule of Values to evaluate for no front-loading; that the Work is sufficiently itemized to determine appropriate progress payments; and the Work item values are realistic.
2. Provide an independent assessment of progress, quantities of materials placed and equipment delivered and installed based upon acceptability of work.
3. Document Contractor has updated record drawings and provided monthly Project schedule update.
4. Review applications for payment with Contractor for compliance with contract requirements and verify that payment requested comprises payment due based on work completed as related to the schedule of values, and materials and equipment furnished but not incorporated into the Work.
5. Evaluate and document that Contractor certified payroll submittal provides labor compliance monitoring.
6. Prepare monthly progress payment using City's standard form. The payment application review period will comply with review period requirements established in the Construction Contract.

#### 1.9 Quality Assurance / Quality Control

The objective of QA/QC Plan is to monitor the Contractor in compliance with the Contract Documents and permit requirements. The QA/QC plan will address the Contractor's work requirements including plant operations and startup and testing. The CM will perform QA inspections to identify and address potential defects in construction. The CM will establish Field Quality Assurance Plan, providing procedures and guidelines to monitor Contractor's QA/QC activities.

1. Establish the Field Quality Assurance Plan, including describing the methods for conducting and evaluating that the required Special Inspections and tests are performed according to the construction contract drawings and specifications, as well as in compliance with applicable codes, standards, and regulations.
  - a. Review and approval of Contractor's QA/QC Plan;
  - b. Field design change control;
  - c. Monitoring of special processes;
  - d. Manufacturing source inspection and witness testing;
  - e. Inspections and test control; special and specialty inspections; and
  - f. Verification and calibration of measuring and test equipment;
2. Document the Contractor's compliance with QA / QC plan including materials testing requirements in accordance with Program CM Guidelines, City of Santa Cruz and/or CM best practices, as applicable and appropriate.

- a. Develop and implement as part of the Field Quality Control the methods for inspections and verifications, but not be limited to, the following activities:  
Inspection of civil work, including excavation and backfill, pile driving, concrete construction, paving;
  - b. Inspection of structural work;
  - c. Mechanical equipment inspection;
  - d. Plumbing, HVAC and Fire Protection inspections;
  - e. Electrical inspection and testing;
  - f. Field welding and inspection;
  - g. Hydrostatic and pneumatic testing;
  - h. Instrumentation and control inspection and testing; and
  - i. Special and Specialty Inspections, if applicable.
3. Document the Contractor's compliance with the QA/QC plan including materials testing requirements in accordance with Program CM Guidelines, City of Santa Cruz, and/or CM best practices, as applicable and appropriate.

### 1.10 Submittal Process

The CM will coordinate and manage the submittal and shop drawing review and approval process. Each Project design requires specialized materials, equipment, and performance of tasks which are specified within the Contract Documents. The submittal process will provide an understanding between the Contractor, City of Santa Cruz's Designer, the City of Santa Cruz, and the CM of the acceptability of products or procedures proposed by the Contractor.

Product information or proposed procedures will be submitted to the CM and processed with reviews by City of Santa Cruz's Designer, the City of Santa Cruz, and the Construction Manager. Submittals will be reviewed and stamped (approving or not approving) in accordance with the Contract Documents, with the comments provided. Submittals not meeting specification requirements will be returned to the Contractor for correction. Complete submittals when approved will be distributed to parties and provide for a common understanding of the acceptable materials to be incorporated into the Project. SRF funding compliance may require American Iron and Steel (AIS) compliant product certification as part of the submittal.

The CM will, in accordance with the Program Construction Guidelines and/or CM best practices as applicable and appropriate:

1. Review Contract Documents and prepare anticipated submittal list;
2. Receive, log, confirm compliance with submittal requirements, and distribute for review, and monitor the submittals to achieve timely return to Contractor;
3. Review submittals for format, compliance, and general completeness prior to forwarding to City of Santa Cruz's Designer;
4. Forward or return submittals within two business days from time of receipt by CM;
5. Prepare the submittal tracking log in accordance with City of Santa Cruz standards;
6. Maintain a computerized submittal base showing submittal number, description, date received, dates forwarded to and returned from City of Santa Cruz and/or City of Santa Cruz's Designer, date returned to Contractor and approval status;
7. Develop a tracking procedure to enable follow-up on the status of materials and equipment through the entire duration of the Project including documentation of AIS compliance;
8. Develop lists and monitor status of manufacturer's certificates, services, spare parts, manuals, and warranties;

9. Receive, log and file manufacturer's certificates, including warranties; review for compliance with Contract Documents;
10. Receive, log, and turn over spare parts to City of Santa Cruz; and
11. Receive, log and distribute manufacturer's O&M manuals for review and acceptance; review for compliance with the Contract Documents.

#### 1.11 Request For Information (RFI) Process

The CM will coordinate and manage a formal Request for Information (RFI) review and approval process. RFIs submitted by the contractor will be processed into the DCS by the Construction Services Manager and routed to City of Santa Cruz's Designer and the City of Santa Cruz for information and comment. The review comments of the CM team, City of Santa Cruz's Designer, and the City of Santa Cruz will be coordinated and a response is logged into the DCS and provided to the Contractor.

The CM will, in accordance with the Program CM Guidelines and/or CM best practices as applicable and appropriate:

1. Receive, review, analyze, log and distribute for review, and monitor the RFIs to achieve timely return to Contractor.
  - a. Determine required response suspense date to avoid Contractor delay;
  - b. Track the status of RFIs and advise City of Santa Cruz's Designer of unusual site conditions affecting RFI review;
  - c. Review RFIs for appropriateness, format, content, and general completeness prior to forwarding to City of Santa Cruz's Designer; and
  - d. Forward or return RFIs within two business days from time of receipt by the CM;
2. Prepare the RFI tracking log;
3. Develop and maintain a computerized RFI database showing RFI number, general description, date received, responsible party or parties, dates forwarded to and returned from party or parties, date returned to Contractor, and disposition status; continually monitor status of RFIs to track responses and/or compliance with contract specified turn-around times, as applicable;
4. In the case an RFI requests for change, or a response to an RFI results in change, provide input based on the contractual merit of the request or response;
5. Monitor status of responses for compliance with agreed or contract specified turn-around times; and
6. Track reasons for each RFI, including unforeseen conditions, design issue, and answerable in existing contract documents (unnecessary).

#### 1.12 Record Documents

The CM team will maintain a set of Contract Documents recording of the addenda, design clarifications and other modifications implemented during the Project. At the conclusion of the Project, the CM team will combine this information with additional documentation from the Contractor's as-built drawings. The Contractor's as-built documents reflect precisely how the Contractor constructed the Project, including changes made to the Contract Documents during construction. These compiled specifications and drawings will provide a complete field record of the Contract documents and their revisions.

The CM team will also provide the marked-up plans and specifications to City of Santa Cruz's Designer who will utilize them to update the Contract Documents and create Record Drawings. The complete, revised Contract Documents will then be provided to the City of Santa Cruz as the Record Documents for the Project. Accuracy and completion are important as they are a critical Project record for City's ongoing maintenance and operations of the plant.

Construction Manager will, throughout the Project and otherwise as appropriate during individual phases of construction or necessary due to interim plant operational status:

1. Maintain a control and record set of plans and specifications with any changes as a result of RFIs, Potential Change Orders, Directed Change Orders, Change Orders, or field memo.
2. Review and maintain records of marked-up as-built drawings and specifications so that Record Documents will be consistent with the construction in progress; the marked-up as-built drawings and specifications will be neat, clean, and accurately reflect work as constructed. The marked-up as-built drawings will include accurate graphical representations of construction changes, including redlines, detailed drawings, sketches, call-outs, and notes. The marked-up specifications will include redlines and text describing the specific changes. Just referencing RFIs, submittals, design clarifications, or change order documents on the marked-up, as-built drawings and specifications will not be sufficient or acceptable.
3. After confirming the completeness, coordinate the transmittal of Record Documents from City of Santa Cruz's Designer to City of Santa Cruz.
4. Secure from Contractor, review for compliance with the Contract Documents, and transmit to City the required guarantees, warranties, bonds, waivers, keys, manuals, as-built drawings, maintenance stocks, and originals of other Contract Documents and papers, including correspondence.

## ***Activity 2. Inspections, Special and Specialty Inspections***

The CM team inspection staff will provide immediate feedback to the CM on Project activities, site and operational conditions, and will document the work performed in detailed daily reports. The reports will be logged into the DCS and will be readily available for viewing by the City of Santa Cruz. The inspection reports will provide a detailed accounting of the work performed and serve to assure work is completed in accordance with Contract Documents.

### ***2.1 Inspections***

The CM's inspection staff will be present during construction work hours to evaluate if work is accomplished in accordance with the Contract Documents.

Inspections will provide for monitoring of the construction work and field verification of Contractor's QC Program.

The CM Lead and Contractor will plan and coordinate inspections of construction work to provide the needed special and specialty inspections. Inspections will focus on Contractor compliance with Contract Documents, permit requirements, and coordination with ongoing plant operations.

The inspection reports will provide a written and photographic record of observations including weather conditions, Contractor work force and equipment, and significant material or equipment deliveries.

The CM team will monitor the work quality through visual inspection and materials testing and will utilize as-needed special and specialty inspections.

During inspections, the Contractor will be advised of any nonconforming work observed and, if not corrected within designated timeframes, the City of Santa Cruz will be notified.

Nonconforming work, corrected or not corrected in accordance with designated timeframes, will both be recorded on deficiency lists and addressed.

The CM will:

1. Provide sufficient qualified, experienced inspection staff (as-needed) to monitor major work activities associated with work performed on shifts and days worked by Contractor, and to perform inspections, special and specialty inspections as required per the Contract Documents;
2. Inspect materials, equipment, construction procedures, work in progress, and completed work for compliance with the Contract Documents;
3. Monitor Contractor's look-ahead schedule and confer with Contractor to schedule qualified personnel including specialty inspectors on an as-needed basis to inspect and monitor quality control for major work activities;
4. Monitor completed work for contract compliance and generate appropriate deficiency lists;
5. Prepare Daily Inspection Reports detailing weather conditions, status of work, and the location and type of work performed by Contractor, in accordance with the City of Santa Cruz's Construction Manual and/or Co CM best practices as applicable and appropriate.
6. For each work activity, document the number and classification of craft labor, supervision, equipment (including idle equipment), and materials used;
7. Note material and equipment deliveries or off-hauls, any non-adherence to delays (including cause of delay), equipment breakdowns or other field problems, visitors, and other pertinent observations. Augment reports with sketches and digital photographs;
8. Track progress of work for payment purposes and evaluate if the Contractor's progress payment request reflects the submitted schedule of values and the work actually performed; and
9. Develop and implement a written communication system and database notifying Contractor of nonconforming work

## 2.2 Specialty Inspections (If-Needed)

The as-needed inspections will include structural steel, concrete, soil, and other architectural and mechanical specialties. These inspections will require specialized training and in many cases are associated with risks of wind, seismic, and fire. CM will provide highly skilled specialty inspectors to provide assurance that the work quality will mitigate these potential risks.

The CM will:

1. Provide and conduct special inspections in accordance with the requirements set forth in Chapter 17 of the CBC; and
2. Provide, at minimum, special inspections for the following work:
  - a. Structural steel inspections and verification, including special provisions for seismic resistance;
  - b. Concrete inspections and verification, including special provisions for seismic resistance;



- c. Inspection for wind resistance;
- d. Foundation soil inspections and verification;
- e. Inspections and verification for seismic resistance for other building systems, including designated seismic systems, mechanical and electrical components, storage racks and access floors, and architectural components;
- f. Provide specialty inspections for the following work disciplines: architectural, structural, mechanical, plumbing, HVAC, Fire Protection, electrical, and process and instrumentation.

### **Activity 3. Division 1 and Special Provisions Compliance**

The Special Provisions section of the Contract Documents state work requirements for the Project including phasing and sequencing, construction coordination with plant operation, and permit compliance. The Project Construction Manual provides specific instructions on monitoring for Special Provisions compliance such as restrictions on work hours, traffic control, and limiting impacts to surrounding neighborhood.

The CM team inspection staff will monitor Contractor compliance with the Special Provisions and mitigation measures thereby reducing Project risk. Key areas of monitoring by the Consultant include storm water (SWPPP), environmental compliance, discharge permits, and disruption to the neighborhood.

The CM will, in accordance with the City of Santa Cruz's Construction Manual and/or CM best practices as applicable and appropriate:

1. Monitor Contractor compliance with Division 1 and Special Provisions specifications including, but not limited to, mitigation commitments, wildlife protection and environmental permits, discharge permits and erosion and sedimentation control requirements;
2. Monitor Contractor's noise, vibration, traffic, and odor control mitigation plans for contract requirements;
3. Provide written notification to Contractor and City of Santa Cruz with a compliance concern; and
4. Provide immediate notification to Contractor and City of Santa Cruz of non-compliance with specifications and permits.

### **Activity 4 – NOT USED**

### **Activity 5. Training, Testing, Start-Up, and Commissioning**

The CM will perform services relating to City of Santa Cruz staff training, plant start-up, and commissioning.

#### 5.1 Operators Training (If-Needed)

The CM will coordinate Contractor-provided operator training and assist in developing operating procedures and processes so City of Santa Cruz staff can learn to operate the upgraded plant.

The CM will arrange for manufacturer-provided staff training, focusing on operations within the upgraded treatment plant. Trainings will include an on-site training facility with video and audio facilities, and after installation of equipment, instruction classes will be held on operation and maintenance of the equipment. Operations manuals for process equipment will be reviewed and

their procedures incorporated into the plant operation manual. The CM will assist the City of Santa Cruz in developing interim operation procedures and assist staff in initial phases of operation.

The CM will:

1. Facilitate and coordinate training of City of Santa Cruz's plant operators with Contractor, manufacturers/suppliers, City of Santa Cruz's staff, and City of Santa Cruz's Designer;
2. Review Contractor's training schedules and training plans; and
3. Coordinate and provide logistics for the training.

#### *5.2 Testing, Start-Up, and Commissioning (If-Needed)*

Consultant will coordinate training once the equipment has arrived and installation is advanced sufficiently to provide for manufacturer inspections and certification of proper installation.

A representative of the manufacturer will visit the site and examine installation to confirm proper installation. After necessary adjustments are made, the manufacturer's representative will certify the proper installation of equipment and provide operations staff with training on operation and maintenance.

The plant operations support team will organize a Start-up Team from City of Santa Cruz staff, City of Santa Cruz's Designer, and the Contractor and lead this team in testing, startup, and commissioning for each phase of the Project.

The CM will:

1. Coordinate functional and operational testing activities with Contractor, manufacturers, City of Santa Cruz's Designer and City of Santa Cruz;
2. Review Contractor's test procedures; witness Contractor's testing; and receive and review Contractor's test reports;
3. Coordinate and schedule start-up and commissioning activities; and
4. Lead, coordinate, direct, and manage day-to-day start-up and commissioning activities.

#### ***Activity 6. Acceptance and Close-Out***

The CM will facilitate commissioning in accordance with the Project construction phases and facilitate acceptance of each Project milestone and the Project once their respective commissioning period has been completed. During the later stages of construction for each milestone and of the Project, the CM will meet with the Contractor and develop deficiency lists based on record of inspection and observed non-compliant work.

The CM will regularly follow-up with the Contractor to address the deficient work items prior to commencement of operational testing. Included with system acceptance will be obtaining required warranties and guarantees from equipment manufacturers and contractors that fully comply with the Contract Document.

The CM will begin the process of milestone acceptance near the conclusion of each milestone and the process of Project acceptance and Construction Contract close-out near the conclusion of the Project.

The CM will implement the steps called out in the City of Santa Cruz’s Construction Manual and/or CM best practices as applicable and appropriate. Each step will be documented and include a complete review of contract administration, quality assurance and inspection, and plant operations. A complete review of the DCS will be made to identify any unresolved issues for RFIs/submittals/deliveries/warranties services or certifications. Documentation for each step of the close-out process will be assembled along with a calendar of warranty inspection and follow up activities.

The CM will, in accordance with the City of Santa Cruz’s Construction Manual and/or CM best practices as applicable and appropriate:

1. Manage deficiency list process;
2. Coordinate the efforts of City of Santa Cruz’s Designer, City of Santa Cruz, City of Santa Cruz Operations, Permit Authorities to develop a list of deficiencies;
3. Coordinate with Contractor, City of Santa Cruz Operations, and other parties to correct the deficiencies;
4. Conduct an inspection of the completed work for each milestone, and of the entire jobsite, and review documents to determine if all construction efforts are in compliance with the Contract Documents;
5. Evaluate the closure/completeness/delivery of RFIs, submittals, O&M documents, spare parts, training and testing activities, record documents, construction photographs, warranties, guarantees, maintenance bonds, non-conformance reports
6. Provide City of Santa Cruz with complete documentation required for each milestone acceptance and the final Project acceptance and closeout of the Construction Contract;
7. Coordinate warranty services with Contractor and the City through completion of each milestone as required and through final completion and acceptance of the Project; and
8. Provide City of Santa Cruz with warranty calendars with recommended warranty inspection dates prior to warranty expirations.

### **Task 5 – 2.4 Intertie 1: Santa Cruz - Scotts Valley**

Up to 50 hours of construction phase support for this project is assumed for the Program CM/RE, including CM procurement; Contractor pre-qualification; Bid Phase support.

### **Task 5 – 4.3 Concrete Tanks Replacement CM**

This section describes each of the key activities that may occur during FY2024 for a specific project subtask, as indicated by the construction phases in Table 2. This section is organized as follows:

#### Activity 1 – Project-Specific Construction Management Activities

- 1.2 Project Management and Construction Management Plan
- 1.2 Communications
- 1.3 Document Control and internet-Based Communication System (Procore)
- 1.4 Contract Compliance Verification
- 1.5 Progress and Coordination Meetings
- 1.6 Schedule Monitoring
- 1.7 Change Management
- 1.8 Contractor Invoices and Payment Recommendations
- 1.9 Quality Assurance / Quality Control

- 1.10 Submittal Process
- 1.11 Request for Information (RFI) Process
- 1.12 Record Documents

Activity 2 – Inspections, Special and Specialty Inspections

- 2.2 Inspections
- 2.2 Specialty Inspections

Activity 3 – Division 1 and Special Provisions Compliance

Activity 4 – Safety Management

Activity 5 – Training, Testing, Start-Up, and Commissioning

- 5.1 Operators Training
- 5.2 Testing, Start-Up, and Commissioning

Activity 6 – Acceptance and Close-Out

**Activity 1. Project-Specific Construction Management Activities**

PgM will administer the construction contract in accordance with the requirements as stated in HDR's agreement with City of Santa Cruz. HDR will maintain Project records and finalize during Project close-out. The Construction Manager (CM) will coordinate the activities of the Project participants including the City of Santa Cruz management and operations staff, designer, and the construction Contractor. The CM will balance the objectives of stakeholders to achieve completion of construction, startup and commissioning while managing the Project risks including cost, schedule, quality and safety.

1.1. Project Management and Construction Management Plan

This task includes all Project management efforts required to organize PgM's Construction Management team, assign and control work, and report progress to the City in the form of monthly progress reports.

The Construction Management Plan (CMP) defines Project guidelines and procedures that conform to the Program's CM Guidelines as applicable and incorporates the PgM's CM best practices to address and mitigate the anticipated challenges and risks of each Project. The CMP will define the approach of the CM team in completing the scope of services. It will explain the structure and organization of the CM team with roles and responsibilities defining tasks and deliverable actions of team members, as well as communication between the CM team, City of Santa Cruz staff, designer, Contractor, and other Project participants. The processes and procedures for construction contract administration and quality assurance will be defined along with the methodology for their implementation. The CMP will provide for documentation and recordkeeping and define the document control system and use.

The CM will:

1. Define an approach to effectively manage and administer the construction contract;
2. Develop and implement a CMP that includes guidelines, procedures and policies for effective management of Project construction. The CMP guidelines and procedures must be in

conformance with the construction contract documents and/or consultant's CM best practices as applicable and appropriate;

3. Include, but not be limited to, the following components in the CMP:
  - a. Construction management organization, structure, roles and responsibilities, staffing plan and contact list, including identifying CM team staff to conduct direct communications with City of Santa Cruz and design consultant performing the Project design services (City of Santa Cruz Designer).
  - b. Construction management activities and deliverables, including, but not limited to, communications protocols, document control, progress meetings, schedule reviews, change management, Contractor invoicing, quality assurance and quality control (QA/QC), submittal process, and Request for Information (RFI) process, preparation of record documents;
  - c. Inspections and Contractor compliance with City of Santa Cruz's Special Provisions portion of the Contract Documents;
  - d. Project-Specific Safety Management Plan, Safety Oversight, and Emergency Response;
  - e. Training, testing, and start-up;
  - f. Partnering and dispute management;
  - g. Spare parts and warranties;
  - h. Acceptance and close-out of Construction Contract;
4. Amend and update the CMP during the Project as required to incorporate changes or refinements in scope, schedule, or deliverables; and
5. Implement the CMP.

*Deliverables:*

1. Original and Updated CMPs, as necessary.

1.2. Communications

The Construction Manager will utilize all forms of available communication to facilitate teamwork; achieve common goals for the Project; facilitate coordination of team members to efficiently complete tasks without disruption of plant operations; and generate and maintain a clear and concise record of Project activities, communications, quality of performance, negotiations, and payments.

Construction Manager will:

1. Provide effective, efficient, and coordinated communications among all the participants in the Project by directing all communications through the Construction Manager or other representative at the job site, in accordance with the Consultant's CM best practices as applicable and appropriate. Participants include, but not limited to, Contractor, City of Santa Cruz, and City of Santa Cruz's Designer.
2. Serve as the primary point of communication for coordination between the Contractor, the City of Santa Cruz, City of Santa Cruz's Designer, and other parties; receive Contractor correspondence, prepare draft responses, and transmit City of Santa Cruz approved responses.
3. Establish, implement, and manage a master calendar of all significant events and meetings for the construction Project. The Master Calendar shall be accessible by all team members from their personal computer workstations.

4. Establish, implement, and maintain a master Project directory listing all Project participants, their role on the Project, address, phone number(s), email address, and other pertinent information. The master Project directory shall be accessible by all team members from their personal computer workstations.
5. Initiate correspondence with and respond to correspondence from Contractor, Designer, the City of Santa Cruz, and other entities as may be required to administer the Project.

*Deliverables:*

1. Project data and communications as compiled within the document control system (the Project record).

1.3. Document Control and internet-Based Communication System

The Program has selected and will provide Procore, the web-based Document Control System (DCS), and internet connectivity to facilitate efficient communication and maintain Project data and records. DCS will include features to log and track documents (submittals, RFIs, PCO) as well as store electronic copies. It will provide secure viewing levels that will be controlled by the City, and it will be configured and monitored by the CM team who will train project participants on its use. A primary objective of the DCS is to provide the Project team with a centralized document exchange portal to communicate technical and other Project-related information. The Construction Manager will post Project information, logs and reports, meeting agendas and notes, QA reports, and other similar information. The DCS will provide a repository for Project data and records; its electronic database will be archive-able and will provide for a protected record of the Project history.

The CM will maintain complete, current files utilizing City of Santa Cruz's Project directory on Project-related records including correspondence, construction photographs, public outreach tracking inquiries, job files, submittals, shop drawings, requests for information, Contract Document clarification, potential change order documentation, directed change order documentation, change order and potential change order documentation, issue/action tracking log, claims, nonconformance reports, stop-work notices, daily inspection diaries, weekly inspection summary report, field memos, claims management files, warranty/guarantee files, as-built drawings and specs, shop drawings, training plan, qualification records, material test reports, Project payment estimates and records, certified payrolls, manpower utilization reports, insurance, bonds, status reports and meeting minutes, all in accordance with the CM best practices as applicable and appropriate.

1. Establish a secure on-site document management system for the timely logging, filing, and tracking of Project-related correspondence to assure timely responses, and to enable efficient retrieval and establish the chronology of events;
2. Procure, and maintain a secure, internet-based communication system which can be asked to share information among team members and track Project communication by date, subject, and status and contract specification number;
3. Allow the use of the internet-based communication system to connect the Project controls system to the jobsite, central Project personnel, and City of Santa Cruz managers;
4. Provide training for City of Santa Cruz, Consultant, Designer, and Contractor as appropriate for proper use of internet-based communication system; and
5. At completion of the Project, provide the complete Project database of construction management documentation to City of Santa Cruz in format that does not need the internet-based system to review.

*Assumptions:*

1. The CM will organize and maintain the document control system.

1.4 Contract Compliance Verification

The CM will administer the construction Contract Documents to verify Contractor compliance with its terms and conditions. The CM will:

1. Administer the Construction Contract including prosecution and progress of work, quality control administration, daily documentation of work, and measurement and payment;
2. When necessary and appropriate, consult and coordinate with City of Santa Cruz's Designer regarding interpretation of the Contract Documents; notify City of Santa Cruz in writing in cases of disagreements regarding such interpretations that require resolution. CM will analyze such disagreements and provide input to City of Santa Cruz;
3. Verify Contractor-obtained permits, licenses, insurance, bonds, warranties, and guarantees in accordance with the Contract Documents;
4. Monitor and verify that documentation required from Contractor is received in a timely manner and that Project records are complete; and
5. Review and document compliance with the Contract Documents.

1.5 Progress and Coordination Meetings

The CM will organize, coordinate, and lead progress and coordination meetings. The CM will provide Project team with agendas, meeting notes, action items, and identify follow-up activities. The weekly meetings will include review of recent activities and agenda items, exchange of new information, and planning and coordination of upcoming construction and related activities.

The CM will:

1. Organize and conduct regular weekly Progress Meetings with Contractor, City of Santa Cruz and other participants as necessary to discuss construction progress and planned work, coordination with City operations, submittals, RFIs, construction issues, potential change orders;
2. Organize and conduct all periodic and special meetings to resolve issues with Contractor, utilities (e.g., PG&E), regulators, and local agencies having jurisdiction (e.g., Department of Health Services, fire department, Bay Area Air Quality Management), City of Santa Cruz's operations staff and contractors, and any participants as necessary and appropriate;
3. Identify construction, safety, compliance, schedule and/or cost, coordination and potential dispute issues and recommend an approach for resolving issues;
4. Prepare agendas, and produce meeting minutes with a summary of meeting discussion, action items and decision logs; and
5. If required, attend other periodic and/or special meetings organized by City of Santa Cruz.

*Deliverables:*

1. Meeting agenda, minutes, and action items log

*Assumptions:*

1. The CM will organize and lead Project meetings and will receive information from other team members in planning and coordinating meetings;
2. Deliverables will be distributed through the DCS and email;
3. Meetings will be held weekly for the duration of the Project or as otherwise directed by City of Santa Cruz.

1.6. Schedule Monitoring

The CM team will manage contract time through the implementation of Project controls on the construction schedule. The CM will review the Contractor's preliminary and baseline schedules prior to commencement of work to verify that the full scope of construction work is included and properly sequenced, and that adequate time is provided for the performance of construction activities.

Monthly monitoring of Contractor's schedule and progress will provide early feedback on deviations from the baseline schedule and identify trends which could lead to Project delay. To validate the schedule for measuring work progress, the CM will confirm that the schedule updates provided by the Contractor are consistent with the work actually performed. In order to maintain an accurate accounting of Project time from the Notice to Begin Work to Project completion, schedule updates will be compared with previous submissions, noting progress compared to observations of current and planned work activities.

Negotiated adjustments in contract time and schedule will be evaluated by analyzing each PCO and change order for its impact. The CM will include and evaluate rain delays, work disruptions and other impacts to Contractor's schedule for adjustments to Project completion. Incorporating the baseline schedule with the time adjustments made during change management will provide a basis for evaluating timely completion, evaluating potential assessment of liquidated damages, and the resolution of potential claims.

The CM will:

1. Review construction baseline schedule and monthly updates for conformance with the Contract Documents with regard to activity sequencing, logic, milestones, and constraints, in accordance with the Program Construction Guidelines and/or PgM's CM best practices as applicable and appropriate; check for proper preparation and accuracy of the Contractor's schedule and recommend acceptance or rejection to City.
2. Review monthly construction schedule updates and evaluate progress and associated effect on Project cost.
3. Monitor and verify actual start and finish dates.
4. Verify individual activity duration and sequencing through comparisons with daily inspector's reports.
5. Identify critical and sub-critical activities, including City of Santa Cruz's operational requirements; check that Work is scheduled in an acceptable sequence with reasonable manning, and includes appropriate time for shop drawing preparation, review, material fabrication and shipping, complete installation, finishing, systems testing, and delivery of third party's material and equipment; verify that all submittals are included in the schedule and that schedule includes acceptance-testing period and indicates milestone completion for each separate portion and/or phase of Work.



6. Review activities that interface or tie-in within the same construction contract, or with other construction contracts or City of Santa Cruz activities to optimize preparation for the coordination of these interfaces or tie-ins.
7. Verify that initial schedules submitted by Contractor pending complete schedule submittal are adequate to pursue initial construction work.
8. Conduct a pre-schedule submission meeting with Contractor to inform the Contractor of its Contract responsibilities regarding the development and submission of the preliminary and baseline schedules.
9. After prior approval by the City of Santa Cruz's Project Manager, CM shall require Contractor to prepare and submit a recovery schedule demonstrating its program and proposed plan to make up a lag in scheduled progress and to demonstrate completion of the Work within the contract time. CM will review Contractors' Recovery Schedule for compliance with the Contract Documents and coordination with the overall Project and submit it to the City of Santa Cruz's Project Manager with written recommendation for acceptance or rejection.
10. On a monthly basis, review the progress of construction, evaluate the percentage complete of each construction activity as indicated in the Contractor's Updated Schedule and review such percentages with Contractor.
11. After City's acceptance, use the accepted schedule to monitor progress. When significant changes are made to the Contract Documents or when time extensions are granted, CM shall direct Contractor to immediately revise the schedule based on the changed conditions.
12. Evaluate potential delays and advise the City accordingly. CM shall highlight such matters during each weekly progress meeting.
13. Observe the Contractor's progress with the Work and evaluate whether completion will occur within the specified time and will conform with the requirements of the Contract Documents. If a delay in the Work is identified or it appears that the Work is not progressing such that the Project can be completed within the specified time, or if the Project is beyond the completion date and still not complete, inform City of Santa Cruz promptly.
14. If delays continue and it appears likely that the Construction Contractor is not cooperating in correcting the problem, PgM shall immediately consider and recommend appropriate contract enforcement actions to the City.

#### 1.7 Change Management (Contract Document Clarification, Potential Change Orders, Directed Change Orders, and Change Orders)

The PgM will perform services relating to changes to the Contract Documents including change orders. The CM will:

1. Develop a Change Management Process to manage and control changes to the Contract Documents, including claims in accordance with the City of Santa Cruz's and/or PgM's CM best practices as applicable and appropriate.
2. Manage timely processing of documents in accordance with the construction Contract Documents.
3. Work with Contractor to mitigate field conditions that could result in added work or completion schedule delays.
4. Institute a screening process for change requests initiated by City of Santa Cruz; City of Santa Cruz's Designer, or Contractor.
5. Initiate appropriate negotiation, approval, payment, and documentation of changes;
6. Administer the changes as follows, for each PCO:

- a. Receive Contractor's proposal and perform technical analysis for negotiations of final term and price;
  - b. Analyze Contractor's requests for time extensions with analytical software and generate an independent fragnet schedule, and prepare findings of fact for extending or not extending time;
  - c. Compare and evaluate Contractor's proposal with the reconciled and City of Santa Cruz approved independent cost estimate and schedule analysis;
  - d. Upon City of Santa Cruz's approval, negotiate with Contractor the cost and any time extensions associated with the PCO work; if mutually agreeable terms cannot be negotiated on Change Orders, submit to the City of Santa Cruz's Project Manager all pertinent facts and a recommendation of what action should be taken;
  - e. For Change Orders on which agreement has not been reached on the amount of equitable adjustment prior to commencing work, CM shall inspect construction Contractor performance, and make detailed records of equipment, material, and labor utilized, the impact of changed and unchanged work, and other data or information pertinent to a determination of the amount of equitable adjustment of contract price and time of performance;
  - f. Prepare a change order package for approval and execution by City of Santa Cruz and Contractor; for each change order package, prepare and submit to City of Santa Cruz;
  - g. Issue Directed Change Order to Contractor for the purpose of unilaterally modifying the Contract Documents if: (a) Contractor fails to submit a proposal for PCO work within the time specified; (b) when City and Contractor cannot agree on the terms and conditions of PCO work within a reasonable amount of time as determined by City of Santa Cruz and CN;
  - h. Or when in the judgment of City of Santa Cruz it is impractical because of the nature of the change or for any other reason, such as the best interests of the City of Santa Cruz or the public, for City of Santa Cruz and Contractor to determine and agree on the costs and schedule impacts before the change must be performed. CM shall prepare a draft Directed Change Order with a cover letter for City of Santa Cruz's Project Manager's approval before issuing; and
  - i. Negotiate with Contractor mutually acceptable terms and conditions of a Change Order to replace a Directed Change Order, if deemed appropriate by City of Santa Cruz.
1. Establish and implement a Construction Contract Change Order management system to track the status of proposed and executed changes in the work of the Contractor, in a format acceptable to, or prescribed by, the City of Santa Cruz.
  2. Keep City of Santa Cruz informed of potential changes. All changes affecting Project design, quality, schedule, or costs are subject to approval by the City.

#### 1.8. Contractor Invoices and Payment Recommendations

The CM will review the Contractor's proposed schedule of values for reasonableness and ease of monitoring in progressing payments. Changes will be negotiated as needed to provide for accurate valuation, ease of verification, and processing payments. Once approved, the schedule of values will be entered into the City of Santa Cruz's standard payment forms and submitted for City of Santa Cruz approval. The approved payment form will be used by the CM and Contractor in preparing monthly payment requests. The progress payments will incorporate Contract Document changes, payment for materials on hand, and retentions withheld.

In reviewing the Contractor's payment request, CM will consider compliance with permits, SBE participation, prevailing wages, quality of work, current insurance certificates, SRF funding requirements labor compliance requirements, and other items. Each month, the CM will review the progress payment with the Contractor and members of the CM team to confirm progress of the work and its conformance with the Contract Documents.

The CM will, in accordance with the City of Santa Cruz's Construction Manual and/or CM best practices as applicable and appropriate:

1. Review the Contractor's initial cost breakdown (Schedule of Values) for reasonableness and ease of monitoring; examine the Schedule of Values to verify no front-loading; that the Work is sufficiently itemized to determine appropriate progress payments; and the Work item values are realistic.
2. Provide an independent assessment of progress, quantities of materials placed and equipment delivered and installed based upon acceptability of work.
3. Verify Contractor has updated record drawings and provided monthly Project schedule update.
4. Review applications for payment with Contractor for compliance with contract requirements and verify that payment requested comprises payment due based on work completed as related to the schedule of values, and materials and equipment furnished but not incorporated into the Work.
5. Verify Contractor certified payroll submittal provide labor compliance monitoring.
6. Prepare monthly progress payment using City's standard form. The payment application review period will comply with review period requirements established in the Construction Contract.

#### 1.9 Quality Assurance / Quality Control

The objective of QA/QC Plan is to monitor the Contractor in compliance with the Contract Documents and permit requirements. The QA/QC plan will address the Contractor's work requirements including plant operations and startup and testing. The CM will perform QA inspections to identify and address potential defects in construction. The CM will establish Field Quality Assurance Plan, providing procedures and guidelines to monitor Contractor's QA/QC activities.

1. Establish the Field Quality Assurance Plan, including describing the methods for conducting and verifying that the required Special Inspections and tests are performed according the construction contract drawings and specifications, as well as in compliance with applicable codes, standards, and regulations.
  - a. Review and approval of Contractor's QA/QC Plan;
  - b. Field design change control;
  - c. Monitoring of special processes;
  - d. Manufacturing source inspection and witness testing;
  - e. Inspections and test control; special and specialty inspections; and
  - f. Verification and calibration of measuring and test equipment;
2. Verify the Contractor's compliance with QA / QC plan including materials testing requirements in accordance with Program CM Guidelines, City of Santa Cruz and/or CM best practices, as applicable and appropriate.
  - a. Develop and implement as part of the Field Quality Control the methods for inspections and verifications, but not be limited to, the following activities:

- Inspection of civil work, including excavation and backfill, pile driving, concrete construction, paving;
  - b. Inspection of structural work;
  - c. Mechanical equipment inspection;
  - d. Plumbing, HVAC and Fire Protection inspections;
  - e. Electrical inspection and testing;
  - f. Field welding and inspection;
  - g. Hydrostatic and pneumatic testing;
  - h. Instrumentation and control inspection and testing; and
  - i. Special and Specialty Inspections, if applicable.
3. Verify the Contractor's compliance with the QA/QC plan including materials testing requirements in accordance with Program CM Guidelines, City of Santa Cruz, and/or CM best practices, as applicable and appropriate.

#### 1.10 Submittal Process

The CM will coordinate and manage the submittal and shop drawing review and approval process. Each Project design requires specialized materials, equipment, and performance of tasks which are specified within the Contract Documents. The submittal process will provide an understanding between the Contractor, City of Santa Cruz's Designer, the City of Santa Cruz, and the CM of the acceptability of products or procedures proposed by the Contractor.

Product information or proposed procedures will be submitted to the CM and processed with reviews by City of Santa Cruz's Designer, the City of Santa Cruz, and the Construction Manager. Submittals will be reviewed and stamped (approving or not approving) in accordance with the Contract Documents, with the comments provided. Submittals not meeting specification requirements will be returned to the Contractor for correction. Complete submittals when approved will be distributed to all parties and provide for a common understanding of the acceptable materials to be incorporated into the Project. SRF funding compliance may require American Iron and Steel (AIS) compliant product certification as part of the submittal.

The CM will, in accordance with the Program Construction Guidelines and/or CM best practices as applicable and appropriate:

1. Review Contract Documents and prepare anticipated submittal list;
2. Receive, log, confirm compliance with submittal requirements, and distribute for review, and monitor the submittals to achieve timely return to Contractor;
3. Review submittals for format, compliance, and general completeness prior to forwarding to City of Santa Cruz's Designer;
4. Forward or return all submittals within two business days from time of receipt by CM;
5. Prepare the submittal tracking log in accordance with City of Santa Cruz standards;
6. Maintain a computerized submittal base showing submittal number, description, date received, dates forwarded to and returned from City of Santa Cruz and/or City of Santa Cruz's Designer, date returned to Contractor and approval status;
7. Develop a tracking procedure to enable follow-up on the status of materials and equipment through the entire duration of the Project including documentation of AIS compliance;
8. Develop lists and monitor status of manufacturer's certificates, services, spare parts, manuals, and warranties;

9. Receive, log and file manufacturer's certificates, including warranties; review for compliance with Contract Documents;
10. Receive, log, and turn over spare parts to City of Santa Cruz; and
11. Receive, log and distribute manufacturer's O&M manuals for review and acceptance; review for compliance with the Contract Documents.

#### 1.11 Request For Information (RFI) Process

The CM will coordinate and manage a formal Request for Information (RFI) review and approval process. RFIs submitted by the contractor will be processed into the DCS by the Construction Services Manager and routed to City of Santa Cruz's Designer and the City of Santa Cruz for information and comment. The review comments of the CM team, City of Santa Cruz's Designer, and the City of Santa Cruz will be coordinated and a response is logged into the DCS and provided to the Contractor.

The CM will, in accordance with the Program CM Guidelines and/or CM best practices as applicable and appropriate:

1. Receive, review, analyze, log and distribute for review, and monitor the RFIs to achieve timely return to Contractor.
  - a. Determine required response suspense date to avoid Contractor delay;
  - b. Track the status of all RFIs and advise City of Santa Cruz's Designer of unusual site conditions affecting RFI review;
  - c. Review RFIs for appropriateness, format, content, and general completeness prior to forwarding to City of Santa Cruz's Designer; and
  - d. Forward or return all RFIs within two business days from time of receipt by the CM;
2. Prepare the RFI tracking log;
3. Develop and maintain a computerized RFI database showing RFI number, general description, date received, responsible party or parties, dates forwarded to and returned from party or parties, date returned to Contractor, and disposition status; continually monitor status of RFIs to ensure timely responses and/or compliance with contract specified turn-around times, as applicable;
4. In the case an RFI requests for change, or a response to an RFI results in change, provide input based on the contractual merit of the request or response;
5. Monitor status of responses for compliance with agreed or contract specified turn-around times; and
6. Track reasons for each RFI, including unforeseen conditions, design issue, and answerable in existing contract documents (unnecessary).

#### 1.12 Record Documents

The CM team will maintain a set of Contract Documents recording all of the addenda, design clarifications and other modifications implemented during the Project. At the conclusion of the Project, the CM team will combine this information with additional documentation from the Contractor's as-built drawings. The Contractor's as-built documents reflect precisely how the Contractor constructed the Project, including all changes made to the Contract Documents during construction. These compiled specifications and drawings will provide a complete field record of the Contract documents and their revisions.

The CM team will also provide the marked-up plans and specifications to City of Santa Cruz's Designer who will utilize them to update the Contract Documents and create Record Drawings. The complete, revised Contract Documents will then be provided to the City of Santa Cruz as the Record Documents for the Project. Accuracy and completion are important as they are a critical Project record for City's ongoing maintenance and operations of the plant.

Construction Manager will, throughout the Project and otherwise as appropriate during individual phases of construction or necessary due to interim plant operational status:

1. Maintain a control and record set of plans and specifications with any changes as a result of RFIs, Potential Change Orders, Directed Change Orders, Change Orders, or field memo.
2. Review and maintain records of marked-up as-built drawings and specifications to ensure the Record Documents will be consistent with the construction in progress; the marked-up as-built drawings and specifications shall be neat, clean, and accurately reflect work as constructed. The marked-up as-built drawings shall include accurate graphical representations of construction changes, including redlines, detailed drawings, sketches, call-outs, and notes. The marked-up specifications shall include redlines and text describing the specific changes. Just referencing RFIs, submittals, design clarifications, or change order documents on the marked-up, as-built drawings and specifications will not be sufficient or acceptable.
3. After confirming the completeness, coordinate the transmittal of Record Documents from City of Santa Cruz's Designer to City of Santa Cruz.
4. Secure from Contractor, review for compliance with the Contract Documents, and transmit to City the required guarantees, warranties, bonds, waivers, all keys, manuals, as-built drawings, maintenance stocks, and originals of all other Contract Documents and papers, including correspondence.

### ***Activity 2. Inspections, Special and Specialty Inspections***

The CM team inspection staff will provide immediate feedback to the CM on Project activities, site and operational safety conditions, and will document the work performed in detailed daily reports. The reports will be logged into the DCS and will be readily available for viewing by the City of Santa Cruz. The inspection reports will provide a detailed accounting of the work performed and serve to assure work is completed in accordance with Contract Documents.

#### **2.1 Inspections**

The CM's inspection staff will be present during construction work hours to verify work is accomplished in accordance with the Contract Documents.

Inspections will provide for monitoring of the construction work and field verification of Contractor's QC Program.

The CM Lead and Contractor will plan and coordinate inspections of construction work to provide the needed special and specialty inspections. Inspections will focus on Contractor compliance with Contract Documents, permit requirements, and coordination with ongoing plant operations.

The inspection reports will provide a written and photographic record of observations including weather conditions, Contractor work force and equipment, and significant material or equipment deliveries.

The CM team inspection staff will monitor the work quality through visual inspection and materials testing, and will utilize as-needed special and specialty inspections.

During inspections, the Contractor will be advised of any nonconforming work observed and, if not corrected within designated timeframes, the City of Santa Cruz will be notified.

Nonconforming work, corrected or not corrected in accordance with designated timeframes, will both be recorded on deficiency lists and addressed.

The CM will:

1. Provide sufficient qualified, experienced inspection staff to monitor all major work activities associated with work performed on all shifts and days worked by Contractor, and to perform all inspections, special and specialty inspections as required per the Contract Documents;
2. Inspect materials, equipment, construction procedures, work in progress, and completed work for compliance with the Contract Documents;
3. Monitor Contractor's look-ahead schedule and confer with Contractor to ensure that qualified personnel including specialty inspectors are scheduled on an as-needed basis to inspect and monitor quality control for all major work activities;
4. Monitor completed work for contract compliance and generate appropriate deficiency lists;
5. Prepare Daily Inspection Reports detailing weather conditions, status of work, and the location and type of work performed by Contractor, in accordance with the City of Santa Cruz's Construction Manual and/or Co CM best practices as applicable and appropriate;
6. For each work activity, document the number and classification of craft labor, supervision, equipment (including idle equipment), and materials used;
7. Note material and equipment deliveries or off-hauls, any non-adherence to safety procedures along with corrective action taken, delays (including cause of delay), equipment breakdowns or other field problems, visitors, and other pertinent observations. Augment reports with sketches and digital photographs;
8. Verify progress of work for payment purposes and ensure that Contractor's progress payment request reflects the submitted schedule of values and the work actually performed; and
9. Develop and implement a written communication system and database notifying Contractor of all nonconforming work and safety violations.

## 2.2 Specialty Inspections

The as-needed inspections will include structural steel, concrete, soil, and other architectural and mechanical specialties. These inspections will require specialized training and in many cases are associated with risks of wind, seismic, life safety, and fire. CM will provide highly skilled specialty inspectors to provide assurance that the work quality will mitigate these potential risks.

The CM will:

1. Provide and conduct special inspections in accordance with the requirements set forth in Chapter 17 of the CBC; and
2. Provide, at minimum, special inspections for the following work:
  - a. Structural steel inspections and verification, including special provisions for seismic resistance;
  - b. Concrete inspections and verification, including special provisions for seismic resistance;

- c. Inspection for wind resistance;
- d. Foundation soil inspections and verification;
- e. Inspections and verification for seismic resistance for other building systems, including designated seismic systems, mechanical and electrical components, storage racks and access floors, and architectural components;
- f. Provide specialty inspections for the following work disciplines: architectural, structural, mechanical, plumbing, HVAC, Fire Protection, electrical, and process and instrumentation.

### ***Activity 3. Division 1 and Special Provisions Compliance***

The Special Provisions section of the Contract Documents state work requirements for the Project including phasing and sequencing, construction coordination with plant operation, and permit compliance. The Project Construction Manual provides specific instructions on monitoring for Special Provisions compliance such as restrictions on work hours, traffic control, and limiting impacts to surrounding neighborhood.

The CM team inspection staff will monitor Contractor compliance with the Special Provisions and mitigation measures thereby reducing Project risk. Key areas of monitoring by the Consultant include storm water (SWPPP), environmental compliance, discharge permits, and disruption to the neighborhood.

The CM will, in accordance with the City of Santa Cruz's CM Guidelines and/or CM best practices as applicable and appropriate:

1. Monitor Contractor compliance with all Division 1 and Special Provisions specifications including, but not limited to, mitigation commitments, wildlife protection and environmental permits, discharge permits and erosion and sedimentation control requirements;
2. Monitor Contractor's noise, vibration, traffic, and odor control mitigation plans for contract requirements;
3. Provide written notification to Contractor and City of Santa Cruz with a compliance concern; and
4. Provide immediate notification to Contractor and City of Santa Cruz of non-compliance with specifications and permits.

### ***Activity 4. Safety Management***

The City of Santa Cruz has an on-call Safety Consultant to provide site safety oversight. The CM will prepare and coordinate the CM team's safety plan with the City of Santa Cruz safety rules and Contractor's safety plan and will implement these practices to provide for a coordinated approach to Project safety.

The CM will coordinate with City Safety Consultant, in accordance with the City of Santa Cruz's Construction Manual and/or CM best practices as applicable and appropriate to:

1. Review, monitor and adhere to Contractor's safety program and work activities for compliance with the Contract Documents and safety regulations such as Cal/OSHA;
2. Implement safety oversight activities as identified in Consultant's Project-specific Safety Management Plan portion of the CMP;
3. Ensure that the CM's employees when first engaged in the job be provided with safety instructions in accordance with Cal/OSHA's General Safety Orders prior to exposure to



hazards of the job site. This includes the Consultant's own subconsultants and others providing services including City of Santa Cruz staff and City of Santa Cruz's Designer who may frequently or occasionally visit the site to conduct business related to the Project;

4. At all times comply with all safety rules and regulations enacted or implemented by the City and any local, state or federal agency;
5. Monitor, identify, and notify Contractor and City of Santa Cruz immediately, of any potential safety issues; ensure Contractor's compliance with all required safety provisions and requirements.

### **Activity 5. Training, Testing, Start-Up, and Commissioning**

The CM will perform services relating to City of Santa Cruz staff training, plant start-up, and commissioning.

#### 5.1 Operators Training

The CM will coordinate Contractor-provided operator training and assist in developing operating procedures and processes so City of Santa Cruz staff can learn to operate the upgraded plant.

The CM will arrange for manufacturer-provided staff training, focusing on operations within the upgraded treatment plant. Trainings will include an on-site training facility with video and audio facilities, and after installation of equipment, instruction classes will be held on operation and maintenance of the equipment. Operations manuals for process equipment will be reviewed and their procedures incorporated into the plant operation manual. The CM will assist the City of Santa Cruz in developing interim operation procedures and assist staff in initial phases of operation.

The CM will:

1. Facilitate and coordinate training of City of Santa Cruz's plant operators with Contractor, manufacturers/suppliers, City of Santa Cruz's staff, and City of Santa Cruz's Designer;
2. Review Contractor's training schedules and training plans; and
3. Coordinate and provide all logistics for the training.

#### 5.2 Testing, Start-Up, and Commissioning

The CM will coordinate training once the equipment has arrived and installation is advanced sufficiently to provide for manufacturer inspections and certification of proper installation.

A representative of the manufacturer will visit the site and examine installation to confirm proper installation. After all necessary adjustments are made, the manufacturer's representative will certify the proper installation of equipment and provide operations staff with training on operation and maintenance.

The plant operations support team will organize a Start-up Team from City of Santa Cruz staff, City of Santa Cruz's Designer, and the Contractor and lead this team in testing, startup, and commissioning for each phase of the Project.

The CM will:

1. Coordinate functional and operational testing activities with Contractor, manufacturers, City of Santa Cruz's Designer and City of Santa Cruz;

2. Review Contractor's test procedures; witness Contractor's testing; and receive and review Contractor's test reports;
3. Coordinate and schedule start-up and commissioning activities; and
4. Lead, coordinate, direct, and manage day-to-day start-up and commissioning activities.

**Activity 6. Acceptance and Close-Out**

The CM will facilitate commissioning in accordance with the Project construction phases and facilitate acceptance of each Project milestone and the Project once their respective commissioning period has been completed. During the later stages of construction for each milestone and of the Project, the CM will meet with the Contractor and develop deficiency lists based on record of inspection and observed non-compliant work.

The CM will regularly follow-up with the Contractor to address the deficient work items prior to commencement of operational testing. Included with system acceptance will be obtaining required warranties and guarantees from equipment manufacturers and contractors that fully comply with the Contract Document.

The CM will begin the process of milestone acceptance near the conclusion of each milestone and the process of Project acceptance and Construction Contract close-out near the conclusion of the Project.

The CM will implement the steps called out in the City of Santa Cruz's Construction Manual and/or CM best practices as applicable and appropriate. Each step will be documented and include a complete review of contract administration, quality assurance and inspection, and plant operations. A complete review of the DCS will be made to identify any unresolved issues for RFIs/submittals/deliveries/warranties services or certifications. Documentation for each step of the close-out process will be assembled along with a calendar of warranty inspection and follow up activities.

The CM will, in accordance with the City of Santa Cruz's Construction Manual and/or CM best practices as applicable and appropriate:

1. Manage deficiency list process;
2. Coordinate the efforts of City of Santa Cruz's Designer, City of Santa Cruz, City of Santa Cruz Operations, Permit Authorities to develop a list of deficiencies;
3. Coordinate with Contractor, City of Santa Cruz Operations, and other parties to correct the deficiencies;
4. Conduct an inspection of the completed work for each milestone, and of the entire jobsite, and review all documents to determine if all construction efforts are in compliance with the Contract Documents;
5. Verify closure/completeness/delivery of all RFIs, submittals, O&M documents, spare parts, training and testing activities, record documents, construction photographs, warranties, guarantees, maintenance bonds, non-conformance reports
6. Provide City of Santa Cruz with complete documentation required for each milestone acceptance and the final Project acceptance and closeout of the Construction Contract;
7. Coordinate warranty services with Contractor and the City through completion of each milestone as required and through final completion and acceptance of the Project; and
8. Provide City of Santa Cruz with warranty calendars with recommended warranty inspection dates prior to warranty expirations.

**Task 5 – 4.7 Beltz 12 Well Ammonia Removal CM Support. Key Scope Activities**

Up to 24 hours of construction phase support for this project is assumed for the Program CM Lead and up to 32 hours of construction phase support assumed from Concrete Tanks CM.

**Task 5 – 6.1 U4 Tank Rehab/Replacement CM Support. Key Scope Activities**

Up to 16 hours of construction phase support for this project is assumed for the Program CM Lead and up to 24 hours of construction phase support assumed from Concrete Tanks CM.

## Task 6—Program Support

Task 6 groups together a number of tasks and activities that are critical to project success, including environmental support services, ROW investigation and acquisition, survey, geotechnical investigation, and other miscellaneous services. Project type and phase of development dictate the degree to which particular projects may require the use of these tasks. For example, a treatment plant project may have very extensive geotechnical investigation needs, but very little survey, or ROW needs. The following subtasks are included in this service order:

Task 6.1 – Environmental Advisory, Compliance, and Technical Support (12-month expected duration)

Task 6.1-0 – Environmental Advisory/General Environmental Support

Task 6.1-1.5.1 – Newell Creek Instream Restoration

Task 6.1-1.5.2 – Newell Creek Riparian Habitat Restoration

Task 6.1-1.5.3 – Restoration of Temporary Non-Jurisdictional Impacts

Task 6.1-1.5.4 – Loch Lomond Shoreline Restoration

Task 6.1-1.5.5 – Canham Meadow Restoration

Task 6.1-4.3 – GHWTP Concrete Tanks Compliance Management

Task 6.2 – University Tank 4 (U4) Project

Task 6.2 – ROW Acquisition (6-month expected duration in FY24)

Task 6.2-2.2.1 – Newell Creek Pipeline Felton/Graham Hill ROW

Task 6.2-2.2.3 – Newell Creek Pipeline Brackney ROW

Task 6.3 – Support Communications and Public Outreach (12-month expected duration)

Task 6.3.1 – Ongoing Communications and Public Outreach Support

Task 6.4 – Surveying and Mapping [Not Used]

Task 6.5 – Geotechnical Investigations [Not Used]

Task 6.6 – Project Funding Assistance [Not Used]

Task 6.7 – Program Technical Support (12-month expected duration)

### Task 6.1 – Environmental Advisory, Compliance, and Technical Support

Under Service Order 9, HDR will support all projects across the program as noted below.

#### ***Task 6.1-0 – Environmental Advisory / General Environmental Support***

Under Service Order 9, HDR will support all projects across the program by providing environmental advisory support in the form of program quality assurance, project level quality control, process improvement, and professional development for the environmental team members. The Environmental Advisor will work with each project Environmental Lead collectively and individually to understand the projects and provide useful and objective technical strategy. They will work with Program leadership to identify and lead process improvement opportunities as well as staff development and advancement opportunities. They will coordinate with the CEQA/Permitting consultant to bring consistent quality assurance and objective feedback to our extended team. They will support the hiring and development of environmental team members and provide support as needed (either directly or through the identification of specific technical expertise or availability within the HDR Program Team).

The Environmental Advisor will participate in regular program and team meetings including, but not limited to the monthly program PM meetings, monthly environmental project review meetings,

monthly environmental program team meeting, monthly HDR environmental team meetings, monthly HDR program team meetings, monthly HDR leadership meeting, project-specific strategy, and as-needed controls or planning meetings, WIFIA/funding strategy meetings, risk management meetings, program trainings or team building meetings. The Environmental Advisor will further participate in as needed meetings with the CEQA/Permitting consultant, other program team meetings, environmental team initiative meetings, or other program meetings requiring environmental advisory services.

Outside of general environmental advisory, under Service Order 9, HDR could, upon request, provide other types of environmental technical support such as, but not limited to:

- Maintenance of Program Management Plan Chapter 17
- Coordination with HDR technical support
- Participation in Program meetings
- Support Program environmental processes and advancements
- Preparation of technical resource studies
- Providing peer review technical studies or documents
- Scoping or providing strategic advisory to technical approach
- Completion of historic records searches, cultural resource inventory analysis, field survey, or review of studies prepared by City or other consultant
- Completion of aquatic resource delineations, biological reconnaissance surveys, avian surveys, or other site verification surveys
- Completion of field verifications or surveys and prepare related reports to support environmental reviews or permitting
- Conducting fisheries studies, modeling, or engineering
- Reviewing or providing guidance or direction on storm water issues including coordination with local storm water consultant
- Reviewing or providing guidance or direction on hazardous materials issues including coordination with local hazardous materials consultant/contractor
- Hazardous material support might be needed to advise on materials found at FIP and U4 sites
- MBARD air contaminant permitting
- Supporting construction teams on unexpected or unprescribed technical issues at the direction of the project environmental lead. An additional 8 hours per project was added to cover undefined hazmat, storm water, biological, cultural, or other undefined technical support for the following construction projects:
  - Newell Creek Pipeline – Felton to Graham Hill
  - Newell Creek Pipeline – Brackney
  - Intertie 1: Santa Cruz - Scotts Valley
  - Riverbank Filtration
  - U4 Tanks
- Providing geospatial or GIS support to assessing environmental conditions
- Supporting regulatory consultation processes
- Providing quality control or peer technical review on environmental methodology or study reports
- Support project alternative screenings including analysis
- Support project consultant negotiations
- Support project business case evaluations

- Coordination with environmental consultants to the City to maintain performance standards
- Working with environmental team to continue to develop the environmental processes and functions of the overall program
- Other environmental support functions as defined through the project development and collaboration process

**Task 6.1-4.3 – GHWTP Concrete Tanks Compliance Management**

Under Service Order 9, HDR will provide continued construction compliance management for the GHWTP Concrete Tanks Project. Specifically, HDR will provide technical compliance managers with expertise in cultural resources and biological resources with the roles and responsibilities defined below.

- The cultural resources compliance manager will oversee and guide the work of the contractors during project initiation and should cultural or archeological resources be encountered during construction.
- The biological resources compliance manager will oversee and guide the work of Jodi McGraw and team (Jodi McGraw Consulting), the biological monitoring consultant, and Kurt Fouts (Consulting Arborist).

No storm water compliance management or monitoring is assumed under this task. A local subconsultant will provide storm water compliance support during FY24 as part of project CM Task 5-4.3. The compliance manager will coordinate with the local storm water subconsultant on scheduling their site visits.

The compliance manager will function under the purview of the City's Environmental Lead for the project. Activities might include:

- Site visits, estimated at one visit every 6 months
- Yearly special-status species surveys, estimated at 2 per year
- Develop, review, or update worker environmental awareness training
- Preparation of monthly compliance reports
- Compliance tracking of all CEQA mitigations and permitting conditions
- Oversight and coordination with monitoring subcontractors
- Support monitoring procurement processes
- Work with the project environmental lead to develop project-specific monitoring plans, bringing processes and lessons learned from across the program
- Relay project requirements to the monitoring team
- Participate in project construction monitoring meetings, as needed
- Participate in project construction status meetings, as needed (e.g., when construction schedule changes or changes in activities are expected)
- Manage monitoring resourcing when there is a change in monitor, change in construction schedule, or when multiple monitors are needed
- Resolve issues with monitoring team, should they arise
- Provide day-to-day point of contact to monitoring team, environmental lead, construction management team, or project team for compliance questions
- Help resolve monitoring or finding questions/issues
- Collect and document daily/weekly reports

- Manage and file all pertinent project transmittals
- Schedule and review agency noticing

Two subcontractors are included in this scope of work: Jodi McGraw who is performing biological monitoring and Kurt Fouts, an arborist. The scope of work for each will be revisited as the project progresses and after project startup to find efficiencies and process improvement; however, based on current negotiations, Jodi McGraw will complete necessary daily biological monitoring including that required for the Mount Hermon June beetle. She will lead WEAP trainings and make necessary updates through the course of the project. She will make sure BMPs are in place and maintained with integrity, and will support regulatory engagements and provide updates to the compliance tracking. The arborist scope of work is limited to as-needed arborist surveys when work is required onsite. That work will be identified by the City's environmental lead and coordinated by the compliance manager.

**Task 6.1-1.5.1 – Newell Creek Instream Restoration**

Under Service Order 9, HDR will serve in a PM support function including participation in biweekly project meetings, design reviews, and quality control reviews. Building off of FY23, this is estimated as 4 hours per month.

**Task 6.1-1.5.2 – Newell Creek Riparian Restoration**

Under Service Order 9, HDR will serve in a PM function including participation in biweekly project meetings, design reviews, and quality control reviews. Building off of FY23, this is estimated as 6 hours per month.

**Task 6.1-1.5.3 – Restoration of Temporary Non-Jurisdictional Impacts**

Under Service Order 9, HDR will serve in a PM function including participation in biweekly project meetings, design reviews, and quality control reviews. This is estimated as 5 hours per month.

**Task 6.1-1.5.4 – Loch Lomond Shoreline Restoration**

Under Service Order 9, HDR will serve in a PM function including participation in monthly project meetings, invoice reviews quality control reviews, and maintenance and monitoring oversight. Building off of FY23, this is estimated as 2 hours per month for the PM. Includes one site visit by HDR to assess condition of restoration site.

**Task 6.1-1.5.5 – Canham Meadow Restoration**

Under Service Order 9, HDR will serve in a PM support function including participation in monthly project meetings, quality control reviews, and maintenance and monitoring oversight. Building off of FY23, this is estimated as 1 hour per month. Includes one site visit by HDR to assess condition of restoration site.

**Task 6.1 Assumptions:**

1. The estimated LOE for Task 6.1-0 (Environmental Advisor / General Environmental Technical Support) assumes 26 hours per month (generally considering 12 hours per month for Environmental Advisor and 14 hours per month for other General Environmental Technical Support) and includes regular participation in program, team, and project meetings, program- and project-level discussions, process development/maintenance

initiatives with the City’s environmental team, undefined technical support (storm water, biological resources, cultural resources, hazardous materials, regulatory), and project-level quality control reviews of all deliverables.

2. Up to 10 one-day trips are included in the scope either by the Environmental Advisor or general environmental technical support team members.
3. Per the City’s CEQA Process Review Guidance, quality control reviews are anticipated to include the project and alternative descriptions, Notice of Preparations, Administrative Draft Initial Studies/EIR documents, Draft Final documents, or other document iterations, sections, materials or supporting studies, as needed.
4. Task 6.1-0 includes CEQA and Permitting contract reviews.
5. Support for projects that do not have a designated 6.1-X subtask will be provided as General Technical Support under Task 6.1-0.
6. Task 6.1-0 includes two hours per month (included in Assumption #1 hours) for Clayton Mokri to support the Newell Creek Pipeline Project.
7. Environmental compliance management functions are anticipated for the Concrete Tanks Project (ongoing). Any other compliance support needs will be addressed through the contract change/amendment process.
8. The scope of work and LOE for the Concrete Tanks Project, including that of subcontractors, are based on negotiations prior to starting the construction phase of the project. This scope and LOE will be revisited with subcontractors prior to issuing the FY25 task to assess efficiencies and process improvements, however this scope of work is intended to encompass what might be performed and the related LOE.
9. Fees for literature reviews, licenses, trainings, permit fees, agency environmental document review fees, or other external expenses will be covered by the City or negotiated separately when the need arises.
10. Environmental support functions assume work from an HDR office other than onsite meetings when needed. No seconded positions are assumed.
11. HDR is not authorized to coordinate directly with permitting or regulatory agencies without task-specific or project-specific authorization to do so from a City Project Manager or Associate Planner.

## **Task 6.2 – ROW Acquisition**

Various Program projects will require permits-to-enter (for planning and design work) and/or rights-of-way or property purchase (for construction and permanent facilities). HDR will be responsible for:

1. Research and investigation into existing easements and property boundaries.
2. Compiling record information
3. Negotiating temporary and permanent easements
4. Coordinating ROW and property acquisitions with City staff
5. Obtaining Appraisals and Market Valuations as required
6. Interfacing with land, facility, or property managers, real-estate agents, brokers, surveyors and title companies.

In FY2024, HDR anticipates providing ROW services for the following projects:

1. Newell Creek Pipeline – Felton/Graham Hill (2.2.1) and Brackney Landslide Area Pipeline Risk Reduction (2.2.3).



HDR will support the procurement of temporary and permanent easements. Services for this fiscal year may include:

- a. Continuing consideration of acquisition strategies when favorable circumstances for funding, cost mitigation and environmental compliance develop.
- b. Engagement with City staff and property owners / tenants to acquire necessary Temporary and Permanent Easements.

Negotiation of agreements with property owners for use of staging and/or mitigation area(s) for both projects through completion of construction.

*Assumptions:*

1. HDR will manage Acquisition Subconsultant. Other efforts are not currently budgeted. Amendments to this scope will be negotiated separately, as needed based on project definition

### **Task 6.3 – Support Communications and Public Outreach**

Communications and public outreach on the Program generally occur in the following areas:

1. Internal Departmental Communications: Communications between Program Team and Department staff members about Program activities.
2. Management Communications: Communications from the Program Team to City management staff, the City Council, and the Water Commission. These communications will always flow through City Staff, usually the Program Director and the Director of Engineering.
3. Public Outreach: External communication to the public at large. This is usually “one way” in nature (from the Program out to the public) and involves communications with the public about the purpose and progress of the Program. These communications flow through the City Communications Lead.
4. Stakeholder Communications and Engagement: External communication to specific members of the public. This is usually “two way” in nature and involves communicating with specific stakeholders about issues impacting them individually (e.g., a homeowner that we’re trying to purchase a pipeline easement from). These communications may involve the PM and/or Department Directors, but always engage the City Communications Lead.

#### **Task 6.3.1 – Ongoing Communications and Public Outreach Support**

Provide support for Communications and Public Outreach by doing the following:

1. Internal Communications: Train new staff on the Communications Guidelines and assessment tool.
2. Management Communications: Support the Program Director by preparing memos, PowerPoint presentations, graphics, and other support materials for use in communicating with Council and Water Commission.
3. Public Outreach: Support the City Communications Lead by preparing text, graphics, and other support materials for use in communicating with public. Support the preparation public information documents (e.g., fliers, brochures, posters, FAQs) for use at public meetings/workshops, for uploading to City’s Water Program and Projects web pages, and participate in those meetings if requested.

*Assumptions:*

1. 40 hours are allocated for implementing communications and outreach support per Task 6.3.1.

**Task 6.4 – Surveying and Mapping [not used this service order]**

**Task 6.5 – Geotechnical Investigations [not used this service order]**

**Task 6.6 – Project Funding Assistance [not used this service order]**

**Task 6.7 – Program Technical Support**

Outside of specific technical reviews on projects (covered in Task 2—Design and Planning Management), HDR will provide technical expert input on water infrastructure, treatment, and water quality issues, as requested by the City. An allocation of 60 senior-level labor hours has been made in this service order for these as-needed efforts.

**Table 3 - Estimated Work Effort and Fee Estimate (6-6-23)**

City of Santa Cruz

Program Management Services, Service Order 9 — Fiscal Year 24 Program Activities (assumed NTP July 1, 2023)

Task No.	Task Description	Total HDR	Total	APC Charge	Total HDR Expenses	Subs w/	Total
	Rate Range	Labor Hours	(\$)	\$5.25	+ 5% MU (\$)	5% MU (\$)	Cost (\$)
<b>SERVICE ORDER 9</b>							
<b>Task 2 - Design and Planning Management</b>							
	Subtotal Task 2	14,129	\$3,176,794	\$43,298	\$35,400	\$0	\$3,255,492
<b>Task 3 - Program Administration</b>							
	Subtotal Task 3	6,646	\$1,465,090	\$34,123	\$24,530	\$0	\$1,523,743
<b>Task 4 Planning Efforts</b>							
	Subtotal Task 4	1,718	\$362,426	\$8,660	\$5,363	\$0	\$376,448
<b>Task 5 Construction Management</b>							
	Subtotal Task 5	3,117	\$904,548	\$1,973	\$95,523	\$160,659	\$1,162,704
<b>Task 6 Program Support</b>							
	Subtotal Task 6	1,417	\$303,348	\$6,811	\$11,410	\$293,685	\$615,254
<b>COLUMN TOTALS (SO9 - Full Scope)</b>		<b>27,027</b>	<b>\$6,212,210</b>	<b>\$94,864</b>	<b>\$172,226</b>	<b>\$454,344</b>	<b>\$6,933,644</b>



# CITY of SANTA CRUZ WATER PROGRAM

## Capital Improvement Projects

### Level 3 - z01 Detail Schedule



Santa Cruz Water Program

Activity ID	Activity Name	Dur	Start	Finish	2023												2024					
					Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug			
<b>City of SCWP</b>					[Summary bar]																	
<b>Service Order 9 - z01 - HDR Project Management Contract-1</b>					[Summary bar]																	
SO9-00000	Notice to Proceed	0	03-Jul-23*		[Milestone diamond]																	
<b>Task 2 - Design and Planning Management</b>					[Summary bar]																	
<b>Sub Task A - Support Collaborative Delivery Method Implementation</b>					[Summary bar]																	
SO9-2A10	Implementation oversight of delivery method contract	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-2A20	Coordination and/or support of the City's legal department in delivery method use	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
<b>Sub Task B - Select Final Design (or other) Consultants</b>					[Summary bar]																	
SO9-2B10	City meeting agenda and minutes	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-2B20	Draft and final design RFP(s)	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-2B30	Written recommendation for selection of final design consultant	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-2B40	City Council agenda package (attachments to staff reports) for final design contracts	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
<b>Sub Task C - Monitor Project Progress and Changes</b>					[Summary bar]																	
SO9-2C10	Meeting agendas, presentations, and minutes from project coordination and review meetings	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-2C20	Change log entries, as required	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-2C30	Monthly project status reports	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-2C40	Permit applications (prepared by others)	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
<b>Sub Task D - Technical Review of Deliverables, Plans and Specifications</b>					[Summary bar]																	
SO9-2D10	Review Comments at 30%, 60%, 90% and 100% Final Design Completion	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-2D20	Agenda and Minutes for City O&M Staff Reviews at 60% and 90% Final Design Consultant Submittals	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-2D30	Spreadsheet to Document and Track Design Review Comments and Actions	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
<b>Sub Task E - Facilitate Bidding Process</b>					[Summary bar]																	
SO9-2F10	Agenda and Minutes from Pre-Bid Meetings	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-2F20	Contractor Pre-Qualification Solicitation Documents	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-2F30	Bid Tabulations	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
<b>Sub Task F - Develop Cost Estimating Support</b>					[Summary bar]																	
SO9-2H10	Cost Estimate and basis of estimate document	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
<b>Task 3 - Project Administration</b>					[Summary bar]																	
<b>Sub Task 3.1 - General Program Administration</b>					[Summary bar]																	
SO9-3110	Draft and final Service Order scope, fee, and Annual Work Plan	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-3120	Monthly Program Progress Report	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-3130	Monthly invoices	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-3140	Contract change log updates	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-3150	Staff approval requests, as applicable	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-3160	Updates to working Program tracking tools, including staff planning spreadsheets, and program improvement log	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-3170	PGP updates, as applicable	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
<b>Sub Task 3.2 - Risk Management</b>					[Summary bar]																	
<b>Risk Register &amp; Tool Updates</b>					[Summary bar]																	
SO9-3200	Risk Register and Planning Tool updates	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
<b>Quarterly Risk Reviews</b>					[Summary bar]																	
SO9-3210	Quarterly Risk Reviews (1st Quarter of FY 2024) - Risk Register Update	205	01-Sep-23	28-Jun-24	[Actual work bar]																	
SO9-3220	Quarterly Risk Reviews (2nd Quarter of FY 2024) - Risk Register Update and Risk Review Meeting	20	01-Sep-23	29-Dec-23	[Actual work bar]																	
SO9-3230	Quarterly Risk Reviews (3rd Quarter of FY 2024) - Risk Register Update	21	01-Mar-24	29-Mar-24	[Actual work bar]																	
SO9-3240	Quarterly Risk Reviews (4th Quarter of FY 2024) - Risk Register Update and Risk Review Meeting	19	03-Jun-24	28-Jun-24	[Actual work bar]																	
<b>Risk Workshop(s)</b>					[Summary bar]																	
SO9-3250	Program Quantitative Risk Workshop	79	10-Oct-23	05-Feb-24	[Actual work bar]																	
SO9-3260	Program Quantitative Draft Risk Report	1	10-Oct-23	10-Oct-23	[Actual work bar]																	
SO9-3270	Risk Report Meeting	41	18-Oct-23	18-Dec-23	[Actual work bar]																	
SO9-3280	Program Quantitative Final Risk Report	1	19-Dec-23	19-Dec-23	[Actual work bar]																	
SO9-3280	Program Quantitative Final Risk Report	30	21-Dec-23	05-Feb-24	[Actual work bar]																	
<b>Sub Task 3.3 - Document Management</b>					[Summary bar]																	
SO9-3310	Provide general management and over-sight of the Document Management and SharePoint processes and support	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-3320	Provide ongoing document management support	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-3330	Provide basic SharePoint administration support	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-3340	Provide ongoing SharePoint maintenance, configuration and technical support	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
SO9-3350	Support continuous improvements	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
<b>Sub Task 3.4 - Training and Workforce Development</b>					[Summary bar]																	
SO9-3400	Monthly Refresher Trainings	248	03-Jul-23	28-Jun-24	[Actual work bar]																	
<b>Training Schedule</b>					[Summary bar]																	
SO9-3410	Hour Training #1	187	24-Aug-23	23-May-24	[Actual work bar]																	
SO9-3420	Hour Training #2	1	24-Aug-23	24-Aug-23	[Actual work bar]																	
SO9-3430	Hour Training #3	1	21-Sep-23	21-Sep-23	[Actual work bar]																	
SO9-3440	Hour Training #4	1	26-Oct-23	26-Oct-23	[Actual work bar]																	
SO9-3440	Hour Training #4	1	25-Jan-24	25-Jan-24	[Actual work bar]																	
SO9-3450	Hour Training #5 - Bluebeam Refresher	1	28-Mar-24	28-Mar-24	[Actual work bar]																	

Remaining  
 Actual  
 Critical Remaining Work  
 Milestone  
 Summary  
 Actual Work  
 Remaining Work





# CITY of SANTA CRUZ WATER PROGRAM

## Capital Improvement Projects

### Level 3 - z01 Detail Schedule



Santa Cruz Water Program

Activity ID	Activity Name	Dur	Start	Finish	2023												2024					
					Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug			
<b>Task 4.3.7.6 - CMMS Training</b>																						
<b>Task 4.3.7.7 - CMMS Post-Implementation Support</b>																						
<b>Task 4.7 - Beltz 12 Ammonia Removal</b>																						
<b>Task 5 - Construction Management</b>																						
<b>Task 6 - Program Support</b>																						

# Fiscal Year 2024-Annual Work Plan

## Santa Cruz Water Program



### Introduction

The City of Santa Cruz’s Water Department is implementing the Santa Cruz Water Program (Program) to address a number of critical needs for backbone infrastructure rehabilitation or replacement and to develop supplemental supply that would improve the reliability of the Santa Cruz water system. In the fall of 2017, the Water Department selected HDR to provide program management services to support implementation of the Program, and in December 2017, The City Council approved a five-year Master Services Agreement that is the basis for developing specific task or service orders. The Master Services Agreement was renewed for another five years as of July 1, 2022. This Annual Work Plan (AWP) summarizes Service Order 9 and covers HDR’s anticipated program management activities, staffing, schedule, and fees in fiscal year 2024 (FY 2024), which covers the period of July 1, 2023 to June 30, 2024.

### Overview of Work Performed during FY 2023

Over the past fiscal year, the Program team of City and HDR staff engaged in Program implementation in the areas of design and planning project management, program administration and controls, planning and preliminary engineering, construction management, and other program support areas such as environmental and right-of-way services. Table 1 summarizes the Program-wide and project level activities for fiscal year 2023.

**Table 1 – Project Work Completed (Fiscal Year 2023)**

No.	Projects	Phase	Key Work Completed
1.1	Laguna Creek Diversion Retrofit	Construction	<ul style="list-style-type: none"> <li>Issued Notice of Completion</li> <li>Installed post-construction environmental restoration plantings, and completed monitoring and reporting</li> <li>Completed asset record updates and project closeout checklist</li> </ul>
1.3.1	Tait Diversion Rehab / Replacement Project	Planning	<ul style="list-style-type: none"> <li>Completed salinity study surveying report</li> <li>Completed fish screening alternatives business case evaluation</li> </ul>
1.4	Felton Diversion and Pump Station	Planning	<ul style="list-style-type: none"> <li>Pump Station Condition Assessment and Tech Memo</li> </ul>
1.5	Newell Creek Dam Inlet/Outlet Replacement Project	Construction	<ul style="list-style-type: none"> <li>Partnering with the contractor</li> <li>Tunnel backfill</li> <li>Completed 48-inch pipe installation in tunnel</li> <li>Obtained Division of Safety of Dams approval on abandonment plan</li> </ul>
2.2.1	Newell Creek Pipeline - Felton/Graham Hill	Design	<ul style="list-style-type: none"> <li>Submitted WIFIA funding application</li> <li>Completed SRF Loan application package</li> <li>Performed appraisal inspections for ROW</li> <li>Completed 100% design</li> <li>Developed Construction Manager procurement documents</li> <li>Issue Contractor Prequalification Documents</li> </ul>
2.2.3	Brackney Landslide Area Pipeline Risk Reduction	Design	<ul style="list-style-type: none"> <li>Completed 100% design</li> <li>Developed Construction Manager procurement strategy</li> </ul>

No.	Projects	Phase	Key Work Completed
			<ul style="list-style-type: none"> <li>Issued ROW letters of introduction to property owners and performed appraisal inspections</li> </ul>
2.4	Intertie 1 – Santa Cruz-Scotts Valley	Design	<ul style="list-style-type: none"> <li>Project initiation</li> <li>Procured design, Right of Way, and CEQA consultant services</li> <li>Completed review of CEQA project description</li> <li>Received and reviewed Basis of Design TM</li> </ul>
3.1	Water Supply Augmentation	Planning	<ul style="list-style-type: none"> <li>Securing Our Water Future policy adoption</li> <li>Initiated SGMA Mid-County Groundwater Agency Optimization Study</li> <li>Vulnerability Assessment and Adaptation Planning report</li> <li>Submitted Round 2 DWR SGMA Grant Application for SMGWB</li> <li>In partnership with Soquel Creek Water District, Procured consultants for the SGMA grant funded Mid-County Groundwater Agency Optimization Study and groundwater modeling in support of the Study</li> </ul>
3.3	ASR Mid County	Planning and Design	<ul style="list-style-type: none"> <li>Completed ASR Phase 1 Final Report</li> <li>Procured consultant for Year 2 of Beltz 8 and 12 demonstration study</li> <li>Issued quarterly reporting to RWQCB on ASR demonstration testing</li> <li>Completed Beltz 8 Test Summary of Operations Report</li> <li>Completed Beltz 9 ASR Pilot Test Work Plan</li> <li>Completed successful extraction at Beltz 8 and 12 ASR demonstration tests; procured designer for ASR infrastructure</li> </ul>
4.3	Graham Hill WTP Concrete Tanks	Construction	<ul style="list-style-type: none"> <li>Partnering with the contractor</li> <li>Updated risk quantification model</li> <li>Completed Solids Tank demolition and new Solids tank shotcrete</li> <li>Electrical building</li> <li>Reclamation tank leak test</li> <li>Installed seasonal SWPPP</li> <li>Completed Washwater Supply Pump Station</li> <li>Initiated planning for interim and final commissioning</li> </ul>
4.3.1	Graham Hill WTP Entrance Gate Improvements	Construction	<ul style="list-style-type: none"> <li>Issued Notice of Completion</li> </ul>
4.4	Graham Hill WTP Upgrades (Facility Improvement Plan)	Design	<ul style="list-style-type: none"> <li>Submitted WIFIA funding full application</li> <li>Received Basis of Design Report and Cost Estimate</li> <li>Completed geotechnical borings</li> <li>Performed jar testing to confirm treated water quality</li> <li>Received and reviewed 30% and 60% design deliverables and associated cost model updates</li> </ul>
4.4.1	Distribution System Water Quality Improvements Study	Planning	<ul style="list-style-type: none"> <li>Reviewed schedule, scope, and priorities with Operations team</li> </ul>
4.5	Riverbank Filtration Study	Planning	<ul style="list-style-type: none"> <li>Developed scope to produce updated business case evaluation tech memo</li> </ul>
4.7	Beltz 12 Well Ammonia Treatment	Design, Construction	<p>Phase 1 (Pressure Contact Vessel):</p> <ul style="list-style-type: none"> <li>Completed 100% design of Phase 1</li> </ul>



No.	Projects	Phase	Key Work Completed
			<ul style="list-style-type: none"> <li>• Issued RFB and award construction contract to Don Chapin</li> <li>• Issued Construction NTP</li> <li>• Submitted CEQA Notice of Exemption for Phase 1 and Phase 2 activities</li> </ul> Phase 2 (Chlorination System): <ul style="list-style-type: none"> <li>• Completed Alternatives Analysis for replacement chlorination system</li> <li>• Completed 50% design of Phase 2</li> </ul>
4.8	Beltz Water Treatment Plant Upgrades	Design	<ul style="list-style-type: none"> <li>• Approval to initiate and fund project</li> <li>• Procured design consultant for alternative analysis</li> <li>• Held workshops to establish evaluation criteria, weighting and ranking of alternatives</li> </ul>
5.2	Meter Replacement	Construction	<ul style="list-style-type: none"> <li>• Completed contractor led installations</li> </ul>
6.1	University Tank No. 4 Rehab / Replacement	Planning	<ul style="list-style-type: none"> <li>• Submitted WIFIA funding full application</li> <li>• Completed 10%, 30%, and 60% design deliverables</li> <li>• Coordinated with UC Santa Cruz on project elements</li> </ul>
NCIP.912	Branciforte Creek Restoration Project		<ul style="list-style-type: none"> <li>• Completed preliminary engineering and restoration alternatives analysis</li> <li>• Completed 60% design</li> </ul>
N/A	Asset Management	Planning	<ul style="list-style-type: none"> <li>• Initiated implementation of new Computerized Maintenance Management System (CMMS) software with Centricity/Cityworks</li> <li>• Completed the planning and preliminary configuration of the system</li> <li>• Currently performing user acceptance testing and final configuration of the system. Final training and go-live anticipated in early fall 2023</li> </ul>
N/A	Program Wide Items	All / Ongoing	<ul style="list-style-type: none"> <li>• Risk Management: quarterly program risk reviews; risk quantification workshop and annual update to risk quantification model</li> <li>• Quality Management: triennial reviews and reports</li> <li>• Monthly Program reporting</li> <li>• Updates to Program Management Plan               <ul style="list-style-type: none"> <li>○ Project Delivery Model</li> <li>○ Change Management</li> <li>○ Business Case Evaluation (BCE) Format</li> <li>○ O&amp;M Coordination</li> <li>○ Program Controls Plan - IT Approach</li> <li>○ Program Controls Plan – Invoice Review</li> <li>○ Program Controls Plan – Progress Reporting and Annual Workplan</li> <li>○ Quality Management Plan</li> <li>○ Training and Workforce Development Plan</li> <li>○ Design Management Guidelines</li> <li>○ Cost Estimating Guidelines</li> <li>○ Communications and Public Outreach Plan</li> <li>○ Environmental Program Management</li> </ul> </li> <li>• Workforce development trainings including Change Management, Successful Meetings, Decision Making, Stress Management, Giving &amp; Receiving</li> </ul>

No.	Projects	Phase	Key Work Completed
			<p>Constructive Feedback, and Cost Estimating, and Procore</p> <ul style="list-style-type: none"> <li>• Maintained program progress while supporting Water Department leadership transitions</li> <li>• Program controls implementation: monthly schedule updates and master format enhancement, cost management system updates with monthly reporting, document management, finance team support of fiscal year budgeting</li> <li>• Implemented program schedule improvements</li> <li>• “Regulator Roadshow” engagement to maintain collaborative communication on upcoming projects and reviews</li> <li>• Review and update the Program Escalation Factor</li> <li>• Document management maintenance; initiated MS365 user integration</li> <li>• Program safety reporting</li> <li>• Design Review (Bluebeam) software training</li> <li>• Full implementation of O&amp;M Liaison role to support treatment projects and balance operations resource limitations</li> </ul>



**Photo 1: GHTWP Facility Improvements - Clearwell Inspection**



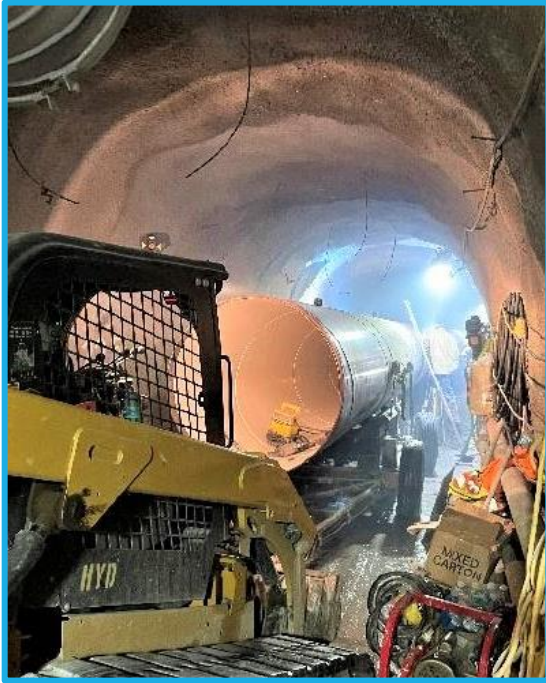
**Photo 2: GHTWP Facility Improvements - Team Building at Crow's Nest Restaurant**



**Photo 3: Beltz 12 Well - Injection Drop Tubes and Temporary Piping Setup at Beltz 12 for ASR Demonstration Study Year 2**



**Photo 4: Brackney Landslide Area after Winter Storms**



**Photo 5: Newell Creek Dam Inlet/Outlet Replacement – Installing Steel Pipe in Tunnel**



**Photo 6: Newell Creek Dam Inlet/Outlet Replacement – Snow Fall**



**Photo 7: Newell Creek Dam Inlet/Outlet Replacement – Installation of Electrical for Dam Face Ductbank**



**Photo 8: Newell Creek Dam Inlet/Outlet Replacement – Welding on 48" Steel Pipe at Sta 11+00**



**Photo 9: Newell Creek Dam Inlet/Outlet Replacement – Installation of Rebar for Outlet Structure**



**Photo 10: Newell Creek Dam Inlet/Outlet Replacement – LOX System Startup**



Photo 11: GHWTP Concrete Tanks Replacement – Framing Roof of New Electrical Building



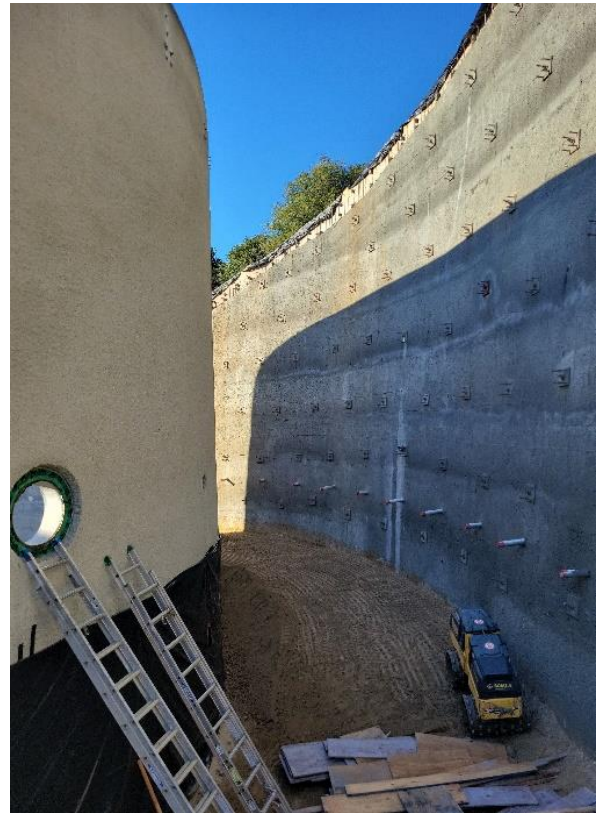
Photo 12: GHWTP Concrete Tanks Replacement – Installing Conduit in Ductbank between the New Electrical Building and Electrical Vaults



Photo 13: Graham Hill WTP Concrete Tanks Replacement – Installed Rebar and Column Metal Forms at the Reclaim Tank



**Photo 14: GHWTP Concrete Tanks Replacement - Contractor's Certified Welder Welding the 16-inch Treated Water Steel Piping on the Access Road**



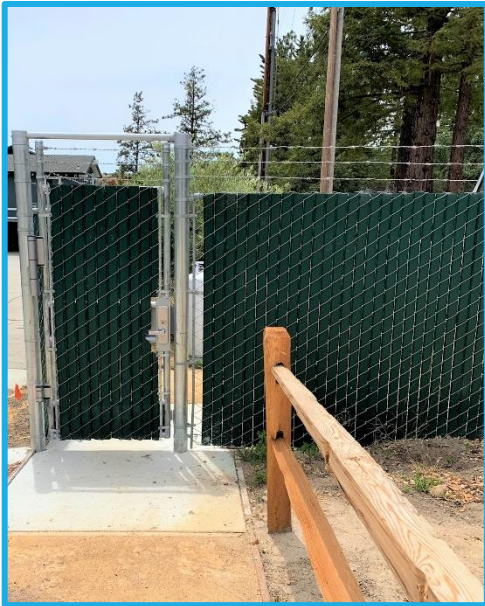
**Photo 15: GHWTP Concrete Tanks Replacement - Compaction between the Solid Tank and the Soil Nail Wall**



**Photo 16: GHWTP Concrete Tanks Replacement – Pouring Red Concrete on the Electrical Ductbank near the New Concrete Tanks**



**Photo 17: GHWTP Concrete Tanks Replacement – Installed Overlay of 2 1/2-inch Asphalt on the Access Road**



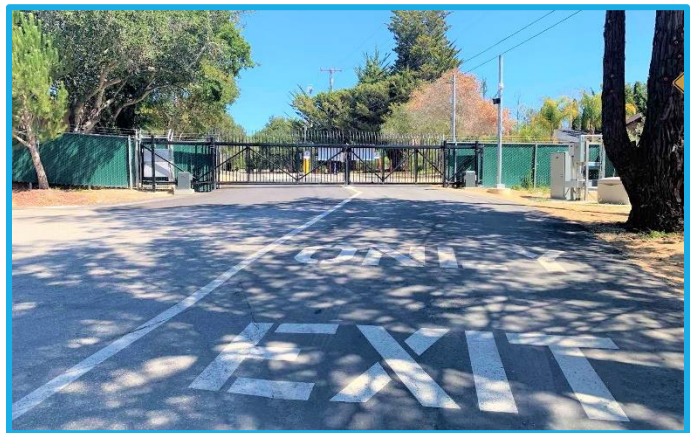
**Photo 18: GHWTP Entrance Improvements - New Pedestrian Entry Gate in the Closed Position from the Outside**



**Photo 19: GHWTP Entrance Improvements - New Entry Gates in the Closed Position and Access Pad from the Outside**



**Photo 20: GHWTP Entrance Improvements - New Right Exit Lane with Newly Striped Bollard**



**Photo 21: GHWTP Entrance Improvements - New Entry Gates in the Closed Position from the Inside Exit Lane**



**Photo 22: GHWTP Entrance Improvements - New Electrical Cabinets, Conduit, and Pull Boxes Located next to the New Entry Gates on the Inside**

## Overview of Planned Work during FY 2024

During FY 2024, the Santa Cruz Water Program team of City and HDR staff will continue to implement the Program Management Plan, an organizational framework with processes for managing and staffing individual capital projects that are at different stages of development. During FY 2024, projects will continue to progress from planning into design and from design into construction and through the construction phase. Table 2 lists the Program projects starting or ongoing in FY 2024 and divides them into their particular phase(s) of work: Planning Projects, Projects in Design and Projects in Construction.

**Table 2 – Program and Project Work Planned by Phase<sup>a</sup> (Fiscal Year 2024)**

Program-Wide		
Planning Projects	Projects in Design	Projects in Construction
<ul style="list-style-type: none"> <li>• Risk management: quarterly reviews, risk model update</li> <li>• Technical expert support and deliverable reviews</li> <li>• Quality management implementation</li> <li>• Design Review software implementation – ongoing support</li> <li>• Monthly Program reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Program controls implementation: schedule, cost, change management</li> <li>• Document management</li> <li>• Department finance support</li> <li>• Program CM Oversight</li> <li>• Program Environmental Advisory</li> <li>• General electrical staff support</li> </ul>	<ul style="list-style-type: none"> <li>• Program O&amp;M Liaison</li> <li>• Workforce development trainings</li> <li>• Asset Management (Asset Onboarding and CMMS Implementation support)</li> <li>• Right-of-Way support</li> <li>• Constructability reviews</li> </ul>
3.1 - Water Supply Augmentation 3.3 - Aquifer Storage & Recovery Planning 4.4.1 - Distribution System Water Quality Improvements	2.4 - Intertie 1 – Santa Cruz-Scotts Valley 3.3.1 - ASR Mid County Existing Infrastructure 4.4 - Graham Hill WTP Facilities Improvement Project 4.5 - River Bank Filtration Study 4.7 - Beltz 12 Well Ammonia Removal (Phase 2) 4.8 - Beltz Water Treatment Plant Upgrades 6.1 - University Tank No. 4 Rehab / Replacement	1.5 - Newell Creek Dam Inlet/Outlet Replacement 2.2.1- Newell Creek Pipeline Rehab/ Replacement (Felton/Graham Hill) 2.2.3 - Brackney Landslide Area Pipeline Risk Reduction 2.4 – Intertie 1 – Santa Cruz-Scotts Valley 3.3.1 - ASR Mid County Existing Infrastructure 4.3 - Graham Hill WTP Concrete Tanks 4.7 – Beltz 12 Ammonia Removal (Phase 1 & 2) 6.1 – University Tank No. 4 Rehab / Replacement

a) Projects may be shown twice if they transition between phases, for example from design to construction.

This AWP includes a wide range of services focused on progressing each of the projects forward. Table 3 summarizes the types of services for each of the three categories of services that HDR will be providing during FY 2024 as part of Service Order 9.



**Table 3 –Types of Services for Each Project Phase (Fiscal Year 2024)**

HDR Planning Services	HDR Design Management Services	HDR Construction Services
<ul style="list-style-type: none"> <li>• Review and document existing information and identify data gaps</li> <li>• Conduct planning level studies to define technical feasibility and cost</li> <li>• Prepare reports, presentations, and briefing materials to support decision making processes and stage gate meeting approvals</li> <li>• Develop implementation and sequencing plans and schedules for recommendations</li> <li>• Facilitate planning meetings and workshops for Water Department Staff to discuss alternatives and coordinate with stakeholders</li> <li>• Perform/support business case evaluations and document recommendations</li> <li>• Support Water Department Staff in the update and calibration of hydraulic models</li> <li>• Perform infrastructure condition assessments to support planning</li> <li>• Assist the Department in financial analysis associated with program funding efforts</li> <li>• Support the Department’s implementation of asset management system onboarding for capital projects</li> <li>• Augment the city staff by providing PMs, and project engineers for various projects including: Water Supply Augmentation including ASR planning</li> <li>• Assist in reviewing of planning consultant deliverables</li> <li>• Provide environmental advisory support, program-wide</li> </ul>	<ul style="list-style-type: none"> <li>• Provide discipline specific support including: general electrical engineering, operations specialist, structural, geotechnical, environmental staff augmentation support</li> <li>• Support PMs in management of consultants and alignment with program reporting and processes</li> <li>• Support implementation of design management and cost estimating guidelines</li> <li>• Augment the City staff by providing PMs and/or project engineers for various projects including: U4 Tank Project, GHWTP Facility Improvement Project, and Beltz 12 Ammonia Removal Project</li> <li>• Assist in reviewing consultant deliverables and conducting cost estimating reviews, as requested</li> <li>• Support ROW acquisition activities (Newell Creek Pipeline projects (Felton/Graham Hill, Brackney, ASR)</li> <li>• Provide designated environmental lead for permitting efforts associated with: Newell Creek Pipeline Rehab/Replacement</li> <li>• Provide environmental compliance management services</li> <li>• Assist with other environmental technical support, including CEQA, NEPA, technical study, field surveys, or permit application</li> <li>• Support Department Staff in the development and implementation of communications and community engagement plans</li> <li>• Provide technical expert input as requested</li> <li>• Support ongoing implementation and use of collaborative design review software on projects</li> </ul>	<ul style="list-style-type: none"> <li>• Provide Construction Management lead</li> <li>• Implement Program Construction Management Guidelines</li> <li>• Implement Construction Management software for new construction projects</li> <li>• Augment the City staff by providing PMs and/or project engineers for construction phase projects including: Newell Creek Dam Inlet/Outlet Pipeline, Newell Creek Pipeline Felton/Graham Hill, Brackney Landslide Risk Reduction, Belt 12 Ammonia Removal, Intertie 1, and Concrete Tanks Replacement</li> <li>• Provide project manager, project engineer, construction management resident engineer, document manager, lead and special inspector(s), as required, for the Newell Creek Dam Inlet/Outlet, GHWTP Concrete Tanks project, and Entrance Improvements project</li> <li>• Provide post construction start-up commissioning and operations support</li> <li>• Provide monthly Program reporting of CM activities</li> <li>• Provide workforce development training in areas of Construction Management</li> <li>• Assist with environmental mitigation, monitoring and/or procurement of such services</li> </ul>

Figure 1 shows the schedule of activities planned for each project, with work broken down into several phases: planning, design, bidding, construction, and project close out.



## Staffing

The major resources being provided through the HDR Program Management Contract involves staffing services. These services are necessary because, on average, the Water Department’s annual capital program expenditures are rising nearly five-fold over spending levels during the last decade. The Water Department’s Engineering Section currently includes around 12 full time equivalent (FTE) positions supporting the capital program in various capacities, including vacant engineering positions. The staffing analysis completed in 2018 during the Program Validation effort estimated total staffing needs required to manage and support the Program projects in peak years at 20 FTEs. Staff augmentation for project management (including project managers, engineers, environmental leads, but not including program administration or construction management, for example) is estimated at 8.3 FTEs for FY 2024.

The staffing augmentation plan for FY 2024 was developed to support the implementation plans and schedules for each Program project. The staffing plan integrates the Water Department’s available staff in Engineering, Operations, and Maintenance and supplements resource needs with compatible HDR staff. A key focus of both City and HDR administrative and operating personnel who are part of the Program is the consistent and efficient delivery of project from planning through construction, while maintaining the Department’s ability to produce and deliver a reliable supply of high quality drinking water to its customers throughout project construction. Achieving this goal requires ongoing planning and coordination by all members of the team.

Part of the ongoing work on the Program to date has been to identify, integrate, and maintain HDR Program team members. Table 4 identifies HDR key staff in each of the three major Service Order 9 work areas.

**Table 4 – Key HDR Staffing for Planned Program Management Services (Fiscal Year 2024)**

HDR Planning Services	HDR Design Management Services	HDR Construction Services
Sifang Shan Allan Scott Kristine Shaw Jillian Brown Jill Dressler Tom McCormack Leslie Tice Lock Kwan Ray Genato Pierre Kwan	Greg Bradshaw Holly Burles Phoenix Nguyen Brian Watanabe Shane Clements Jillian Brown Ray Genato Guy Voss Pierre Gouley Mike Munson Shelly Austin Alan Hang Uri Shelby Augustine Inferrera Travis Baggett Allison McReynolds Sifang Shan Anand Patel Morgan Deangelis	Ron Perkins Roger Hatton Pierre Gouley Shane Clements Sandie Goings Scott Joslyn Julie McNamara Jillian Brown

Ongoing Program management and administration will be led by Karen Pappas (Program Manager), Allison McReynolds (Deputy Program Manager), Molly Owens (Controls Manager), and Sandie Goings (Document Management). Implementation of the Santa Cruz Water Program also involves a range of ongoing administrative and quality control services including, for example:

- Monthly progress reporting including cost and schedule tracking, risk management, and quality assurance;
- Document management and SharePoint site maintenance and updates; and
- Application and updates to the Program Management Plan and implementation of the program health and safety plan.

All personnel to support the Program are identified in writing and authorized by the City’s Program Director. The personnel and labor hours for the FY 2024 Work Plan represent the Program Team’s best understanding of the strategic, technical, and administrative requirements for delivering the planned services. Actual requirements may vary and the City and HDR will work together to adjust the staffing and distribution of labor hours within this AWP to maintain progress toward delivery of the Program.

**Estimated Fees**

Table 5 presents the FY 2024 HDR fees for services for the work to be done on each project during the coming year. The fee estimate is also presented by task and total hours as an attachment to Contract Amendment 2024-01.

**Table 5 –Project Budget and Associated HDR Fee**

#	Project	HDR FY24 Service Order Budget	Planning	Design	Bid	Construction
1.5	Newell Creek Dam Inlet-Outlet Pipeline Replacement Project	94,307				X
2.2.1	Newell Creek Pipeline Rehab/Replacement – Felton / Graham Hill	352,365			X	X
2.2.3	Newell Creek Pipeline – Brackney Landslide Area Pipeline Risk Reduction	301,440			X	X
2.4	Intertie 1 – Santa Cruz-Scotts Valley	292,771		X	X	X
3.1	Water Supply Augmentation <sup>a</sup>	446,419	X			
3.3.1	ASR Mid County Existing Infrastructure	20,871		X	X	X
4.3	Graham Hill WTP Concrete Tanks Project	1,759,136				X
4.3.1	Graham Hill WTP Entrance Improvements	9,626				
4.4	Graham Hill WTP Facility Improvements Project	914,342		X		
4.4.1	Distribution System Water Quality Improvements	75,896	X			
4.7	Beltz 12 Well Ammonia Removal	254,585		X	X	X
4.8	Beltz Water Treatment Plant Upgrades	177,532		X		
6.1	University Tank No. 4 Rehab/Replacement	52,301		X	X	X
NCIP. 912	Branciforte Creek Restoration	38,331		X		
ECIP. 301	Felton Diversion Emergency Pipeline	103,204				
N/A	Asset Management: Onboarding and Computerized Maintenance Mgt. System Implementation Support	136,679	X			
N/A	Program Administration <sup>b</sup>	1,516,083				
N/A	Other Program-Wide Work <sup>c</sup>	387,753				
	<b>Total HDR FY24 Service Order 9 Budget</b>	<b>6,933,641</b>				

<sup>a</sup> Includes planning support for all Water Supply Planning projects, including Recycled Water Feasibility (3.2), and ASR Planning (3.3)

<sup>b</sup> Includes General Program Administration, Risk Management, Document Management, Procurement and Contract Administration Implementation support, SH&E Plan documentation, Quality Assurance Implementation, Project Delivery Model Implementation, Program Controls (Schedule, Cost Management, and Program Monthly Report), Annual Work Plan, Workforce Development Trainings, Program Staffing and Resource Management, and Invoice Preparation.

<sup>c</sup> Includes Staff Augmentation (Planning & Design Management, Project Management, Project Engineering Support, Environmental Leads, Environmental Advisory, Electrical Support, Operations Support), Design Review Software Implementation, General Construction Management Oversight, Construction Management Information System Procurement, Support for Right-of-Way, Communication & Public Outreach, Project Funding, and Program Technical (General).

**Funding Source:**

Funding for all activities planned as part of Service Order 9, including the program management fee, is included in the Water Department's FY 2024 Capital Investment Program. Additional work planned for FY 2024 includes continuation of minimal activities pre-authorized and funded within the prior Service Order 8. As many of the projects included in the Water Program are large and will occur over multiple years, the Department developed the 2021 Long Range Financial Plan to identify the steps needed to fund these investments in rehabilitating or replacing existing water system infrastructure and developing a supplemental supply to improve the reliability of the Santa Cruz water system. That plan was approved by the City Council on April 6, 2021 and is guiding the Department's approach to planning for and funding this more than decade long capital reinvestment cycle.

The Water Department executed two low-interest loans through the State Revolving Fund (SRF). The Department also submitting the Water Infrastructure Finance and Innovation Act (WIFIA) loan application and received approval for projects. Both the State (SRF) and Federal (WIFIA) loan programs reimburse for design, construction, and program management costs to implement a project. Finally, the City has secured Federal Emergency Management Agency (FEMA) Hazard Mitigation Program grant funding for one project (2.2.3), Sustainable Groundwater Management Act (SGMA) grant funding for the groundwater basin, is in the process of applying for SRF loan forgiveness for PFAS treatment components of the GHWTP Facility Improvements project, and continues to seek grant opportunities for others.



## City Council AGENDA REPORT

**DATE:** 06/01/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Economic Development and Housing

**SUBJECT:** Downtown Association: Parking and Business Improvement Area Assessments for FY 2024 (ED)

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**RECOMMENDATION:** Resolution confirming the Parking and Business Improvement Area FY 2024 Plan prepared by the Downtown Association and levying the Parking and Business Improvement Area Assessments for FY 2024.

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**BACKGROUND:** At its May 23, 2023 meeting, the City Council approved the annual plan prepared by the Downtown Association for FY 2024. In addition, the City Council adopted a resolution stating its intention to levy Parking and Business Improvement Area Assessments for FY 2024, and scheduled a public hearing for June 13, 2023, in accordance with state law.

**DISCUSSION:** At the June 13, 2023 public hearing, written and oral protests may be made in accordance with State Streets & Highways Code Sections 36524 and 36525 regarding the levy of the business improvement assessments. The Downtown Association's annual plan proposes no change in the assessment area for FY 2024; however the per square foot rate of assessment will increase from \$0.45 to \$0.47 based on the Consumer Price Index adjustment allowed in the assessment formula.

At the conclusion of the public hearing, absent a majority protest, staff recommends that Council adopt a resolution confirming the Downtown Association's plan. The resolution shall also constitute a levy of the parking and business improvement assessments for FY 2024.

**FISCAL IMPACT:** There is no fiscal impact to the City. Revenues collected from the assessment are turned over to the Downtown Association to be spent for promotional activities in the Parking and Business Improvement Area.

**Prepared By:**  
Rebecca Unitt  
Economic Development  
Manager

**Submitted By:**  
Bonnie Lipscomb  
Director of Economic  
Development and Housing

**Approved By:**  
Matt Huffaker  
City Manager

**ATTACHMENTS:**  
1. RESOLUTION.DOCX

RESOLUTION NO. NS-XX,XXX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ  
CONFIRMING THE DOWNTOWN PARKING AND BUSINESS IMPROVEMENT AREA  
ANNUAL PLAN AND LEVYING BUSINESS IMPROVEMENT ASSESSMENTS FOR  
FISCAL YEAR 2024

WHEREAS, the Downtown Association has prepared an annual plan to the City of Santa Cruz for Fiscal Year 2024 pertaining to the Downtown Parking and Business Improvement Area Assessments for the Downtown Association Parking and Business Improvement Area under California Streets and Highways Code §36533; and

WHEREAS, that annual plan was filed with the City Clerk; and

WHEREAS, the City Council on May 23, 2023 adopted Resolution No. NS-30,148 stating its intention to levy business improvement assessments for FY 2024; and

WHEREAS, pursuant to City Council's May 23, 2023 Resolution of Intention, the City Council on June 13, 2023 in accordance with California Streets and Highways Code §§36535 and 36541, held a public hearing as provided for in Streets and Highways §§36524 and 36525, at which time it considered the annual report and the levy of business improvement assessments for FY 2024; and

WHEREAS, at said public hearing, the City Council considered all protests to the annual levy of the business improvement assessments.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz as follows:

1. The Downtown Parking and Business Improvement Area Annual Plan for Fiscal Year 2024 filed by the Downtown Association of Santa Cruz with the City Clerk, is hereby confirmed by the City Council.

2. The City Council hereby finds that the formula for assessment established pursuant to Santa Cruz Municipal Code §5.05.040 is a reasonable estimate of the benefits derived by the categories of business classified therein. The City Council finds said businesses derive substantial benefit from the improvements and promotional events funded by the assessment, which make the business improvement zone a cleaner, safer, more enjoyable and more economically viable place to conduct business. The formula contained at §5.05.040 is hereby found to constitute a reasonable means of allocating said estimated benefit, by taking into account: (1) the type of business operation; (2) the location; and (3) the size of the operation.

3. The adoption of the resolution shall constitute Fiscal Year 2024 levy of assessment provided for in Chapter 5.05 of the Santa Cruz Municipal Code pertaining to downtown parking and business improvement area zones and rate of business promotion assessments.

RESOLUTION NO. NS-XX,XXX

PASSED AND ADOPTED this 13<sup>th</sup> day of June, 2023 by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Fred Keeley, Mayor

ATTEST: \_\_\_\_\_  
Bonnie Bush, City Clerk Administrator





## City Council AGENDA REPORT

**DATE:** 06/01/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Planning and Community Development

**SUBJECT:** Expansion of Technology Surcharge (PL)

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**RECOMMENDATION:** Motion to:

- 1) Adopt a resolution to rescind Resolution No. NS-27,559, the Council's 2007 Technology Surcharge resolution, and expand the application of a six (6) percent Technology Surcharge to certain fees collected by the Planning and Community Development, Finance, Public Works, Parks and Recreation, Fire, and Water Departments; and
- 2) Direct staff to take related implementation actions.

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**BACKGROUND:** The City of Santa Cruz charges fees for a wide variety of planning and building permits and other cost recovery. The Technology Surcharge is designed so as not to exceed the estimated cost to provide the service for which the Technology Surcharge is levied. On June 26, 2007, the City Council adopted a resolution establishing the Technology Surcharge for Planning and Building Fees (Resolution No. NS-27-559). The Technology Surcharge was initially intended to offset costs of new technologies in the Planning and Community Development Department's development review and approval process, including new land management software (LMS). The fee was a five-percent surcharge on all planning and building permit fees (excluding impact fees, General Plan Maintenance Fee, or other administrative fees). The Technology Surcharge is managed by the Planning and Community Development Department and administered by staff in the divisions of Current Planning and Building and Safety. The Technology Surcharge has not increased since 2007, even though employee costs to maintain the software and annual software license fees have increased. Further, since its rollout in 2008, the land management software has been expanded to support the Rental Inspection Program, as well as several permits processed by other City departments including Finance, Public Works, Fire, and Water, requiring the City to purchase a greater number of software licenses.

The City's 15-year-old land management software is antiquated in that it lacks integration with key systems, includes minimal automation, has an outdated user interface, and is no longer supported by the vendor. Lack of vendor support has affected the mobile inspection module, which is not fully functioning. Further, the portal for online application submittals is vulnerable to security threats and is not being used.

For the past year, City staff has gone through an extensive LMS request for proposal (RFP) process and is in final negotiations with the top vendor. In addition to solving many of the identified issues with the current land management system, the new software will enable the City to implement more automated and efficient processes, improve the flow of communication among staff and customers, include a decision engine that will guide members of the public through application submittals and public record requests, enable mobile inspections, and provide enhanced data collection and reporting to help track progress toward department and citywide goals. A draft contract is currently expected to be before the City Council on June 27, 2023. The annual license fees are expected to exceed the combined total of existing Technology Surcharge revenues and the adopted project budget.

**DISCUSSION:** Expanding the Technology Surcharge to additional departments and programs using the land management software will more equitably distribute annual software license costs and address the anticipated deficit. In addition to services already subject to the Technology Surcharge, staff recommends the Technology Surcharge include the following departments and programs currently using the existing land management software but that were not included in the original Resolution No. NS-27,559 adopting the Technology Surcharge in 2007:

- **Planning and Community Development:** Code Compliance Cost Recovery and Residential Rental Inspection Program;
- **Finance Department:** Business Licenses;
- **Public Works Department:** Concrete permits, tree damage inspection, street opening permits, sewer repair permits, permanent and temporary encroachment permits, temporary no parking permits, and subdivision review;
- **Water Department:** Conservation services, plan review fees, inspection services, and meter installation;
- **Fire Department:** Fire prevention permits, including fire alarm, fire combo, fire sprinklers residential, fire sprinkler, fire service underground, fire service underground commercial, fire sprinkler tenant improvement; and
- **Parks and Recreation Department:** Tree Removal Permits.

Annual software license fees for the new LMS are expected to be approximately \$300,000 for the first five years. The adopted budget for the new LMS software is \$100,000 for FY 2024, and the existing Technology Surcharge has generated a five-year average annual revenue of approximately \$126,000, leaving an estimated annual deficit of \$74,000. **Table 1** summarizes the funding sources expected to fund the new LMS upgrade if the Technology Surcharge were to remain at its current five-percent rate.

*Table 1: Summary funding sources for new land management system upgrade*

Funding Sources	Department	Expected Funds
Adopted budget (i.e., General Fund contribution) for new Land Management System (LMS) software	Information Technology	\$100,000
Existing Technology Surcharge at 5% assessed on Building and Current Planning fees <i>Average annual revenue from FY18 – FY22</i>	Planning and Community Development	\$126,000
Expansion of Technology Surcharge Revenue for new departments and programs	Other Departments	\$74,000

<b>Expected annual software license fees</b>	<b>\$300,000</b>
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Maintaining the five-percent rate results in an anticipated 67-percent cost recovery (or 33-percent general fund subsidy). While some general fund subsidy is warranted since the software will be used by members of the public to obtain general information that is not necessarily permit related, staff considered options to raise the surcharge to achieve a greater level of cost recovery that is more in line with the expected general public software usage. The analysis included a review of other central coast jurisdictions that have implemented a Technology Surcharge applying to various permits (**Table 2**) and considered increases ranging from six- to seven-percent (**Table 3**).

*Table 2: Summary of jurisdictions with a Technology Surcharge*

<b>%</b>	<b>Jurisdiction</b>	<b>Type of Permits</b>
3%	County of Santa Cruz	Planning and building permits, and all other staff charges (except Code Enforcement)
4%	County of San Mateo	Planning and building permits
	City of Marina	All building plan check and permit fees
	City of Scotts Valley	Building, Planning, Public Works, and Waste Water Permits
5%	City of Salinas	Public Works, Code Enforcement, Planning, Public Works
7.04%	County of Monterey	All permits

*Table 3: Summary of potential Technology Surcharge revenue by percentages*

<b>Departments</b>	<b>Average Potential Revenue Collected from Applicable Permits</b>	<b>% of Potential Revenue</b>	<b>Potential Technology Surcharge Revenue</b>		
			<b>5%</b>	<b>6%</b>	<b>7%</b>
<b>Planning</b>	\$2,911,149	70%	\$145,557*	\$174,669	\$203,780
<b>Finance</b>	\$815,938	20%	\$40,797	\$48,956	\$57,116
<b>Public Works</b>	\$249,347	6%	\$12,456	\$14,947	\$17,438
<b>Water</b>	\$114,768	3%	\$5,738	\$6,886	\$8,034
<b>Fire</b>	\$55,644	1%	\$2,782	\$3,339	\$3,895
<b>Parks &amp; Recreation</b>	\$8,234	0%	\$412	\$494	\$576
	<b>\$4,155,081</b>	<b>100%</b>	<b>\$207,743</b>	<b>\$249,291</b>	<b>\$290,840</b>

*\*Includes proposed revenue from Cost Recovery Program and Rental Program.*

A more detailed analysis projecting revenue to be generated by assessing a Technology Surcharge of five- to seven-percent across these six departments (including the Code Compliance Cost Recovery and Residential Rental Inspection Program), is included as **Attachment – Detailed Analysis of Assessment of Technology Surcharge on Additional Fees**. Based on this analysis, staff is recommending an increase in the Technology Surcharge rate from five-percent to six-percent. Not only will this rate be within the range of other central coast jurisdictions, but it has the potential to increase the average annual revenue from \$126,000 to approximately

\$249,000, resulting in a General Fund subsidy of 17-percent. (The Fiscal Impact section below provides additional discussion regarding cost containment in years six through 10.)  
 A sample list of permits from each of the departments that would be subject to the fee and the proposed 6% surcharge is included in **Table 4**:

*Table 4: Sample of permits from each department after assessment of proposed 6% Technology Surcharge*

Permit	Department	Base Fee	Technology Surcharge at 6%
<b>Water Irrigation Plan Check</b> (Up to 5,000 square ft)	Water	\$206.00	\$12.36
<b>Encroachment Permit</b>	Public Works	\$952.00	\$57.12
<b>Fire Sprinkler – Residential</b> (<5,000 square feet)	Fire	\$252.00	\$15.12
<b>Business License</b> (Class A, B and C)	Finance	\$145.15	\$8.71
<b>Tree Removal Permit</b>	Parks	\$50.00	\$3.00
<b>Annual Rental Inspection Registration Fee (\$60) plus Inspection for One Unit (\$27)</b>	Planning	\$87.00	\$5.22

Most fees affected by this proposal would result in minimal increases in the overall cost of the permit, license, or plan check. The benefits derived from the software will be significant and beneficial to the customer and include the enhanced abilities to submit applications and pay fees, schedule inspections, and check on the status of a permit online. It should be noted that many of the fees included in the Unified Master Fee Schedule are subject to annual increases based on the Consumer Price Index (CPI). Since the Technology Surcharge is applied to those fees, there is no need for it to be subject to annual CPI increases and the proposed City Council resolution includes language confirming as such. As indicated above, staff recommends that this surcharge be expanded to cover annual license fee costs associated with a contract that is expected to be before the City Council on June 27, 2023. The proposed Council resolution includes a clause confirming that the fee does not take effect unless and until a contract is executed.

**Next Steps**

If the Technology Surcharge is adopted on June 13, 2023, under State law, the effective date would be 60 days later (approximately August 12, 2023), assuming the new LMS contract is approved before that time. If the proposed resolution is adopted, each impacted Department will inform customers, update forms and website, and monitor the correct application of the Technology Surcharge to the specified fees.

**HEALTH IN ALL POLICIES:** The goal of Health in All Policies (HiAP) is to ensure that decision-makers are informed about the impacts on the three HiAP pillars of health, equity, and sustainability when reviewing projects and policy options. Expansion of the Technology Surcharge meets the pillars of equity and fiscal sustainability by more evenly distributing the fee across all users of the land management software in a way that attains cost recovery. From an environmental sustainability standpoint, the surcharge is intended to pay for software licenses that will enable users to electronically submit plans and pay fees, thereby reducing vehicle trips necessary to complete business transactions.

**FISCAL IMPACT:** Applying the Technology Surcharge to these additional departments and programs at six percent would generate approximately \$249,000 of the \$300,000 in fees. A special revenue fund will be established for the Technology Surcharge to offset the cost of the annual license fees associated with the new land management system.

As the Technology Surcharge is expanded to the additional departments utilizing the Land Management System, the additional increase in the generated revenue will eventually reduce the current appropriation of \$100,000 from the General Fund that the Information Technology Department is putting towards the LMS. The Information Technology Department has increased funding in the first year because it is included in the project implementation cost, but the Information Technology Department cannot absorb the increase in FY 2025 and beyond. However, the General Fund would still cover a portion of the system since it holds historic records and is used as a research tool by members of the public, examples for which the Technology Surcharge will not be charged.

Additionally, City staff recently issued a request for proposal for a fee study to ensure that existing fees collected by the Planning and Community Development Department, as well as other departments reviewing development permits, are calibrated to capture the full, true costs of public services and to provide an opportunity for City to fully capture said costs of services. An updated fee schedule is expected to be before City Council within a year. As part of that effort, staff expects to evaluate the Technology Surcharge to reduce the General Fund impact in years two through five, as well as increased costs of licenses in years six through ten of the contract.

**Prepared By:**  
Viviane Pearson  
Principal Management  
Analyst

**Submitted By:**  
Lee Butler  
Director of Planning and  
Community Development

**Approved By:**  
Matt Huffaker  
City Manager

**ATTACHMENTS:**

1. RESOLUTION
2. DETAILED ANALYSIS OF ASSESSMENT OF TECHNOLOGY SURCHARGE ON ADDITIONAL FEES
3. SUMMARY ANALYSIS OF POTENTIAL REVENUE FROM ASSESSMENT OF TECHNOLOGY SURCHARGE BY DEPARTMENT

RESOLUTION NO. NS-XX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ RESCINDING RESOLUTION NO. NS-27,559, EXPANDING THE APPLICATION OF A SIX PERCENT (6%) TECHNOLOGY SURCHARGE TO CERTAIN FEES CHARGED BY THE PLANNING AND COMMUNITY DEVELOPMENT, FINANCE, PUBLIC WORKS, WATER, FIRE, AND PARKS AND RECREATION DEPARTMENTS, AND DIRECTING STAFF TO TAKE RELATED IMPLEMENTING ACTIONS

WHEREAS, the City of Santa Cruz in 2007 adopted, via Resolution No. NS-27,559, a Technology Surcharge of five-percent (5%) to be assessed on all planning and building permits fees and charges, except duplication, General Plan Maintenance Fees, Traffic Impact Fees, Parkland Dedication Fees, Inclusionary Housing In-Lieu Fees, other development impact fees, and any project with total fees and charges less than \$100. These fees were intended to partially offset the costs of the new planning and building technology not currently covered in existing fees, including a permitting system, document imaging, and field access technology; and

WHEREAS, since the adoption of the Technology Surcharge, additional departments across the city have begun using the existing land management software, thus incurring additional license fees and additional staff time to maintain the software. Therefore, additional adjustments are required to expand the Technology Surcharge's application to other departments to recover costs associated with annual license fees; and

WHEREAS, it is the City Council's intent to now apply a Technology Surcharge of six-percent (6%) to the departments and programs utilizing the land management software and incorporate said increase into the City Unified Master Fee Schedule, with a footnote indicating that the annual Consumer Price Index does not apply to the fee; and

WHEREAS the City Council finds the application of the Technology Surcharge does not exceed the estimated cost to provide the service for which the Technology Surcharge is levied.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz as follows:

- (1) City Council hereby rescinds Resolution No. NS-27,559;
- (2) The Technology Surcharge of six-percent (6%) is hereby adopted as to the fees identified below, including fees and charges less than \$100:
  - a. For the Planning and Community Development Department, the Technology Surcharge will be assessed on all planning and building permits fees and charges, including fees associated with Code Compliance Cost Recovery, and the Residential Rental Inspection Program; and
  - b. For the Finance Department, the Technology Surcharge will be assessed on all business license taxes, except for those exempted as per Santa Cruz Municipal Code section 5.04.080 (Exemptions); and

- c. For the Public Works Department, the Technology Surcharge will be assessed on concrete permits, tree damage inspection, street opening and sewer repair permits, permanent encroachment permits, temporary encroachment permits, temporary no parking permits, and subdivision fees; and
  - d. For the Fire Department, the Technology Surcharge will be assessed on fire prevention permits (including fire alarm, fire combo, fire sprinkler residential, fire sprinkler, fire service underground, fire service underground commercial, fire sprinkler tenant improvement, and range hood); and
  - e. For the Water Department, the Technology Surcharge will be assessed on conservation services, plan review fees, inspection services, and meter installation.; and
  - f. For the Parks and Recreation Department, the Technology Surcharge will be assessed on Tree Removal Permits.
- (3) The following fees are exempt from the Technology Surcharge: duplication, General Plan Maintenance Fees, Traffic Impact Fees, Parkland Dedication Fees, Inclusionary Housing In-Lieu Fees, and other development impact fees;
- (4) Staff is directed to take related implementing actions. Specifically:
- a. The Finance Department shall create a special revenue fund for said Technology Surcharge;
  - b. The Finance Department shall update and publish the Master Fee Schedule to reflect the contents of this Resolution; and
  - c. Staff is directed to update all associated department fee schedules and post them online.
- (5) This surcharge is intended to cover costs associated with annual software license fees, and it does not take effect unless and until an updated land management system contract is executed and no sooner than sixty (60) days after the final adoption of this resolution.

PASSED AND ADOPTED this 13<sup>th</sup> day of June, 2023, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Fred Keeley, Mayor

ATTEST: \_\_\_\_\_  
Bonnie Bush, City Clerk Administrator

This is to certify that the above and foregoing document is the original of Ordinance No. 2023-xx and that it has been published or posted in accordance with the Charter of the City of Santa Cruz.

\_\_\_\_\_  
Bonnie Bush, City Clerk Administrator



**ATTACHMENT –**  
**Detailed Analysis of Assessment of Technology Surcharge on Additional Fees**  
**By Department**

**PLANNING AND COMMUNITY DEVELOPMENT DEPARTMENT**

**Potential Technology Surcharge Revenue at 6%: \$175,000**

The Planning and Community Development currently charges a Technology Surcharge of 5% for applicable [Building](#) and [Current Planning](#) fees collected in the existing land management system. Building and Current Planning generates an average revenue of approximately \$2,500,000 annually (FY 2018 to FY 2022). A Technology Surcharge of 6% has the yield of an average annual revenue of approximately \$175,000.

There are two additional Planning Department program staff is proposing to apply the Technology Surcharge to: Residential Rental Inspection Program and Code Compliance Cost Recovery. These programs' management, invoices, and inspections will be facilitated through the new land management system. Furthermore, Staff proposes charging the Technology Surcharge to fees below \$100, which differs from current practice.

- [Residential Rental Inspection Program](#) requires owners of short- and long-term rentals to comply with registration and inspection schedules. The Program generates an average revenue of approximately \$360,000 annually (FY 2018 to FY 2022). A Technology Surcharge of 6% has the potential yield of an additional average annual revenue of approximately \$21,500.
- [Code Compliance Cost Recovery](#) enforces the City code compliance services provided on properties within the City of Santa Cruz that are in violation of State and/or City law. The fees are charged to non-compliant property owners to encourage compliance, and the fees help recover costs for providing services of review, inspections, and compliance attainment. Code Compliance Cost Recovery generates an average revenue of approximately \$27,000 annually (FY 2018 to FY 2022). A Technology Surcharge of 6% has a potential yield of an additional average annual revenue of approximately \$1,600.

**FINANCE DEPARTMENT**

**Potential Technology Surcharge Revenue at 6%: \$49,000**

The Finance Department currently does not charge a Technology Surcharge for the Finance fees collected in the existing land management system. Staff propose applying the Technology Surcharge to Business Licenses given the application review and issuance of Business Licenses will be facilitated through the new land management system. [Business Licenses](#) are required for operation of a business within City limits. Business Licenses generate an average revenue of \$815,938 annually (FY 2018 to FY 2022). A Technology Surcharge of 6% has the potential yield of an additional average annual revenue of approximately \$49,000.

**PUBLIC WORKS DEPARTMENT****Potential Technology Surcharge Revenue at 6%: \$15,000**

The Public Works Department currently does not charge a Technology Surcharge for the Public Works fees collected in the existing land management system. Staff propose applying the Technology Surcharge to the following fees given the permit review and final issuance of these permits will be facilitated through the new land management system:

- **Concrete Permits** are required if sidewalks, curb, gutter, or driveway are being demolished, constructed, or repaired in the public right of way.
- Tree Damage Inspections are to inspect tree damages.
- **Street Opening and Sewer Repair Permits** are required if the street will be cut open for utility work as part of the project, and the street or sidewalk are to be restored to City Standard Details once work has been completed.
- **Permanent Encroachment Permits** are required for projects that will result in a permanent occupation or alteration of the public right-of-way, such as bike sharing kiosks and outdoor café seating.
- **Temporary Encroachment Permits** are required for projects when a portion of the public right-of-way is temporarily blocked off for construction or staging purposes (such as construction fencing or scaffolding).
- **Temporary No Parking Permits** are provided for special events, construction, utility work, or any other reason to reserve parking.
- **Subdivision Fees** are for reviews of subdivision projects that occur within the City, including parcel map, subdivision map, lot line adjustment, final parcel map, and final subdivision map.

These Public Works fees generate an average revenue of approximately \$249,000 annually (FY 2018 to FY 2022). A technology fee of 6% across these Public Works fees would have the potential yield of an additional average annual revenue of approximately \$15,000.

**WATER DEPARTMENT****Potential Technology Surcharge Revenue at 6%: \$6,800**

The Water Department currently does not charge a Technology Surcharge for the Water fees collected in the existing land management system. Most of the billing is completed through Utility Billing. Staff propose applying the Technology Surcharge to the following fees given the permit review that will be facilitated through the new land management system:

- **Conservation Services** are plan reviews including landscape/irrigation plan review.
- **Plan Review Fees** are charges that are applied for review of construction and development plans or drawings by Water Engineering to ensure compliance with water codes and design standards.
- **Inspection Services** are required for applicant or contractor installed service lines, line extensions, and devices, and
- **Meter Installations** are required when new service connections will require the installation of a new meter by Santa Cruz Water District. The Size and type of meter installed will be according to the approved plans.

These Water fees generate an average revenue of approximately \$61,000 annually (FY 2018 to FY 2022). A Technology Surcharge of 6% across these Water fees would have the potential yield of an additional average annual revenue of approximately \$6,800.

### **FIRE DEPARTMENT**

#### **Potential Technology Surcharge Revenue at 6%: \$3,300**

The Fire Department currently does not charge a Technology Surcharge for the fees collected in the existing land management system. Staff propose applying the Technology Surcharge to the Fire Prevention Permit Fees, which includes fire prevention permits, including fire alarm, fire combo, fire sprinklers residential, fire sprinkler, fire service underground, fire service underground commercial, fire sprinkler tenant improvement, and range hood. Fire Prevention permits generate an average revenue of \$56,000 annually (FY 2018 to FY 2022). A Technology Surcharge of 6% has the potential yield of an additional average annual revenue of approximately \$3,300.

### **PARKS AND RECREATION DEPARTMENT**

#### **Potential Technology Surcharge Revenue at 6%: \$500**

The Parks and Recreation Department currently does not charge a Technology Surcharge for the Parks and Recreation fees collected in the existing land management system. Most of the applicable fees are collected through the existing Parks and Recreation system, RecTrac. Staff propose applying the Technology Surcharge to the Tree Permit given the permit review and final issuance these will be facilitated through the new land management system. [Tree Permits](#) are required to remove or trim trees on private property if the tree measures 14” in diameter or greater, measured 4.5 feet from the ground, or trimming greater than 25% of the tree. Tree Permits generate an average revenue of \$8,200 annually (FY 2018 to FY 2022). A Technology Surcharge of 6% has the potential yield of an additional average annual revenue of approximately \$500.

**ATTACHMENT –**

**Summary Analysis of Potential Revenue from Assessment of Technology Surcharge by Department**

<b>Departments</b>	<b>Proposed Fees to Apply Technology Surcharge</b>	<b>Average Annual Revenue Collected</b>	<b>Average Revenue at 5%</b>	<b>Average Revenue at 6%</b>	<b>Average Revenue at 7%</b>
<b>Planning &amp; Community Development</b>	<b>BUILDING &amp; CURRENT PLANNING CODE COST RECOVERY RESIDENTIAL RENTAL INSPECTION PROGRAM</b>	<b>\$2,911,149</b>	<b>\$145,557</b>	<b>\$174,669</b>	<b>\$203,780</b>
<b>Finance</b>	<b>BUSINESS LICENSE</b>	<b>\$815,938</b>	<b>\$40,797</b>	<b>\$48,956</b>	<b>\$57,116</b>
<b>Public Works</b>	Concrete Permits Tree Damage Inspection Street Opening & Sewer Repair Permits Permanent Encroachment Permits Temporary Encroachment Permits Temporary No Parking Permits Subdivision Fees	<b>\$249,347</b>	<b>\$12,456</b>	<b>\$14,947</b>	<b>\$17,438</b>
<b>Water</b>	<b>CONSERVATION SERVICES PLAN REVIEW FEES INSPECTION SERVICES METER INSTALLATON</b>	<b>\$114,768</b>	<b>\$5,738</b>	<b>\$6,886</b>	<b>\$8,034</b>
<b>Fire</b>	<b>FIRE PREVENTION</b> Fire Alarm Fire Combo Fire Sprinklers Residential Fire Sprinkler Fire Service Underground Fire Service Underground Commercial Fire Sprinkler TI Range Hood	<b>\$55,644</b>	<b>\$2,782</b>	<b>\$3,339</b>	<b>\$3,895</b>
<b>Parks &amp; Recreation</b>	Tree Removal Permits	<b>\$8,234</b>	<b>\$412</b>	<b>\$494</b>	<b>\$576</b>
		<b>\$4,155,081</b>	<b>\$207,743</b>	<b>\$249,291</b>	<b>\$290,840</b>

*\*EzEden revenue reports were generated from FY 2018 to FY 2022 for each proposed Departments' fee analysis to determine average transactions captured by EzEden and average revenue.*



## City Council AGENDA REPORT

**DATE:** 06/01/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Parks and Recreation

**SUBJECT:** Tree Appeal 233 Union Street (PR)

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**RECOMMENDATION:** Resolution to deny the appeal and uphold the Parks and Recreation Commission's approval of tree removal permit application # 23-0005 submitted by Dorth Raphaely to remove two Coast Redwood trees located at 233 Union Street.

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**BACKGROUND:** On January 11, 2023, Dorth Raphaely submitted an application requesting the removal of two heritage size Coast Redwood trees located at 233 Union Street. The reasons stated on the request for tree removal in summary are trees are causing damage to the foundation/house. An email dated January 11, 2023 describing the locations of the two trees and the damage to the property was also included with the application as well as photographs (Tree Permit Application 23-0005 with attachments.pdf).

City Council Resolution No. NS-23,710, Exhibit A 1.(c) requires that one or more of the following findings must be established by the applicant and confirmed by the Director of Parks and Recreation for the alteration or removal of a Heritage Tree (Resolution NS-23,710 Exhibit A Criteria and Standards for Tree Removal Permit.pdf):

- (1) The heritage tree or heritage shrub has, or is likely to have, an adverse effect upon the structural integrity of a building, utility, or public or private right of way;
- (2) The physical condition or health of the tree or shrub, such as disease or infestation, warrants alteration or removal; or
- (3) A construction project design cannot be altered to accommodate existing heritage trees or heritage shrubs.

On February 13, 2023, Elise Casby and Marvin Lewis filed an appeal of the staff decision stating “The Director/ City Urban Forester has cited ‘damage to the building’ as the reason for the removal of the two trees, which are mature, redwood heritage trees. I believe that mitigation is possible to prevent further damage to the building and to correct the damage to the building that has already occurred. I have examined the trees (from the public sidewalk) and reviewed the photographs included in the application and reviewed it and I am convinced based on my background and educated opinion that these two heritage redwood trees are extremely valuable to the wildlife, the neighborhood, and history of the locale, that mitigation is not only feasible but necessary and these two trees should not be removed.”

The appellant admits damage to the building in her stated reason for the appeal and did not present evidence contrary to Chapter 9.56 or the findings listed within the Criteria & Standards

City Council Resolution No. NS-23,710, Exhibit A 1.(c)(1) to support the appeal. As stated per 9.56.070(a)(2), the appellant did not specifically cite which provisions of Chapter 9.56 were relied upon to support the appellant's contention that the Director of Parks and Recreation acted in error (SCMC 9.56.070 (A)(2).pdf).

Additionally, the City Urban Forester met with the appellants prior to the appeal filing and walked them onto the property showing them the two trees proximity to the structure and the associated damage to the building and utility. The Urban Forester explained the reasoning by Resolution as to why the two trees met the criteria for removal as per the Council Criteria & Standards Resolution.

On April 24, 2023, the Parks and Recreation Commission held a Public Hearing to discuss the 233 Union Street tree appeal. With one Commissioner absent from the meeting, the vote outcome was a tie—three in favor and three opposed. According to Commission By-Laws (Parks and Recreation Commission BYLAWS.pdf), a tie vote during the absence of one or more members shall cause the item to be automatically continued to the next meeting. On May 8, 2023, the Parks and Recreation Commission heard the item a second time with all Commissioners present, and voted—four in favor and three opposed— to deny the appeal and uphold the staff recommendation to remove the two Redwood trees per Resolution NS-23,710, Exhibit A 1.(c) (Meeting Summary\_Parks Recreation Commission\_05.08.2023.pdf).

**DISCUSSION:** Staff has determined that per City Council Resolution No. NS-23,710, Exhibit A 1.(c) findings have been established by the applicant and confirmed by the Director of Parks and Recreation, that the heritage tree or heritage shrub has, or is likely to have, an adverse effect upon the structural integrity of a building, utility, or public or private right of way.

The tree to the east is in full contact with the wall of the structure, and is also in contact with the gas line to the home. The tree is likely to damage both the house and the utility, and represents a potential public safety concern if the gas line were to rupture. The door behind the tree is non-functional, and the tree prohibits safe access to the utility closet. The tree has cracked interior sheetrock in the past and has pushed in the siding of the home, over which some has been painted. The site drainage system has also been impacted by the tree contact.

The tree to the west has had a bio barrier root containment devise installed in the past to mitigate the tree root concerns and prolong tree removal. The roots have breached this root containment system. The tree is causing flooding in the interior of the home on the east side and has altered site drainage.

Mitigation and root pruning are not possible on these two trees give the proximity of the trees to the structure. There are no reasonable options to save the two trees or prevent ongoing damage to the structural integrity of the building. The two redwood trees are still relatively juvenile given the expected lifespan of this native tree which can be thousands of years. They are also still of a relatively small diameter given the girth that redwood trunks develop into, generally exceeding 20 feet in diameter (General Species Information for Coast Redwood (NPS).pdf).

Staff has determined that this application meets stated criteria required for tree removal approval as specified by City Council Resolution No. NS-23,710, Exhibit A 1.(c). The heritage tree or heritage shrub has, or is likely to have, an adverse effect upon the structural integrity of a

building, utility, or public or private right of way (Resolution NS-23,710 Exhibit A Criteria and Standards for Tree Removal Permit.pdf).

Staff recommends that City Council uphold the May 8 vote of the Parks and Recreation Commission to deny the appeal submitted by Elise Casby on May 18, 2023 (Appeal Submitted 05.18.2023 by Appellant.pdf), and support staff approval of tree removal permit application # 23-0005 submitted by Dorth Raphaely to remove two Coast Redwood trees located at 233 Union Street.

**FISCAL IMPACT:** None.

**Prepared By:**  
Leslie Keedy  
Urban Forester

**Submitted By:**  
Tony Elliot  
Director, Parks and Recreation

**Approved By:**  
Matt Huffaker  
City Manager

**ATTACHMENTS:**

1. RESOLUTION\_COUNCIL UPHOLDS APPROVAL233UNION.DOCX
2. TREE PERMIT APPLICATION 23-0005 WITH ATTACHMENTS.PDF
3. MITIGATION & STAFF INSPECTION CHECK LIST.PDF
4. TENTATIVE TREE PERMIT NOTICE OF ACTION.PDF
5. APPEAL FORM C SUBMITTED BY APPELLANT.PDF
6. RESOLUTION NS-23,710 EXHIBIT A CRITERIA AND STANDARDS FOR TREE REMOVAL PERMIT.PDF
7. SMC 9.56.070 (A)(2).PDF
8. LETTER TO APPELLANT DATED 02.21.2023 RE SCHEDULING OF APPEAL.PDF
9. GENERAL SPECIES INFORMATION FOR COAST REDWOOD (NPS).PDF
10. CORRESPONDENCE FROM 04.24.2023 PRC MEETING PACKET.PDF
11. PARKS AND RECREATION COMMISSION BYLAWS.PDF
12. DOCUMENTS RECEIVED FOR THE COMMISSION ON 04242023.PDF
13. DOCUMENTS RECEIVED FOR THE COMMISSION BY 05082023.PDF
14. MEETING SUMMARY\_PARKS RECREATION COMMISSION\_05.08.2023.PDF
15. PRIVATE ARBORIST REPORT\_DON COX.PDF
16. PRIVATE ARBORIST REPORT\_KURT FOUTS.PDF
17. PRIVATE PROFESSIONAL ENGINEER (PE) REPORT.PDF
18. APPEAL SUBMITTED 05.18.2023 BY APPELLANT.PDF

RESOLUTION NO. NS-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ DENYING THE APPEAL AND UPHOLDING THE PARKS AND RECREATION COMMISSION'S DECISION TO APPROVE AN APPLICATION TO REMOVE TWO COAST REDWOOD TREES LOCATED AT 233 UNION STREET, SANTA CRUZ, CALIFORNIA

WHEREAS, Dorth Raphaely property owner at 233 Union Street, Santa Cruz, has filed an application for a tree removal permit to remove two Coast Redwood trees located at 233 Union Street, Santa Cruz; and

WHEREAS, the application was approved and Elise Casby & Marvin Lewis appealed the staff decision to approve the application and filed an appeal with the staff to the Parks and Recreation Commission; and

WHEREAS, Parks and Recreation Commission upon consideration of the request and written reports on the subject Coast Redwood trees upheld staff's decision, approving the removal of the trees; and

WHEREAS, a letter of appeal from Elise Casby was submitted to the City Clerk following the Parks and Recreation Commission's decision on May 8, 2023, to approve the request for the removal of two Coast Redwood trees; and

WHEREAS, the City Council of the City of Santa Cruz held a public hearing on the matter on June 13, 2023.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz that the Parks and Recreation Commission's decision is upheld and authorization for the removal of two Coast Redwood trees located at 233 Union Street is hereby granted.

PASSED AND ADOPTED this 13<sup>th</sup> day of June, 2023, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Fred Keeley, Mayor

ATTEST: \_\_\_\_\_  
Bonnie Bush, City Clerk Administrator





Parks & Recreation Department  
323 Church St, Santa Cruz CA 95060  
Ph: (831) 420-5270 | Fax: (831) 420-5271

For Office Use Only: Application #TR 23-0005

- Heritage Tree Alteration/Removal – \$50 fee  
(2 or more trees additional \$20/tree)
- Emergency Tree Alteration/Removal
- Dead Tree Verification
- Non-Heritage Street Tree Alteration/Removal
- Street Tree Planting

**TREE PERMIT APPLICATION**  
(This form is not a permit)

Property Owner Name: Dorth Raphaely Date: 1/11/2023

Tree Site Address: 233 Union St Phone: 831-818-4181

Mailing Address: 233 Union St City: Santa Cruz State: Ca Zip: 95060

Email: Danny@davidlyng.com  
DocuSigned by:

Authorized Signature: Dorth Raphaely  Property Owner  Applicant  
63AADD1F834C49F...

State the reason for your request for tree removal/alteration: Other

Other: Trees are causing damage to foundation/house

SPECIES	QTY	REMOVE	PRUNE	DEAD	PLANT	RELOCATE	ADDITIONAL COMMENTS
Redwood	2	Yes					

This section is only to be completed if you are a property agent or tree service representing the above referenced property:

Agent Name: Daniel A. Alvarez Phone: 831-818-4181  
(if other than Property Owner or Applicant)

Agent Signature: [Signature]  
2F227BEA363E466...

Qualified Person or Tree Service Performing Work: Lewis Tree (if getting bids, leave blank)

Address: 1500 Brommer Street, Santa Cruz, CA 95062 Phone: 831-476-1200

City or State Business License # 755357

In order to process a Tree Permit Application, the City Arborist and/or designed City staff must enter onto your property to inspect the tree(s).  
By applying for a Tree Permit, you are consenting to an on-site inspection.

\*\*\*\*\*

**For Office Use only:**

Inspected by: Wedy Position: Urban Forester Date: 1-31-23

Recommendations: Remove property damage

Received by: [Signature] Entered by: [Signature] Fees Paid: \$ 700  
Date: 1/12/23 Date: 1/12/23 Received by: [Signature]



## Catherine Green

---

**From:** Parks and Rec  
**To:** Danny Alvarez  
**Subject:** RE: 233 Union / Tree removal application

**From:** Danny Alvarez <danny@maverickgroupre.com>  
**Sent:** Wednesday, January 11, 2023 4:33 PM  
**To:** Parks and Rec <parksandrec@cityofsantacruz.com>  
**Cc:** Raphaely, Dorth <raphaely@gmail.com>; Sarah Moore <sarahbaemag@gmail.com>  
**Subject:** 233 Union / Tree removal application

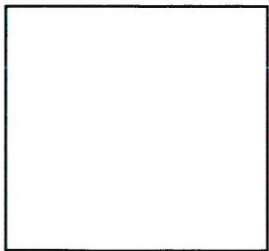
Hi Catherine or to Whom it May Concern,

Please find attached a copy of the application to remove two redwood trees located at 233 Union St., one tree is on the left side of the house towards the front, as you view it from Union St~it is one tree with two trunks splitting above approximately 10'-20' feet above the ground. This tree is against the house and contacting the foundation. The other tree is located at the rear on the right side; it is lifting the ground around the foundation near a door causing water to flow into the house, breaking up walkways and a major root at the foundation. (SEE PHOTOS).

I have provided Dorth's cell phone and had him sign the application. Sara Moore is also an owner, she is CC'd in this email and I am their Real Estate Agent helping them with this as they live out of the area. They are prepared to pay the in lieu fee to have trees planted elsewhere in the City. I have received a bid form Lewis Tree Service to remove both trees. There is damage occurring as we speak and your attention to this matter is appreciated.

Thanks for your time and consideration. Please call me directly (831-818-4181) so that I can meet you at the house when you come by to inspect (I can show you the water damage in the downstairs).

Kind regards,



**DANIEL A. ALVAREZ**

Broker Associate | DRE 01237892

[831.818.4181](tel:831.818.4181)

[danny@maverickgroupre.com](mailto:danny@maverickgroupre.com)

[maverickgroupre.com](http://maverickgroupre.com)

[129 Water St, Santa Cruz, Ca 95060](#)























# Receipt & Agreement



**Receipt #** 152269  
**Payment Date:** 01/12/2023  
**Household:** 19837

DORTH RAPHAELY  
 233 UNION ST  
 SANTA CRUZ CA 95060

Parks & Recreation Administration  
 323 Church St.  
 Santa Cruz CA 95060  
 Phone: (831)420-5270  
 www.cityofsantacruz.com

**OS Service Item Details: Tree Permit Application-Appeal (Tree Permit Application)**

Service Item Type:	<b>Miscellaneous</b>	<u>New Fees</u>	<u>Total Fees</u>	<u>New Paid</u>	<u>Total Paid</u>	<u>Amount Due</u>
Quantity:	<b>1</b>	70.00	70.00	70.00	70.00	0.00
Family Member:	Dorth Raphaely					

Fee Details:	<u>Fee Description</u>	<u>Amount</u>	<u>Count</u>	<u>Discount</u>	<u>Sales Tax</u>	<u>Total Fee</u>
	Permit Fee	50.00	1.00	0.00	0.00	50.00
	Discount Trees (QTY)	20.00	1.00	0.00	0.00	20.00

Special Questions: CRW TrackIt#: TR23-0005  
 Permit Status: In Review

Processed on 01/12/23 @ 10:08 am by cgreen	Total New Fees	70.00		
	Discount Applied	0.00		
	<b>Total Due</b>	<b>70.00</b>		
	Total Fees Paid	70.00		
	<b>Total Paid</b>	<b>70.00</b>		

**Household Balance Information**

Overall Household Credit Balance Available	0.00
Overall Household Balance Due	0.00

Payment of: 70.00 Made By: CREDIT CARD Auth: 92337D Card#: xxxxxxxxxxxx9142 With Reference: TR23-0005 233  
 Union St Tree Permit

# Receipt & Agreement



**Receipt #** 153720  
**Payment Date:** 01/31/2023  
**Household:** 19837

**DORTH RAPHAELY**  
**233 UNION ST**  
**SANTA CRUZ CA 95060**

Parks & Recreation Administration  
 323 Church St.  
 Santa Cruz CA 95060  
 Phone: (831)420-5270  
[www.cityofsantacruz.com](http://www.cityofsantacruz.com)

**POS Service Item Details: Tree In Lieu Fee**

Service Item Type:	<b>Miscellaneous</b>				
Quantity:	<b>1</b>	<u>New Fees</u>	<u>Total Fees</u>	<u>New Paid</u>	<u>Total Paid</u> <u>Amount Due</u>
Family Member:	Dorth Raphaely	300.00	300.00	300.00	300.00 0.00
Fee Details:	Fee Description	<u>Amount</u>	<u>Count</u>	<u>Discount</u>	<u>Sales Tax</u> <u>Total Fee</u>
	Tree Mitigation Fee (Private Property)	150.00	2.00	0.00	0.00 300.00

Processed on 01/31/23 @ 10:13 am by bpowers

Total New Fees				300.00
Discount Applied				0.00
			<b>Total Due</b>	<b>300.00</b>
Total Fees Paid			<b>Total Paid</b>	<b>300.00</b>

**Household Balance Information**

Overall Household Credit Balance Available 0.00  
 Overall Household Balance Due 0.00

Payment of: 300.00 Made By: Check With Reference: 114

Please use this form to facilitate this process. The effective date of the permit shall be determined by the date the bond and/or Santa Cruz Tree Trust Fund contribution is received.

Name: Daniel Alvarez  
Address: 733 Union St.  
City: S.C. State: Ca Zip: 95060  
Telephone: 831-818-4181  
Mailing Address: (If different from above)  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Application number: 23-0005  
Bond Submitted: \_\_\_\_\_  
(Date)

Please check one (1) of the following two options:

- I have enclosed a check made payable to: City of Santa Cruz, 323 Church Street, Santa Cruz, CA 95060 in the amount of \$ \_\_\_\_\_ as a refundable bond. This amount includes \$250.00/per tree removed. I understand it is my responsibility to notify the City Urban Forester at (831)420-5246 to make arrangements for inspection ninety (90) days after planting.
- I have enclosed a check for a monetary contribution to replant trees off-site by contributing to the Santa Cruz Tree Trust Fund made payable to : City of Santa Cruz Tree Trust Fund, 323 Church Street, Santa Cruz, CA 95060 in the amount of \$ 300. This amount includes \$150.00 for each 24" box tree or \$50.00 for each of three - 15 Gallon trees for each tree removed.

\_\_\_\_\_  
(Please Print Full Name)

Daniel Alvarez  
\_\_\_\_\_  
(Agent-Please Print Full Name)

\_\_\_\_\_  
(Signature of Applicant)

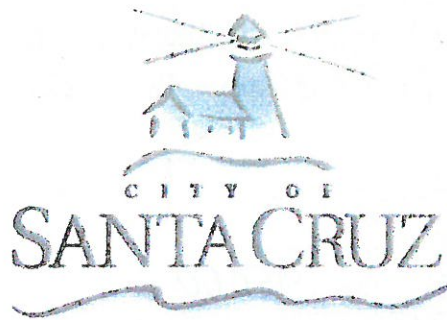
[Signature]  
\_\_\_\_\_  
(Signature of Agent)

**OFFICE USE ONLY:**

Check #: 114

Date Received: 1-31-23

By: [Signature]



## IMPORTANT TREE REPLANTING REQUIREMENT INFORMATION

### PLEASE READ

If your application receives tentative approval, a notice will be conspicuously posted on your property for 10 days for public appeal. If there is no appeal, the tentative permit will be valid provided **conditions of the tree replanting requirements have been met**. The tree replanting requirements are the last step to complete the permit process [Municipal Code 9.56.100, paragraph (a) Replanting Resolution.

**If it is deemed inappropriate to replant on-site.**

You may choose to:

- Place a refundable bond of \$250.00 and replant appropriate tree(s) on private property if approved by the Director of Parks and Recreation; or
- Contribute in cash or check, payable to the City of Santa Cruz Tree Trust Fund, the equivalent value of the tree(s) in the amount of \$150.00.

**On-site replanting is the primary intent for tree replanting.**

You may choose to replant either:

- Three (3) fifteen (15) gallon trees
- or
- One (1) twenty-four inch (24") box size specimen tree for each approved tree removal.

If you choose to replant, Municipal Code 9.56.100 (a) requires you to post a bond, pay cash or submit a check payable to the City of Santa Cruz, 323 Church St., Santa Cruz, CA 95060. No interest will be paid on the bond. No permit shall be issued until the bond has been posted and or a contribution is made to the Santa Cruz Tree Trust Fund.



**HERITAGE  
TREE / SHRUB  
EVALUATION FORM**

FORM B



**City of Santa Cruz  
Parks and Recreation  
Department**  
323 Church Street  
Santa Cruz, California 95060  
831-420-5270

NAME: Raphael INSPECTION DATE: 1-31-23  
 ADDRESS: 133 Union APPLICATION #: 23005  
 TREE/SHRUB SPECIES #1: Redwood HT: 70 DBH: 30 ACS: 30  
 TREE/SHRUB SPECIES #2: HT: 70 DBH: 40 ACS: 30

Tree / shrub DOES  DOES NOT  meet Heritage Tree / Heritage Shrub criteria in accordance with Ordinance adopted by City Council. (See other side.)

FACTOR	VARIATION IN CONDITION	TREE/SHRUB		COMMENTS
		#1	#2	
CROWN / FOLIAGE DEVELOPMENT	Well-balanced / Normal size & color	X	X	
	Lacking natural symmetry			
	Lacking a full crown			
TRUNK CONDITION	Sound and solid	X	X	
	Decay: Minor			
	Moderate Severe			
MAJOR BRANCH STRUCTURE	No defects	X	X	old cuts healed
	Die-back limited			
	Few broken branches			
	Several broken branches			
ADVERSE EFFECT ON:	Utility	X	X	drainage systems, gas line
	Walkway			
	Driveway	X	X	
	Foundation Other			
INSECTS & DISEASES	No insects or diseases apparent	X	X	
	Insects / disease			
	Severe infestation			
ROOTS	No root problems apparent			drainage cracking contact w/ horse
	Minor root problems			
	Severe root problems	X	X	

Staff DOES / NOT recommend removal / alteration in accordance with Ordinance adopted by City Council.  
 STAFF RECOMMENDATIONS:

EVALUATED BY: Ueedy REVIEWED BY: \_\_\_\_\_

REVIEW COMMENTS:  
Remove property damage

Distribution: White: Original to File  
 Yellow: Public Notice  
 Pink: Applicant  
 Gold: For Posting

## Leslie Keedy

---

**From:** Leslie Keedy  
**Sent:** Tuesday, January 31, 2023 10:48 AM  
**To:** Leslie Keedy











Sent from my iPhone



# NOTICE of ACTION

## HERITAGE TREE ALTERATION/REMOVAL/RELOCATION TENTATIVE PERMIT

Posting Date: 2/1/2023

Application #: TR23-0005

Applicant: DORTH RAPHAELY  
233 UNION ST  
SANTA CRUZ, CA 95060

Site Location: 233 UNION ST, SANTA CRUZ, CA 95060-3709

PERMIT APPLICATION for: Remove 2 Redwood sp

Effective Date: 02/13/2023 at 5:00 P.M.

### APPEAL PROCEDURE

Pursuant to Chapter 9.56 of the Santa Cruz Municipal Code pertaining to Heritage Trees, section 9.56.070, titled "Right of Appeal" paragraph (a) items (1) through (11) and paragraph (b) items (1) through (3); and chapter 13.30 of the Municipal Code pertaining to Street Trees, sections 13.30.160, titled "Right of Appeal" through 13.30.200, titled "Hearing on Appeal": Appellant has ten calendar days from the notification date in which to file an appeal. A written appeal using Form C, available at the Parks and Recreation Department must be filed with the Secretary of the Parks and Recreation Commission at 323 Church Street from 8:00 AM to 5:00 PM Monday through Friday. **There is a \$100.00 filing fee.** The appellant shall state the basis for the appeal and shall specifically cite which provision of this ordinance is relied upon to support the appellant's contention that the Director of Parks and Recreation erred in granting or denying the permit. The Secretary will notify appellant as to the next most convenient commission meeting to which the appeal can become a part of the agenda. At such time appellant can verbally state the appeal before the Commission. If the Commission reverses staff's decision, applicant shall be issued a permit after 10 calendar days except where the tenth day occurs on a Saturday, Sunday or holiday, in which case the effective date shall be extended to the next following business day, allowing for an appeal of the Commission's decision.

Any person, public agency or utility aggrieved or affected by any decision or action taken by the Commission may appeal that decision or action to the City Council. All such appeals shall be made pursuant to Chapter 1.16 of the Santa Cruz Municipal Code. A written appeal using form C, available at the Parks and Recreation Department is filed with the City Clerk's office located at 809 Center Street. **An appeal fee of \$100.00 is paid when appellant files the appeal.** The City Clerk's office will notify appellant as to the next most convenient council meeting to which the appeal can become a part of the agenda. At such time, the appellant can verbally state the appeal before the City Council. If the City Council reverses the Commission's decision, applicant will be issued a permit within a short period of time. If the city council concurs with the Commission, the permit will be denied and the matter will be closed.

Authority:

Leslie Keedy  
City Urban Forester/Arborist

# Receipt & Agreement

**Receipt #**                    **154519**  
**Payment Date:**            02/13/2023  
**Household:**                20227



ELISE CASBY  
 PO BOX 671  
 SANTA CRUZ CA 95061

Parks & Recreation Administration  
 323 Church St.  
 Santa Cruz CA 95060  
 Phone: (831)420-5270  
 www.cityofsantacruz.com

**POS Service Item Details: Tree Permit Application-Appeal (Tree Permit Application)**

Service Item Type:	<b>Miscellaneous</b>	<u>New Fees</u>	<u>Total Fees</u>	<u>New Paid</u>	<u>Total Paid</u>	<u>Amount Due</u>
Quantity:	<b>1</b>	100.00	100.00	100.00	100.00	0.00
Family Member:	Elise Casby					
Fee Details:	Fee Description	<u>Amount</u>	<u>Count</u>	<u>Discount</u>	<u>Sales Tax</u>	<u>Total Fee</u>
	Appeals Fee	100.00	1.00	0.00	0.00	100.00
Special Questions:	CRW TrackIt#: TR23-005 Permit Status: In Review					

Processed on 02/13/23 @ 5:02 pm by tjones

Total New Fees				100.00
Discount Applied				0.00
			<b>Total Due</b>	<b>100.00</b>
Total Fees Paid				100.00
			<b>Total Paid</b>	<b>100.00</b>

**Household Balance Information**

Overall Household Credit Balance Available	0.00
Overall Household Balance Due	0.00

Payment of: 100.00 Made By: CREDIT CARD Auth: 099069 Card#: xxxxxxxxxxxx5487 With Reference:






HERITAGE TREE REMOVAL/ALTERATION PERMIT APPLICATION  
 APPEAL FORM C

IN ACCORDANCE WITH ORDINANCE ADOPTED BY CITY COUNCIL  
 and ~~Mark~~ <sup>Marylin</sup> Lewis please mail all relevant mail to this P.O. Box, please  
 → mailing address: P.O. Box 671, Santa Cruz, CA 95060  
 APPELLANT: Elise Casby and ADDRESS: I live at 215 Storey St. Santa Cruz, CA 95060 ZIP: 95060  
 PHONE: 831-266-7407 DATE OF APPEAL: Monday, February 13, 2023 TREE APPLICATION NO: TR 23-0005  
 TREE ADDRESS: 233 Union Street Santa Cruz, CA TREE SPECIES: 2 Redwood sp  
 TREE LOCATION: Please use map below to indicate tree(s) location on property.

PLEASE NOTE: THE APPELLANT SHALL STATE THE BASIS FOR THE APPEAL AND SHALL SPECIFICALLY CITE WHICH PROVISION OF THIS ORDINANCE OR CITY COUNCIL RESOLUTION IS RELIED UPON TO SUPPORT THE APPELLANT'S CONTENTION THAT THE DIRECTOR OF PARKS AND RECREATION ERRED IN GRANTING OR DENYING THE PERMIT. ANY REPORTS WHICH MAY BE SUBMITTED BY THE APPELLANT AND/OR STAFF ARE ADVISORY ONLY AND SHALL NOT BE DEEMED CONCLUSIVE OR BINDING ON THE COMMISSION'S FINDINGS.

<p>REASON FOR APPEAL:  <u>The director/city Urban Forester/Arborist has cited "damage to the building" as the reason for the removal of the two trees, which are mature, redwood heritage trees. I believe that mitigation is possible to prevent further damage to the building and to correct the damage to the building that has already occurred. I have examined the trees (from the public sidewalk) and reviewed the photographs included in the application and reviewed it and I am convinced based on my background and educated opinion that these two heritage redwood trees are extremely valuable to the wildlife, the neighborhood and history of the locale that mitigation is not only feasible but necessary and these two trees should not be removed.</u>  <u>Elise M. Casby</u>        APPELLANT SIGNATURE</p>	<p>LOCATION MAP: Please site and label all structures and heritage tree(s).  <u>There are 2 (two) redwood trees cited on the posting for removal at the location/property at 233 Union Street that I am appealing.</u></p> <p style="text-align: right;">         NORTH</p>
---	--

THERE IS A \$100.00 FILING FEE

FOR OFFICE USE ONLY:

RECEIVED BY: \_\_\_\_\_ DATE: \_\_\_\_\_ FEE: \_\_\_\_\_  
 PARKS & RECREATION COMMISSION MEETING DATE: \_\_\_\_\_  
 COMMISSION DECISION: APPROVED \_\_\_\_\_ DENIED \_\_\_\_\_

## 9.56.070 RIGHT OF APPEAL

- (a) Decision or Action of Director. Any person, public agency or utility aggrieved or affected by any decision or action taken pursuant to the authority of this chapter by the Director may appeal that decision or action to the Commission according to the following rules and regulations:
- (1) A written notice of appeal, together with the appropriate fee as set forth by City Council resolution, must be received by the staff to the Commission not later than ten (10) calendar days following the date of the decision or action from which such appeal is being taken. If the final day for filing an appeal occurs on a weekend day or City holiday, the final filing date shall be extended to the next following business day.
  - (2) The appellant shall state the basis for the appeal and shall specifically cite which provision of this chapter or City Council Resolution pertaining to criteria for application approval, is relied upon to support the appellant's contention that the Director acted in error. Any information or reports which may be submitted by the applicant, appellant or staff are advisory only and shall not be deemed conclusive or binding on the Commission's findings. The appeal must be signed by the appellant or appellant's representative, include appropriate appeal fees as set forth by City Council Resolution and must provide a valid mailing address to which the staff to the Commission may direct notice of a hearing.
  - (3) Upon receipt of the appeal the staff to the Commission shall schedule the matter for a public hearing at the next regularly scheduled business meeting, but not sooner than ten (10) business days after receipt. The Commission shall complete its action within sixty (60) days from the date the matter is first scheduled for public hearing, unless appellant and/or permit applicant mutually agree to extend said sixty (60) day period.
  - (4) Notice of the public hearing shall be sent by first class mail to the permit applicant and appellant at least five (5) calendar days prior to the meeting.
  - (5) Notice of the public hearing shall be conspicuously posted by the Director near the heritage tree(s) in question, at least ten (10) calendar days prior to the meeting.
  - (6) All notices shall include:
    - (A) The time, place and date of the public hearing;
    - (B) A brief description of the matter to be considered including a concise description of the heritage tree in question, its location and scope of work being proposed;
    - (C) A brief description of the general procedure for submission of comments;
    - (D) The date of the filing of the permit application and the name of the applicant.
  - (7) The Commission shall make findings of fact, based on and consistent with the adopted City Council Resolution setting forth the criteria and standards for tree alteration and removal, on which it bases its action. The Commission may conditionally grant the permit specifying tree replanting requirements consistent with Title 24, the Zoning Ordinance, and the adopted City Council Resolution specifying approved tree removal replanting requirements, as well as time of performance, deny the permit, or allow a portion of the proposed work outlined in the permit application to be completed.
  - (8) The Commission shall direct the Director to issue any permit granted by the Commission pursuant to this section, which permit shall be conspicuously posted near the subject(s) of the permit.
  - (9) The decision of the Commission shall be final unless appealed to the City Council pursuant to Chapter 1.16 of the City of Santa Cruz Municipal Code by the permit applicant or any other aggrieved person.
  - (10) Unless appealed, the permit shall take effect ten (10) calendar days after it is issued, except if the tenth day occurs on a weekend day or City holiday, in which case the effective date shall be extended to the next following business day.
  - (11) All work performed on any designated heritage tree pursuant to a permit as provided in this section shall be completed within ninety days from the effective date of the permit, or within such longer period as the Commission may specify.
- (b) Decision or Action of Commission. Any person, public agency or utility aggrieved or affected by any decision or action taken pursuant to the authority of this chapter by the Commission may appeal that decision or action to the City Council. All such appeals shall be made pursuant to Chapter 1.16 of the Santa Cruz Municipal Code.
- (1) Members of the City Council shall be exempt from the appeal fee specified in Chapter 1.16 when acting in their official capacity.
  - (2) The City Council shall determine all questions raised on appeal pursuant to Chapter 1.16, and the decision of the City Council shall be final.
  - (3) Permit applications denied by the City Council on appeal shall not be considered for reapplication for a period of one year from the date of the City Council's decision, unless:
    - (A) There is a significant decline in the health of the subject heritage tree as verified by a Certified Arborist and confirmed by the Director; and
    - (B) Said decline in health has not been caused by the applicant or any person associated with the applicant.

RESOLUTION NO NS-23,710

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ  
RESCINDING RESOLUTION NO. NS-21,433 REGARDING THE ADOPTION  
OF CRITERIA AND STANDARDS FOR THE ALTERATION OR REMOVAL  
OF HERITAGE TREES AND SHRUBS

WHEREAS, Chapter 9.56 of the Santa Cruz Municipal Code titled "Preservation of Heritage Trees and Heritage Shrubs" authorizes the alteration or removal of any heritage tree or heritage shrub only under circumstances to be set forth by City of Santa Cruz City Council resolution; and

WHEREAS, it is the intention of the City Council of the City of Santa Cruz that this resolution, and the criteria and standards hereby adopted, shall be used to determine the only circumstances under which any heritage tree or heritage shrub may be altered or removed.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz that it hereby adopts the criteria and standards set forth in Exhibit A attached hereto and by this reference incorporated herein for the determination of the circumstances under which any heritage tree or heritage shrub may be altered or removed, and that Resolution No. NS-21,433 is hereby rescinded.

PASSED AND ADOPTED this 14th day of April, 1998, by the following vote

AYES: Councilmembers: Beiers, Rotkin, Hernandez, Mathews, Kennedy,  
Mayor Scott.

NOES: Councilmembers: None

ABSENT: Councilmembers: Campbell

DISQUALIFIED: Councilmembers: None.

APPROVED: Colin Scott  
Mayor

ATTEST: Kimma Saldon  
City Clerk

EXHIBIT A

CRITERIA AND STANDARDS

1. A heritage tree or heritage shrub, as defined in Chapter 9.56 of the City of Santa Cruz Municipal Code shall only be altered or removed in the following circumstances.

(a) Alteration of a heritage tree or heritage shrub would only affect less than twenty-five percent (25%) of the crown of said heritage tree or heritage shrub;

(b) Findings by the Director of Parks & Recreation can be established in conformity with the City's Urban Forest and Wildland Interface Policy Statement; or

(c) One or more of the following findings are established by the applicant and confirmed by the Director of Parks and Recreation:

(1) The heritage tree or heritage tree shrub has, or is likely to have, an adverse effect upon the structural integrity of a building, utility, or public or private right of way;

(2) The physical condition or health of the tree or shrub, such as disease or infestation, warrants alteration or removal, or

(3) A construction project design cannot be altered to accommodate existing heritage trees or heritage shrubs.

2. For every heritage tree or heritage shrub altered, damaged or removed, mitigation shall occur in accordance with the City Council resolution establishing mitigation requirements for alterations, damage and removals of heritage trees and shrubs.

3. During the pendency of any appeal arising out of the approval or disapproval of a heritage tree removal/alteration permit application processed pursuant to S.C.M.C. 9.56, the tree, grove of trees or shrub which is the subject of that appeal shall be maintained in the same condition as on the permit application date and shall not be pruned or altered in any fashion whatsoever whether or not the pruning or alteration would otherwise require a permit.

the maintenance and repair work specified by Sections 13.30.060(b) and 15.20.210(c) of this code.

(Ord. 94-60 § 1, 1995; Ord. 94-01 § 2, 1994).

### **9.56.070 RIGHT OF APPEAL.**

(a) Decision or Action of Director. Any person, public agency or utility aggrieved or affected by any decision or action taken pursuant to the authority of this chapter by the director may appeal that decision or action to the commission according to the following rules and regulations:

(1) A written notice of appeal, together with the appropriate fee as set forth by city council resolution, must be received by the secretary of the commission not later than ten calendar days following the date of the decision or action from which such appeal is being taken. If the final day for filing an appeal occurs on a weekend day or holiday, the final filing date shall be extended to the next following business day.

(2) The appellant shall state the basis for the appeal and shall specifically cite which provision of this chapter is relied upon to support the appellant's contention that the director of parks and recreation acted in error. Any reports which may be submitted by the applicant, appellant or staff are advisory only and shall not be deemed conclusive or binding on the commission's findings. The appeal must be signed by the appellant or appellant's representative, and must set forth the mailing address to which the secretary of the commission may direct notice of a hearing.

(3) Upon receipt of the appeal the secretary of the commission shall schedule the matter for a public hearing at the next regularly scheduled business meeting, but not sooner than ten business days after receipt. The commission shall complete its action within thirty days from the date the matter is first scheduled for public hearing, unless appellant and appellee mutually agree to extend said thirty-day period.

(4) Notice of the public hearing shall be sent by first class mail to the permit applicant and appellant at least five calendar days prior to the meeting.

(5) Notice of the public hearing shall be conspicuously posted by the director near the heritage tree(s) or heritage shrub(s) in question, at least ten calendar days prior to the meeting.

(6) All notices shall include:

(A) The time, place and date of the public hearing;

(B) A brief description of the matter to be considered including a concise description of the heritage tree or heritage shrub in question, its location and scope of work being proposed;

(C) A brief description of the general procedure for submission of comments;

(D) The date of the filing of the permit application and the name of the applicant.

(7) The commission shall make findings of fact on which it bases its action. The commission may conditionally grant the permit specifying mitigations, deny the permit or allow a portion of the proposed work outlined in the permit application to be done.

(8) The commission shall direct the director to issue any permit granted by the commission pursuant to this section, which permit shall be conspicuously posted near the subject(s) of the permit, and maintained at the reference desk of the central branch of the Santa



**CITY OF SANTA CRUZ**  
Parks Division  
Leslie Keedy  
Urban Forester  
323 Church Street  
Santa Cruz, California 95060  
Telephone (831) 420-5246 FAX(831)420-5361

Date: 02-21-23

Marvin Lewis & Elise Casby  
PO BOX 671  
Santa Cruz CA 95060

The Director & the P&R Commission Chair are working towards setting a date for the tree appeal meeting with the Commission. Staff will be in contact once that meeting date has been scheduled. You will get notice & an agenda package from the Secretary to the Commission.

Attached is some additional evidence of property damage from the 2 trees for your consideration. I also have attached a copy of the City Council resolution as to when the City grants permits for tree removal. In this case the city is obliged to issue a permit due to property damage & a likelihood of future & ongoing damage as the trees continue to grow to maturity.

Mitigation to save the 2 trees is not feasible as both trees are in contact with the structure & cannot be root pruned per industry standard or without causing significant tree damage or destabilization. The home cannot reasonably be made smaller or moved to accommodate the actively growing 2 trees. The owner has cleared away additional duff & soil to more accurately represent the structural property damage conditions.

Additionally, I had met with the previous owners several years ago & we did discuss trying to prune roots & install a root barrier panel to mitigate the root damage from the tree to the west (see pictures of root panel). At that time the tree to the east had no viable root pruning or barrier options & removal was discussed at that time but the owners never pursued the effort. The bio barrier panel you will see in the attached picture is warranted for 10 years roughly; you will see that efforts to save the tree on the west side of the building were completed & the tree roots have since breached this root mitigation system. It is clear the owner made an effort to save the tree & that root barrier mitigation action did not stop the roots or the tree from continuing to grow into the size that redwoods want to grow to. If you are interested in withdrawing please contact to discuss.

Sincerely,

Leslie Keedy  
City Urban Forester

**Leslie Keedy**

---

**From:** Leslie Keedy  
**Sent:** Tuesday, February 21, 2023 11:55 AM  
**To:** Leslie Keedy



Flooding in  
home from tree  
to east



tree to west  
contact w home, gas & clean out

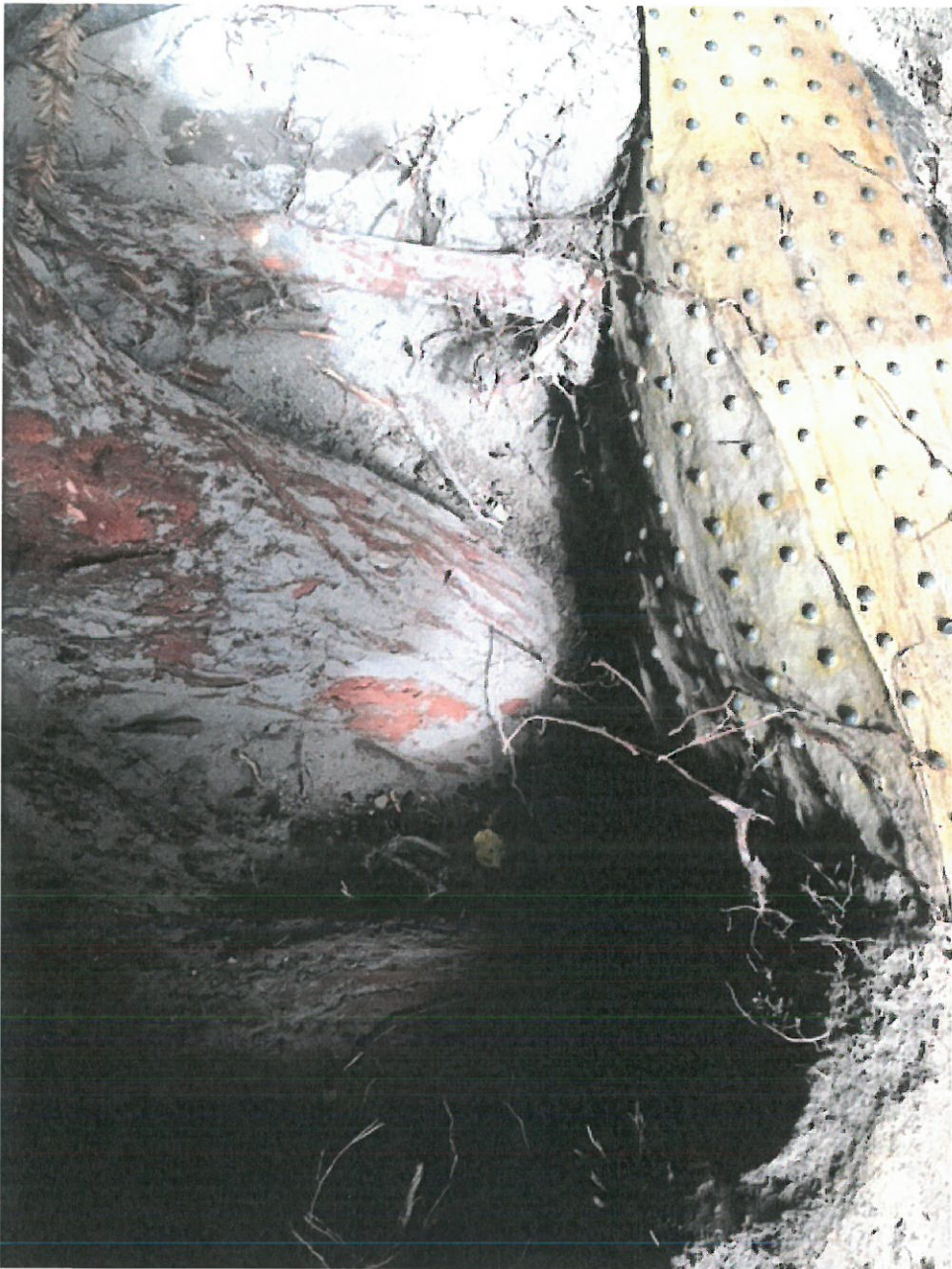




gas  
Line  
pressure/  
contact



previous failed mitigation  
root barrier tree was  
attempted to be saved  
but breached  
root barrier



Sent from my iPhone

EXHIBIT A

CRITERIA AND STANDARDS

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(b) Findings by the Director of Parks & Recreation can be established in conformity with the City's Urban Forest and Wildland Interface Policy Statement; or

(c) One or more of the following findings are established by the applicant and confirmed by the Director of Parks and Recreation:

(1) The heritage tree or heritage tree shrub has, or is likely to have, an adverse effect upon the structural integrity of a building, utility, or public or private right of way;

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(3) A construction project design cannot be altered to accommodate existing heritage trees or heritage shrubs.

2. For every heritage tree or heritage shrub altered, damaged or removed, mitigation shall occur in accordance with the City Council resolution establishing mitigation requirements for alterations, damage and removals of heritage trees and shrubs.

3. During the pendency of any appeal arising out of the approval or disapproval of a heritage tree removal/alteration permit application processed pursuant to S.C.M.C. 9.56, the tree, grove of trees or shrub which is the subject of that appeal shall be maintained in the same condition as on the permit application date and shall not be pruned or altered in any fashion whatsoever whether or not the pruning or alteration would otherwise require a permit.

RESOLUTION NO NS-23,710

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ  
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WHEREAS, it is the intention of the City Council of the City of Santa Cruz that this resolution, and the criteria and standards hereby adopted, shall be used to determine the only circumstances under which any heritage tree or heritage shrub may be altered or removed.

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PASSED AND ADOPTED this 14th day of April, 1998, by the following vote

AYES: Councilmembers: Beiers, Rotkin, Hernandez, Mathews, Kennedy,  
Mayor Scott.

NOES: Councilmembers: None

ABSENT: Councilmembers: Campbell

DISQUALIFIED: Councilmembers: None.

APPROVED: Celia Scott  
Mayor

ATTEST: Kimma Holden  
City Clerk



Coast redwood forest canopy with inset of close up redwood leaves.

*NPS, inset courtesy C. Schelz*

## General Description

In Latin, *semper* means always, and *virens* means green, or flourishing. Two-thousand years ago, some of the oldest living coast redwoods (*Sequoia sempervirens*) were seedlings. This incredible longevity is matched only by the redwood's equally astounding height. Its straight, reddish-brown trunk reaches over 350 feet, making it the tallest tree in the world. At ground level, a mature tree can exceed 20 feet in diameter.

## Re: Have received No Information in Writing Nor by Email

Tremain Hedden-Jones <tjones@santacruzca.gov>

Tue 4/18/2023 13:34

To: Elise Casby <casinberk@yahoo.com>

Cc: Marv Lewis <marvlewis@hotmail.com>; Parks & Recreation Commission <prcommission@santacruzca.gov>; Parks and Rec <parksandrec@santacruzca.gov>; Tony Elliot <telliott@santacruzca.gov>; Leslie Keedy <lkeedy@santacruzca.gov>; Tony Condotti <tcondotti@abc-law.com>

 1 attachments (14 MB)

Tree Appeal (233 Union St) Parks & Recreation Commission Regular Meeting | April 10, 2023 | Council Chambers (809 Center St);

Elise,

Please see the attached email message sent to you at casinberk@yahoo.com dated on 04/05/2023. This email contained the agenda packet of the original public hearing of the tree appeal dated for 04/10/2023. The agenda outlines the tree appeal procedures for the appellant. Additionally, the packet includes the agenda report on the item. As a reminder, you verbally waived the requirement for the department to send you the agenda packet by post when you visited my office on April 6, 2023. Instead, you were "OK" with me sending you the agenda packet via email as you did not always "receive mail" to your post office box. The agenda report remains the same and has not been updated by the urban forester and will be included in the public hearing scheduled for April 24.

On our April 6 meeting, you also requested that I include a written rebuttal from the appellant (you), which I was able to accommodate, provided you send me the material no later than Tuesday, April 18, 2023 by 5:00 pm, so that I could post and include in the final packet that would be submitted to the commission. I was awaiting your rebuttal to include in the packet before posting to the web. To date, I have not received your written rebuttal. Please let me know if you still wish to include your written statement, I'd be happy to include in the packet before it is distributed to the commission. Let me know if you have any other questions or concerns.

Best regards,

**Tremain Hedden-Jones**

Administrative Services Supervisor  
Santa Cruz Parks & Recreation Department  
323 Church Street Santa Cruz, CA 95060  
Office 831.420.5275  
Fax: 831.420.5271

### **Parks & Recreation Mission**

*To provide quality public spaces and experiences that build a healthy community, foster equity, and better the environment.*

---

**From:** Elise Casby <casinberk@yahoo.com>

**Sent:** Tuesday, April 18, 2023 11:29

**To:** Tremain Hedden-Jones <tjones@santacruzca.gov>

**Cc:** Elise Casby <casinberk@yahoo.com>; Marv Lewis <marvlewis@hotmail.com>; Parks & Recreation Commission <prcommission@santacruzca.gov>; Parks and Rec <parksandrec@santacruzca.gov>; Tony Elliot

<telliott@santacruzca.gov>; Leslie Keedy <lkeedy@santacruzca.gov>; Tony Condotti <tcondotti@abc-law.com>

**Subject:** Have received No Information in Writing Nor by Email

Tuesday, April 18, 2023

10:30 am

Dear Mr. Hedden-Jones,

**I have received nothing in writing, that is, in writing by email nor by post mail (USPS) that describes or gives details about any procedures about my appeal and hearing, at all.**

Nothing was sent to me that I have received from you about the packet that I intend and want to submit materials for to be included in, and that you have told me, in person about- this you have referred to verbally with me as, "the packet" as you have said things to me during my personal visits to your office.

You told me during one of these personal visits to the Parks and Recreation office in downtown Santa Cruz that you had put some information about the hearing and the proceedings in a reply to one of my emails to you.

There is no such thing that I have received from you to this email address, no replies in writing from you, about the proceedings, what to expect, what to do, nor how to prepare materials for my appeal.

In short, I have received nothing from you, nor Ms. Leslie Keedy, nor anyone to help me in this process.

I have received correspondence from Ms. Keedy to my post office box in which she urges me to withdraw my appeal, weeks ago.

I also received calls from the realtor.

I received several calls from the realtor.

It is late in the process and the materials are due today, if my rebuttal is to be included in, "the packet".

Today is Tuesday, April 18, 2023, and the hearing is in less than one week away.

According to Mr. Condotti, the hearing and special meeting of the Parks and Recreation Commission will happen on April 24, 2023.

I will be making my appeal to the commission at that special meeting on the 24th of April, with Mr. Lewis.

I need information in writing, at least by email about the procedure for the hearing and what I should expect, please, Mr. Hedden-Jones.

I have only received correspondence in the mail from Ms. Keedy.

She sent me a set of photographs of the heritage trees and the house and property at 233 Union Street and notes from Leslie about the trees and the house on 233 Union Street, which restated her position.

She had already explained her position to me, when she showed me the trees up close and other aspects of the property, when she took me onto the property with Mr. Marv Lewis, my co-appellant on Monday, February 13, 2023 when she was attempting to dissuade me from filing the appeal.

She took me onto the property that afternoon, I was with her with Mr. Lewis and we went up to the trees, I went into the furnace room, saw everything that she wanted to show us, and then we went back to the Parks and Recreation office and Mr. Lewis and I filed our appeal.

In her report, Ms. Keedy refers to me, having only seen the property and the trees from, "the sidewalk".



If I am understanding her note and meaning here, it is simply not true, as she herself took me onto the property on the 13th of February, and showed me the trees and the house and explained what she perceived to be damage to the house, and her position, in full.

She took me to several places on the property and Mr. Lewis was also there with Ms. Keedy and myself.

This, "packet", or correspondence" which came to my PO Box from Leslie which I did receive in the (USPS) mail was also a persuasive set of materials in which she urged me to change my mind, and rescind my appeal. I received that weeks ago and have that set of papers, that correspondence in my possession.

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I have thoroughly checked all my emails from you and I have actually received no information from you about these deadlines, what needs to be included, etc.

When I was in your office, although you verbally told me about some codes I could look up myself, I received nothing helpful in writing, that gives me any information nor referents about what to expect, what to do to abide by any procedures, nor to how to address the Parks and Commission and/or anyone else, such as Leslie Keedy, the city's arborist and urban forester or the Parks and Recreation Commissioners at the hearing or to be included in this packet today.

I am going to submit a brief statement to you in a few minutes that I want to be included in the packet.

Please include this statement in the packet today as we discussed in conversations previously.

Please email to me any helpful information that you have about the hearing and procedures.

Thank you very much and I hope you have a good day.

Sincerely,

Elise Casby

**RE: Have received No Information in Writing Nor by Email**

Leslie Keedy &lt;lkeedy@santacruzca.gov&gt;

Tue 4/18/2023 12:49

To: 'Elise Casby' &lt;casinberk@yahoo.com&gt;; Tremain Hedden-Jones &lt;tjones@santacruzca.gov&gt;

Cc: Marv Lewis &lt;marvlewis@hotmail.com&gt;; Parks &amp; Recreation Commission &lt;prcommission@santacruzca.gov&gt;; Parks and Rec &lt;parksandrec@santacruzca.gov&gt;; Tony Elliot &lt;telliott@santacruzca.gov&gt;; Tony Condotti &lt;tcondotti@abc-law.com&gt;; Travis Beck &lt;tbeck@santacruzca.gov&gt;

 2 attachments (2 MB)

SParks Bizh23041810590.pdf; SParks Bizh23041810560.pdf;

In red below you state that a statement from the city staff report is untrue, the paragraph from the staff report (attached) where I stated this about "the sidewalk" is the paragraph where I quote you directly from your completed hand written appeal form, I quote your written appeal form verbatim (attached). – where you stated that you examined the trees (from the public sidewalk). This sentence is an exact quote from your handwritten appeal form, not anything I created... trust me I know you saw the trees up close from the property on 2-13, I came back into work from my personal time off of work to meet with you & Mr. Lewis to personally show you the trees on the subject property & discuss the city position as to why we grant permits - per stated criteria on the city council resolution as to when staff is to authorize tree removal for applicants, I know that you saw the two trees -not from the public sidewalk but from the property despite what you wrote on the appeal form after I showed you the trees up close that evening.

Tre will be sending you other information to clarify other assertions from your email dated 4-18, 2023.

**From:** Elise Casby <casinberk@yahoo.com>**Sent:** Tuesday, April 18, 2023 11:30 AM**To:** Tremain Hedden-Jones <tjones@santacruzca.gov>**Cc:** Elise Casby <casinberk@yahoo.com>; Marv Lewis <marvlewis@hotmail.com>; Parks & Recreation Commission <prcommission@santacruzca.gov>; Parks and Rec <parksandrec@santacruzca.gov>; Tony Elliot <telliott@santacruzca.gov>; Leslie Keedy <lkeedy@santacruzca.gov>; Tony Condotti <tcondotti@abc-law.com>**Subject:** Have received No Information in Writing Nor by Email

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I will be making my appeal to the commission at that special meeting on the 24th of April, with Mr. Lewis.

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I have only received correspondence in the mail from Ms. Keedy.

She sent me a set of photographs of the heritage trees and the house and property at 233 Union Street and notes from Leslie about the trees and the house on 233 Union Street, which restated her position.

She had already explained her position to me, when she showed me the trees up close and other aspects of the property, when she took me onto the property with Mr. Marv Lewis, my co-appellant on Monday, February 13, 2023 when she was attempting to dissuade me from filing the appeal.

She took me onto the property that afternoon, I was with her with Mr. Lewis and we went up to the trees, I went into the furnace room, saw everything that she wanted to show us, and then we went back to the Parks and Recreation office and Mr. Lewis and I filed our appeal.

In her report, Ms. Keedy refers to me, having only seen the property and the trees from, "the sidewalk".

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She took me to several places on the property and Mr. Lewis was also there with Ms. Keedy and myself.

This, "packet", or correspondence" which came to my PO Box from Leslie which I did receive in the (USPS) mail was also a persuasive set of materials in which she urged me to change my mind, and rescind my appeal. I received that weeks ago and have that set of papers, that correspondence in my possession.

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I have thoroughly checked all my emails from you and I have actually received no information from you about these deadlines, what needs to be included, etc.

When I was in your office, although you verbally told me about some codes I could look up myself, I received nothing helpful in writing, that gives me any information nor referents about what to expect, what to do to abide by any procedures, nor to how to address the Parks and Commission and/or anyone else, such as Leslie Keedy, the city's arborist and urban forester or the Parks and Recreation Commissioners at the hearing or to be included in this packet today.

I am going to submit a brief statement to you in a few minutes that I want to be included in the packet.

Please include this statement in the packet today as we discussed in conversations previously.

Please email to me any helpful information that you have about the hearing and procedures.

Thank you very much and I hope you have a good day.

Sincerely,

Elise Casby

## Re: Postponement of Commission Meeting Due to City's failure

Elise Casby <casinberk@yahoo.com>

Tue 4/18/2023 12:42

To: Tony Condotti <tcondotti@abc-law.com>

Cc: Elise Casby <casinberk@yahoo.com>; Parks & Recreation Commission <prcommission@santacruzca.gov>; Marv Lewis <marvlewis@hotmail.com>; Tremain Hedden-Jones <tjones@santacruzca.gov>; Parks and Rec <parksandrec@santacruzca.gov>; Tony Elliot <telliott@santacruzca.gov>; Leslie Keedy <lkeedy@santacruzca.gov>

Tuesday, April 18, 2023

12:24 pm

Dear Mr. Condotti,

In your reply to me, and my email of Thursday, April 13th, 2023, in which I made a request that my appeal hearing be heard (on June 12th) at a regularly scheduled meeting of the parks and recreation commission, you referred to the laws pertaining to my appeal, and you gave me your opinion, interpretation and the city's decision to my request.

My request was denied and I understand that clearly.

I do want to be very clear and ask you another question and I also want to ask this of the Parks and Recreation Commissioners, and I would like to receive replies from everyone that I am asking this question to, and the question is made toward the end of this email.

Mr. Condotti, you omitted from your explanation and your interpretation, in your email reply to me, and my email, to cite or admit in any way that it was the city's failure to abide by the laws requiring timely posting of notices before these hearings, that resulted in the need for the city to postpone the hearing date and the regularly scheduled meeting of April 10th, 2023.

It was the failure of the City of Santa Cruz, and the Parks and Recreation Department to abide by these laws that regulate the posting of notices about the forthcoming hearings, and that should have been posted on the property and that would thereby have given notice to the public as required by law, about the hearing date of the appeal that resulted in the need, the necessity of the postponement of the original hearing date which was scheduled for Monday, April 10, 2023.

Mr. Tremain Hedden-Jones had admitted to these failures in conversations to me and to my co-appellant, Marv Lewis.

On Thursday, April 6, Tremain Hedden-Jones called me while I stood in front of the property at 233 Union St. and took pictures to document the fact that no notices had been posted at that time, to the public as required by our laws, and it was then that

Mr. Tremain Hedden-Jones informed me in that conversation that he was going to need to reschedule the commission meeting of April 10th, 2023, and that he would indeed, "post the notices" himself that day and that he offered me two dates for the rescheduling of that regularly scheduled commission meeting.

The dates Mr. Hedden-Jones offered me were, April 17th and April 24th, and he told me that many of the commissioners, "also preferred the date of the 24th" when I said that I might prefer the 24th.

It was also then that he offered me two dates in order to reschedule the hearing because, "the notices had not been posted" in time for the hearing of my appeal on April 10th.

The city's failure to abide by the requisite laws were admitted to plainly in several conversations by Tremain, and that was plain.

It was quite plain and obvious to everyone involved, including the commissioners, (I believe, based on Tremain's admissions), that it was the city's failure and, the city's need to make up for that failure and give the public the proper notice that the, "special meeting" was scheduled (away from public view), and offered to me over the phone in a conversation with Tremain on Thursday, April 6th.

It was Mr. Marvin Lewis that met with Tremain that same week, and informed Mr. Hedden-Jones that the regularly scheduled commission meeting, which was supposed to have taken place on April 10th would not be legally viable, since the notices to the public that are required by law had not been posted.

In light of these facts, well documented, and supported by our laws, I would like to ask you and the Parks and Recreation Commissioners a question.

My question is, are you going to go forward and reschedule my appeal to be heard at a special meeting, to take place on the 24th of April, 2023, instead of a regularly scheduled Parks and Recreation Commission meeting, when it is due to the city's negligence to abide by the laws, and when it is the city that failed to take the actions necessary as the law prescribes, to give notice to the public, within in a requisite number of days before the hearing and the regularly scheduled meeting of April 10th, 2023 that caused the postponement and rescheduling of the regularly scheduled commission meeting and the hearing of my appeal at a special meeting?

You invited me to ask you any questions that I might have about your decision to refuse my request to reschedule with all other parties involved, as I understand we all would need to agree on a meeting date for the appeal to be heard.

I hope you will answer this question that I have about your omission to cite and admit the city's failure in the postponement of this regularly scheduled meeting and my hearing, and I would appreciate it if you would please send me your reply as soon as you are able to.

I want to be very sure that I am understanding you clearly and in accordance with the laws as they are specified.

Thank you very much for your time and attention to this legal question, Mr. Condotti.

I will be at work for the most of the rest of this afternoon and will not be able to read any emails from you until later tonight, after about 7 pm.

Sincerely,

Elise Casby

## Have received No Information in Writing Nor by Email

Elise Casby <casinberk@yahoo.com>

Tue 4/18/2023 11:29

To: Tremain Hedden-Jones <tjones@santacruzca.gov>

Cc: Elise Casby <casinberk@yahoo.com>; Marv Lewis <marvlewis@hotmail.com>; Parks & Recreation Commission <prcommission@santacruzca.gov>; Parks and Rec <parksandrec@santacruzca.gov>; Tony Elliot <telliott@santacruzca.gov>; Leslie Keedy <lkeedy@santacruzca.gov>; Tony Condotti <tcondotti@abc-law.com>

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I am going to submit a brief statement to you in a few minutes that I want to be included in the packet.

Please include this statement in the packet today as we discussed in conversations previously.

Please email to me any helpful information that you have about the hearing and procedures.

Thank you very much and I hope you have a good day.

Sincerely,

Elise Casby



## from Elise Received Your Decision and Reply

Elise Casby <casinberk@yahoo.com>

Mon 4/17/2023 23:57

To: Tony Condotti <tcondotti@abc-law.com>

Cc: Elise Casby <casinberk@yahoo.com>; Parks & Recreation Commission <prcommission@santacruzca.gov>; Tremain Hedden-Jones <tjones@santacruzca.gov>; Parks and Rec <parksandrec@santacruzca.gov>; Tony Elliot <telliott@santacruzca.gov>; Marv Lewis <marvlewis@hotmail.com>

Monday, April 17, 2023

11:55 pm

Dear Mr. Condotti,

Thank you for your reply to my request.

I understand that you, as the City Attorney of Santa Cruz, and therefore, the City of Santa Cruz has denied my request.

Mr. Hedden-Jones has told me that I must submit any materials to him by 5 pm tomorrow night, Tuesday, April 18, 2023 if I want my rebuttal to the city's position about the trees at 233 Union Street to be included in the packet.

I hope to send some statements to him in time to be included in the packet.

I do have some statements that I would like to include in the packet, and will plan to send them to Mr. Hedden-Jones by tomorrow at 5 pm.

I opened your reply to my request and the city's position and read it in my email inbox tonight, although you sent it yesterday.

Thank you kindly for that timely response, Mr. Condotti.

I understand what you have written and I have a high regard for your professional expertise and your position as the City Attorney for the City of Santa Cruz.

Nevertheless, I have questions about your interpretation of the laws you quoted to me, in that email reply.

I must respect your decision as you have the power in this situation to deny my request and the City of Santa Cruz has denied my request for the hearing to take place for the first time at a regularly scheduled hearing of the Parks and Recreation Commission, on June 12, 2023.

We did not have any hearing on April 10, 2023.

There was no regularly scheduled meeting of the Parks and Recreation Commission that took place on that date of Monday, April 10, 2023.

We could not have that appeal heard (we could not have the hearing), because the notices that must be posted according to the pertinent laws by the city of Santa Cruz for the public were not posted on the property at 233 Union Street, ten days in advance of that hearing date, the regularly scheduled meeting of Monday, April 10, 2023.

I have questions about the nature of the decisions wherein that regular meeting was postponed and rescheduled and whether or not these proceedings which took place outside of a regular meeting, were in fact, in accordance with the pertinent laws.

I beg your pardon for my different and unprofessional opinion, Mr. Condotti.

At this time, I must consult with some other people who have expertise that I do not.

Thank you very much for your offer to answer any questions that I have, I sincerely appreciate that offer from you.

I will be doing my best to consult with another professional as soon as I am able to, and I would like to contact you after I have done that.

Therefore, although I must accept your decision at this time, I am not sure what course of action I will take.

However, I do want to submit materials and/or statements to be included to the packet that gets sent to the Parks and Recreation Commissioners by tomorrow evening at 5 pm.

Mr. Hedden-Jones has told me that I must submit any materials to him by 5 pm tomorrow night, Tuesday, April 18, 2023 if I want my rebuttal to the city's position about the trees at 233 Union Street to be included in the packet.

I do have some statements that I would like to include in the packet, and will plan to send them to Mr. Hedden-Jones by tomorrow at 5 pm.

Thank you, sincerely,

Elise Casby

## RE: Please Schedule Appeal for Next Regular Meeting of the Parks and Recreation Commission on June 12, 2023

Anthony Condotti <tcondotti@abc-law.com>

Sun 4/16/2023 12:59

To: Elise Casby <casinberk@yahoo.com>; Parks and Rec <parksandrec@santacruzca.gov>

Cc: Parks & Recreation Commission <prcommission@santacruzca.gov>; Tony Elliot <telliott@santacruzca.gov>

Dear Ms. Casby,

Thank you for your message. Unfortunately, the City will not be able to grant your request.

SCMC Section 9.56.070 subsection(3) controls the scheduling of heritage tree appeals. The first sentence of that provision states "Upon receipt of the appeal the secretary of the commission shall schedule the matter for a public hearing at the next regularly scheduled business meeting, but not sooner than ten business days after receipt." I understand that by scheduling this hearing for the Commission's April 10, 2023 meeting the Parks & Rec. Department timely complied with this scheduling obligation. The next, and last, sentence of this subsection states, "The commission *shall complete its action within thirty days from the date the matter is first scheduled for public hearing* [in this case no later than May 10, 2023], unless appellant and appellee mutually agree to extend said thirty-day period".

In summary this controlling subsection expressly contemplates that although a heritage tree appeal hearing may be scheduled for a regular Commission meeting, it might not be heard or completed at that meeting; if so it must be heard or completed within thirty days of that regular meeting. Since the Commission only conducts regular meetings on a bi-monthly basis, by definition it is required to complete the public hearing on the appeal at a special meeting if it does not do so at the regular meeting for which it was originally scheduled. This thirty day deadline for completing the hearing can only be waived if both the appellant and appellee mutually agree to a different date. An appellant does not have the right to unilaterally demand a date beyond the thirty day deadline for hearing the appeal once that appeal has been properly scheduled. And the Parks & Recreation Department is not authorized to schedule the appeal hearing for a later date absent the appellee's agreement.

I trust this is responsive to your inquiry. Please feel free to contact me if you have further questions or comments.

Best regards,

*Tony*

**Tony Condotti**

City Attorney

City of Santa Cruz

(831) 420-6200

[tcondotti@abc-law.com](mailto:tcondotti@abc-law.com)



**From:** Elise Casby <casinberk@yahoo.com>  
**Sent:** Thursday, April 13, 2023 3:17 PM  
**To:** City of Santa Cruz - Parks & Recreation <parksandrec@santacruzca.gov>  
**Cc:** Anthony Condotti <tcondotti@abc-law.com>; prcommission@santacruzca.gov  
**Subject:** Fw: Please Schedule Appeal for Next Regular Meeting of the Parks and Recreation Commission on June 12, 2023

Thursday, April 13, 2023

3:05 pm

Dear Mr. Elliot, and Mr. Condotti,

I am forwarding an email that I sent today to Tremain Hedden-Jones.

Please support my request to have the appeal that I am making with my co-appellant, Marv Lewis to be heard at a regularly scheduled meeting of the Parks and Recreation Commission.

The next regularly scheduled meeting of the Parks and Recreation Commission would be Monday, June 12, 2023.

Although I initially agreed, verbally, during a phone call with Tremain Hedden-Jones, to schedule our appeal on the date of April 24th, it is not a regularly scheduled meeting of the commission, and I was pressured into accepting the rescheduling of the meeting on April 24th.

During that phone call, on April 6, 2023, Tremain told me many times that it would be a "regular meeting" for certain reasons, even though he had to refer to it as a, "special meeting" for legal reasons, "only". This phone call conversation happened after I sent Tremain an email, on Thursday, April 6th informing him that I did not want to go ahead with the April 24th date as the date of the rescheduled April 10th meeting, and that I did want to schedule our hearing for the next, "regularly scheduled" meeting of the commission.

The reason that the meeting was rescheduled in the first place was that the city failed to post, in time, that is ten days before the hearing of the appeal would have taken place on Monday, April 10th.

Since it was the city's failure to post the proper notice in time, before the regularly scheduled meeting of April 10th, at the property of 233 Union Street where the city urban forester/arborist is seeking the removal of the two heritage redwood trees, I am asking that the hearing be rescheduled as the Heritage Tree Ordinance specifies, for our appeal to be heard at the next regularly scheduled meeting of the Santa Cruz Parks and Recreation Commission meeting, which would be held on Monday, June 12, 2023.

It was due to the failure of the Parks and Recreation Department to properly post the notices informing the public about the hearing that would have taken place on Monday, April 10, 2023, that our hearing needed to be rescheduled.

Mr. Marv Lewis, my co-appellant in this matter had met in person with Mr. Heddon-Jones previous to my phone calls on Thursday, April 6th. During that in person meeting, Mr. Marv Lewis informed Tremain of the failure of the City of Santa Cruz to post these notices in time, that is ten days before, the regularly scheduled meeting of Monday, April 10, 2023, and that is the reason that the hearing of our appeal had to be rescheduled.

During this second phone call with Tremain, on April 6th, after I sent him an email clearly stating that I wanted the appeal to be heard at a regularly scheduled meeting of the Parks and Recreation Commission,

he persuaded me that the meeting on April 24, 2023, would be "regular", but I felt pressured to accept this date Tremain wanted and persuaded me to accept.

My co-appellant want our appeal to be heard, as is our legal right at a regularly scheduled meeting of the Parks and Recreation Commission.

Monday, the 12th of June would be the next regularly scheduled meeting of the commission, and I hope to hear that our appeal will be heard at that meeting.

Please respond to this email, and the forwarded email to Tremain as soon as you are able to Mr. Elliot.

I am also going to send these emails to Mr. Condotti.

Thank you, sincerely,

Elise Casby

----- Forwarded Message -----

**From:** Elise Casby <[casinberk@yahoo.com](mailto:casinberk@yahoo.com)>

**To:** Tremain Hedden-Jones <[tjones@santacruzca.gov](mailto:tjones@santacruzca.gov)>

**Cc:** Elise Casby <[casinberk@yahoo.com](mailto:casinberk@yahoo.com)>; Marv Lewis <[marvlewis@hotmail.com](mailto:marvlewis@hotmail.com)>; Parks & Recreation Commission <[prcommission@santacruzca.gov](mailto:prcommission@santacruzca.gov)>

**Sent:** Thursday, April 13, 2023 at 01:21:44 PM PDT

**Subject:** Please Schedule Appeal for Next Regular Meeting of the Parks and Recreation Commission on June 12, 2023

from: Elise Casby and Marv Lewis  
PO Box 671  
Santa Cruz, CA 95061

email: "Elise Casby" <[casinberk@yahoo.com](mailto:casinberk@yahoo.com)>

email: "Marv Lewis" <[marvlewis@hotmail.com](mailto:marvlewis@hotmail.com)>

Dear Tremain Hedden-Jones, and Parks and Recreation Commissioners,

I am writing to confirm with you, again, that my appeal of the tree removal permit that the city is requesting be heard at the next regularly scheduled meeting of the Parks and Recreation Commission Meeting, which would be on Monday, June 12, 2023.

I did not agree to have the appeal heard at a, "Special Meeting", of the Parks and Recreation Commission, and that is what the commission meeting on the 24th of April would be.

You spoke to me on the phone on Thursday, April 6, Tremain.

It was during that telephone conversation that you and I had on April 6, 2023, that you told me that the 24th of April Parks and Recreation meeting, If I were to agree to it, would be a "regular" meeting, however, it is not a "regular" meeting of the commission.

Monday, June 12, 2023 will be a regularly scheduled meeting of the Santa Cruz Parks and Recreation Commission and that is when we appellants, Marv Lewis and I want our appeal to be heard.

Both myself and Marv Lewis, as the appellants in the matter of the heritage tree removal that the Urban Forester/Arborist is seeking a permit for, on the property designated as 233 Union Street understand that as specified in the city code and laws about appeals in this matter of removal of heritage trees, are aware and understand, that we are entitled to have our appeal heard at a regularly scheduled meeting of the Parks and Recreation Commission according to the pertinent laws.

We do not want our appeal heard at a special meeting, that you directed me toward on April 24, 2023.

Furthermore, I sincerely request that you share this email and my other email which I sent to you, Mr. Hedden-Jones and which I copied to the Parks and Recreation Commissioners on Thursday, April 6, 2023, stating my explicit desire and request to not have this appeal heard on April 24, 2023, and to have my appeal with my co-appellant, Marv Lewis heard at the next regularly scheduled meeting of the Parks and Recreation Commission.

The next regularly scheduled meeting of the Santa Cruz Parks and Recreation Commission will be on Monday, June 12, 2023, and that is when Marv Lewis and I want our appeal to be heard by the Commission.

Thank you very much, Mr. Hedden-Jones, and I am also requesting that you make all replies to me by email, and not be telephone conversations, please.

Sincerely,

Elise Casby

## Regularly Scheduled Meeting : 233 Union

Marv Lewis <marvlewis@hotmail.com>

Thu 4/13/2023 16:59

To: Tremain Hedden-Jones <tjones@santacruzca.gov>; Parks & Recreation Commission <prcommission@santacruzca.gov>

Cc: elise casby <casinberk@yahoo.com>; Parks and Rec <parksandrec@santacruzca.gov>

Dear Tremain Hedden-Jones, and  
Parks and Recreation Commissioners:

The Heritage Tree ordinance explicitly states that appeals will be heard at the next "regularly scheduled meeting" of the Park and Recreation Commission upon ten day public notice given in regard to the hearing of an appeal.

Due to the Commission lapse in posting signs notifying the public with a ten day notice to a regularly scheduled meeting for the date of April 10th the appeal to be heard in regard to 233 Union Street was unilaterally rescheduled for April 24th which is not a regularly scheduled meeting.

Given that the public relies upon the language of ordinances to both inform process as well calendars informing opportunities for participation then there raises the prospect of less than due process in this case.

Please schedule the appeal for 233 Union to be heard at the next regularly scheduled public meeting upon adequate posted notice given as informed by the ordinance to be June 12, 2023.

Thank you for your consideration in this matter.

Respectfully yours,  
Marv Lewis

## RE: Please Schedule Appeal for Next Regular Meeting of the Parks and Recreation Commission on June 12, 2023

Tremain Hedden-Jones <tjones@santacruzca.gov>

Thu 4/13/2023 16:25

To: 'Elise Casby' <casinberk@yahoo.com>

Cc: Marv Lewis <marvlewis@hotmail.com>; Parks & Recreation Commission <prcommission@santacruzca.gov>; Tony Elliot <telliott@santacruzca.gov>

Elise,

This message is to confirm receipt of your request to re-schedule an item to be heard by the parks and recreation commission (tree appeal - 233 Union St) to the next regular commission meeting scheduled for Monday, June 12, 2023. At issue is the timing of the hearing, which was originally published and scheduled for April 10, 2023.

[9.56.070\(a\)\(3\)](#) states that the "commission shall complete its action within thirty days from the date the matter is first scheduled for public hearing, unless appellant and appellee mutually agree to extend said thirty-day period." That would put the public hearing and commission action within a deadline of May 10, 2023. While I acknowledge that the public hearing was not noticed on site of the location of the trees in question (233 Union St), the meeting agenda was properly published and noticed. I have forwarded your request to the city attorney and city clerk for review and consideration, and I am awaiting their response.

I appreciate your diligence in the matter, and I hope to have a response to your request within a timely manner. If you have any questions, feel free to reply. Thanks.

Best regards,

**Tremain Hedden-Jones**

Administrative Services Supervisor  
Santa Cruz Parks & Recreation Department  
323 Church Street Santa Cruz, CA 95060  
Office 831.420.5275  
Fax: 831.420.5271

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**From:** Elise Casby <casinberk@yahoo.com>

**Sent:** Thursday, April 13, 2023 1:22 PM

**To:** Tremain Hedden-Jones <tjones@santacruzca.gov>

**Cc:** Elise Casby <casinberk@yahoo.com>; Marv Lewis <marvlewis@hotmail.com>; Parks & Recreation Commission <prcommission@santacruzca.gov>

**Subject:** Please Schedule Appeal for Next Regular Meeting of the Parks and Recreation Commission on June 12, 2023

from: Elise Casby and Marv Lewis  
PO Box 671  
Santa Cruz, CA 95061

email: "Elise Casby" <[casinberk@yahoo.com](mailto:casinberk@yahoo.com)>

email: "Marv Lewis" <[marvlewis@hotmail.com](mailto:marvlewis@hotmail.com)>



Dear Tremain Hedden-Jones, and Parks and Recreation Commissioners,

I am writing to confirm with you, again, that my appeal of the tree removal permit that the city is requesting be heard at the next regularly scheduled meeting of the Parks and Recreation Commission Meeting, which would be on Monday, June 12, 2023.

I did not agree to have the appeal heard at a, "Special Meeting", of the Parks and Recreation Commission, and that is what the commission meeting on the 24th of April would be.

You spoke to me on the phone on Thursday, April 6, Tremain.

It was during that telephone conversation that you and I had on April 6, 2023, that you told me that the 24th of April Parks and Recreation meeting, If I were to agree to it, would be a "regular" meeting, however, it is not a "regular" meeting of the commission.

Monday, June 12, 2023 will be a regularly scheduled meeting of the Santa Cruz Parks and Recreation Commission and that is when we appellants, Marv Lewis and I want our appeal to be heard.

Both myself and Marv Lewis, as the appellants in the matter of the heritage tree removal that the Urban Forester/Arborist is seeking a permit for, on the property designated as 233 Union Street understand that as specified in the city code and laws about appeals in this matter of removal of heritage trees, are aware and understand, that we are entitled to have our appeal heard at a regularly scheduled meeting of the Parks and Recreation Commission according to the pertinent laws.

We do not want our appeal heard at a special meeting, that you directed me toward on April 24, 2023.

Furthermore, I sincerely request that you share this email and my other email which I sent to you, Mr. Hedden-Jones and which I copied to the Parks and Recreation Commissioners on Thursday, April 6, 2023, stating my explicit desire and request to not have this appeal heard on April 24, 2023, and to have my appeal with my co-appellant, Marv Lewis heard at the next regularly scheduled meeting of the Parks and Recreation Commission.

The next regularly scheduled meeting of the Santa Cruz Parks and Recreation Commission will be on Monday, June 12, 2023, and that is when Marv Lewis and I want our appeal to be heard by the Commission.

Thank you very much, Mr. Hedden-Jones, and I am also requesting that you make all replies to me by email, and not be telephone conversations, please.

Sincerely,

Elise Casby

## Fw: Please Schedule Appeal for Next Regular Meeting of the Parks and Recreation Commission on June 12, 2023

Elise Casby <casinberk@yahoo.com>

Thu 4/13/2023 15:17

To: Parks and Rec <parksandrec@santacruzca.gov>

Cc: Tony Condotti <tcondotti@abc-law.com>; Parks & Recreation Commission <prcommission@santacruzca.gov>

Thursday, April 13, 2023

3:05 pm

Dear Mr. Elliot, and Mr. Condotti,

I am forwarding an email that I sent today to Tremain Hedden-Jones.

Please support my request to have the appeal that I am making with my co-appellant, Marv Lewis to be heard at a regularly scheduled meeting of the Parks and Recreation Commission.

The next regularly scheduled meeting of the Parks and Recreation Commission would be Monday, June 12, 2023.

Although I initially agreed, verbally, during a phone call with Tremain Hedden-Jones, to schedule our appeal on the date of April 24th, it is not a regularly scheduled meeting of the commission, and I was pressured into accepting the rescheduling of the meeting on April 24th.

During that phone call, on April 6, 2023, Tremain told me many times that it would be a "regular meeting" for certain reasons, even though he had to refer to it as a, "special meeting" for legal reasons, "only". This phone call conversation happened after I sent Tremain an email, on Thursday, April 6th informing him that I did not want to go ahead with the April 24th date as the date of the rescheduled April 10th meeting, and that I did want to schedule our hearing for the next, "regularly scheduled" meeting of the commission.

The reason that the meeting was rescheduled in the first place was that the city failed to post, in time, that is ten days before the hearing of the appeal would have taken place on Monday, April 10th.

Since it was the city's failure to post the proper notice in time, before the regularly scheduled meeting of April 10th, at the property of 233 Union Street where the city urban forester/arborist is seeking the removal of the two heritage redwood trees, I am asking that the hearing be rescheduled as the Heritage Tree Ordinance specifies, for our appeal to be heard at the next regularly scheduled meeting of the Santa Cruz Parks and Recreation Commission meeting, which would be held on Monday, June 12, 2023.

It was due to the failure of the Parks and Recreation Department to properly post the notices informing the public about the hearing that would have taken place on Monday, April 10, 2023, that our hearing needed to be rescheduled.

Mr. Marv Lewis, my co-appellant in this matter had met in person with Mr. Heddon-Jones previous to my phone calls on Thursday, April 6th. During that in person meeting, Mr. Marv Lewis informed Tremain of the failure of the City of Santa Cruz to post these notices in time, that is ten days before, the regularly scheduled meeting of Monday, April 10, 2023, and that is the reason that the hearing of our appeal had to be rescheduled.

During this second phone call with Tremain, on April 6th, after I sent him an email clearly stating that I wanted the appeal to be heard at a regularly scheduled meeting of the Parks and Recreation Commission, he persuaded me that the meeting on April 24, 2023, would be "regular", but I felt pressured to accept this date Tremain wanted and persuaded me to accept.

My co-appellant want our appeal to be heard, as is our legal right at a regularly scheduled meeting of the Parks and Recreation Commission.

Monday, the 12th of June would be the next regularly scheduled meeting of the commission, and I hope to hear that our appeal will be heard at that meeting.

Please respond to this email, and the forwarded email to Tremain as soon as you are able to Mr. Elliot.

I am also going to send these emails to Mr. Condotti.

Thank you, sincerely,

Elise Casby

----- Forwarded Message -----

**From:** Elise Casby <casinberk@yahoo.com>

**To:** Tremain Hedden-Jones <tjones@santacruzca.gov>

**Cc:** Elise Casby <casinberk@yahoo.com>; Marv Lewis <marvlewis@hotmail.com>; Parks & Recreation Commission <prcommission@santacruzca.gov>

**Sent:** Thursday, April 13, 2023 at 01:21:44 PM PDT

**Subject:** Please Schedule Appeal for Next Regular Meeting of the Parks and Recreation Commission on June 12, 2023

from: Elise Casby and Marv Lewis  
PO Box 671  
Santa Cruz, CA 95061

email: "Elise Casby" <casinberk@yahoo.com>

email: "Marv Lewis" <marvlewis@hotmail.com>

Dear Tremain Hedden-Jones, and Parks and Recreation Commissioners,

I am writing to confirm with you, again, that my appeal of the tree removal permit that the city is requesting be heard at the next regularly scheduled meeting of the Parks and Recreation Commission Meeting, which would be on Monday, June 12, 2023.

I did not agree to have the appeal heard at a, "Special Meeting", of the Parks and Recreation Commission, and that is what the commission meeting on the 24th of April would be.

You spoke to me on the phone on Thursday, April 6, Tremain.

It was during that telephone conversation that you and I had on April 6, 2023, that you told me that the 24th of April Parks and Recreation meeting, if I were to agree to it, would be a "regular" meeting, however, it is not a "regular" meeting of the commission.

Monday, June 12, 2023 will be a regularly scheduled meeting of the Santa Cruz Parks and Recreation Commission and that is when we appellants, Marv Lewis and I want our appeal to be heard.

Both myself and Marv Lewis, as the appellants in the matter of the heritage tree removal that the Urban Forester/Arborist is seeking a permit for, on the property designated as 233 Union Street understand that as specified in the city code and laws about appeals in this matter of removal of heritage trees, are aware and understand, that we are entitled to have our appeal heard at a regularly scheduled meeting of the Parks and Recreation Commission according to the pertinent laws.

We do not want our appeal heard at a special meeting, that you directed me toward on April 24, 2023.

Furthermore, I sincerely request that you share this email and my other email which I sent to you, Mr. Hedden-Jones and which I copied to the Parks and Recreation Commissioners on Thursday, April 6, 2023, stating my explicit desire and request to not have this appeal heard on April 24, 2023, and to have my appeal with my co-appellant, Marv Lewis heard at the next regularly scheduled meeting of the Parks and Recreation Commission.

The next regularly scheduled meeting of the Santa Cruz Parks and Recreation Commission will be on Monday, June 12, 2023, and that is when Marv Lewis and I want our appeal to be heard by the Commission.

Thank you very much, Mr. Hedden-Jones, and I am also requesting that you make all replies to me by email, and not be telephone conversations, please.

Sincerely,

4/18/23, 4:05 PM

Mail - Tremain Hedden-Jones - Outlook

Elise Casby

## Please Schedule Appeal for Next Regular Meeting of the Parks and Recreation Commission on June 12, 2023

Elise Casby <casinberk@yahoo.com>

Thu 4/13/2023 13:21

To: Tremain Hedden-Jones <tjones@santacruzca.gov>

Cc: Elise Casby <casinberk@yahoo.com>; Marv Lewis <marvlewis@hotmail.com>; Parks & Recreation Commission <prcommission@santacruzca.gov>

from: Elise Casby and Marv Lewis  
PO Box 671  
Santa Cruz, CA 95061

email: "Elise Casby" <casinberk@yahoo.com>

email: "Marv Lewis" <marvlewis@hotmail.com>

Dear Tremain Hedden-Jones, and Parks and Recreation Commissioners,

I am writing to confirm with you, again, that my appeal of the tree removal permit that the city is requesting be heard at the next regularly scheduled meeting of the Parks and Recreation Commission Meeting, which would be on Monday, June 12, 2023.

I did not agree to have the appeal heard at a "Special Meeting", of the Parks and Recreation Commission, and that is what the commission meeting on the 24th of April would be.

You spoke to me on the phone on Thursday, April 6, Tremain.

It was during that telephone conversation that you and I had on April 6, 2023, that you told me that the 24th of April Parks and Recreation meeting, if I were to agree to it, would be a "regular" meeting, however, it is not a "regular" meeting of the commission.

Monday, June 12, 2023 will be a regularly scheduled meeting of the Santa Cruz Parks and Recreation Commission and that is when we appellants, Marv Lewis and I want our appeal to be heard.

Both myself and Marv Lewis, as the appellants in the matter of the heritage tree removal that the Urban Forester/Arborist is seeking a permit for, on the property designated as 233 Union Street understand that as specified in the city code and laws about appeals in this matter of removal of heritage trees, are aware and understand, that we are entitled to have our appeal heard at a regularly scheduled meeting of the Parks and Recreation Commission according to the pertinent laws.

We do not want our appeal heard at a special meeting, that you directed me toward on April 24, 2023.

Furthermore, I sincerely request that you share this email and my other email which I sent to you, Mr. Hedden-Jones and which I copied to the Parks and Recreation Commissioners on Thursday, April 6, 2023, stating my explicit desire and request to not have this appeal heard on April 24, 2023, and to have my appeal with my co-appellant, Marv Lewis heard at the next regularly scheduled meeting of the Parks and Recreation Commission.

The next regularly scheduled meeting of the Santa Cruz Parks and Recreation Commission will be on Monday, June 12, 2023, and that is when Marv Lewis and I want our appeal to be heard by the Commission.

Thank you very much, Mr. Hedden-Jones, and I am also requesting that you make all replies to me by email, and not be telephone conversations, please.

Sincerely,

Elise Casby

## Urgent Regarding Rescheduling of My Appeal and Hearing for Heritage Tree Removal at 233 Union Street

Elise Casby <casinberk@yahoo.com>

Thu 4/6/2023 15:08

To: Tremain Hedden-Jones <tjones@santacruzca.gov>

Cc: Elise Casby <casinberk@yahoo.com>; Marv Lewis <marvlewis@hotmail.com>; Parks & Recreation Commission <prcommission@santacruzca.gov>; Leslie Keedy <lkeedy@santacruzca.gov>

Re: My appeal and hearing regarding the heritage trees at 233 Union Street needs to be rescheduled for a regular meeting of the Parks and Recreation Commission Meeting and not a separate, "special" meeting.

Thursday, April 6, 2023

3 pm

Dear Mr. Hedden-Jones,

Thank you for calling me and asking me about my preference for the date of the rescheduled hearing of my appeal with the City of Santa Cruz Parks and Recreation Department, which you did at about 11:55 am today.

I had been over the your office not more than half an hour or so before you reached my by phone this morning..

As I told you, just about three hours ago in our phone conversation, I said that I would prefer the date of Monday, April 24, 2023, to the other date that you offered me, which was Monday, April 17, 2023, for our appeal and hearing to be rescheduled on at what you seemed to me to be referring to as, a, "meeting of the Parks and Recreation Commission", to be rescheduled on.

However, if the meeting date that I made when I made that hasty agreement with you a few hours ago, for the date of our appeal and hearing to be changed to Monday, April 24, 2023, is not going to occur at a regularly scheduled meeting for the City of Santa Cruz Parks and Recreation Commission, than I must reschedule the appeal and hearing that I am making with my co-appellant, Mr. Marv Lewis, to another date to make the appeal at **a regularly scheduled meeting of that commission.**

If Monday, April 24, 2023, is not a regularly scheduled meeting of that Parks and Recreation Commission, than I need to rescind the agreement that I made with you in haste this morning, in order to have our appeal heard at a regular meeting of the Parks and Recreation Commission.

**Upon further thought not long after my phone conversation that I had with you at about eleven fifty five (11:55 am), this morning, Mr. Hedden-Jones, I realized that I want to make sure that my appeal and hearing happen at a regularly scheduled meeting of the Parks and Recreation Commission, and if that is not what is happening on Monday, April 24th, or Monday, April 17th, the two dates you offered to me to reschedule our appeal and hearing to, than I feel we need to reschedule again, and hold this appeal and hearing at a regularly scheduled meeting for the City of Santa Cruz Parks and Recreation Commission meeting in order to adequately include the public in the proceedings of this matter of great public interest.**

Therefore, I do have a question, Mr. Hedden-Jones, and this question regards the dates you offered to me to chose from when you called me this morning, and the procedure in which the public is best included in a regular meeting of the Parks and Recreation Commission for my appeal and the hearing regarding the city's request for the permit to be granted to remove the two heritage redwood trees.

**Will the entire regular meeting of the Parks and Recreation Commission also be rescheduled to April 24, 2023, or just the segment with my appeal and hearing before the Parks and Rec. Commission?**

**Now that I have had just a few minutes to think about the postponement and rescheduling of my appeal and hearing which was to take place at a regularly scheduled meeting of the Parks and Recreation Commission on Monday, April 10, 2023, I would strongly prefer that my appeal be a part of a regularly scheduled Parks and Recreation Meeting, and not heard in a separate hearing, in which the public may not be included as it normally would by the normal noticing that happens for a regularly scheduled meeting of that Commission.**

**At I did not think to ask you that question when I spoke to you over the phone this morning, I regret.**

**You simply offered me two dates, and you did not tell me what kind of meeting of the Parks and Recreation Commission this would be.**

**I chose one of these dates that you offered, however, I think this is an important matter of public interest and it should take place at a regularly scheduled meeting of the Parks and Rec. Commission.**

**Please let me know the answer to this question as soon as you are able to, because I want to have my appeal and the city's plan for the heritage tree removal to be heard at a regular Parks and Recreation Meeting, as this would be the best way for the public to be able to be informed and also, to participate in the matter.**

From what you told me, other parties involved in the matter of the city's granting the permit for the removal of the two heritage redwood trees, also seem to prefer that date of April 24, 2023 to the Monday in April a week before that, on April 17, 2023 which were the only two dates that you offered to me.

However, you only offered those two dates, and you did not mention the kind of meeting that this rescheduled meeting would be.

But I was not thinking, during our phone conversation of about three hours ago that I would only want the appeal to be brought before the Parks and Recreation Commission during a regularly scheduled hearing, and too quickly jumped at the two dates you offered to me, and chose one, the 24th of April.

This is a matter of importance that my appeal be heard at a regularly scheduled meeting of the Parks and Recreation Commission.

**Please reply to my question about having the hearing of my appeal during a regularly scheduled meeting of the Parks and Rec. Commission, that I am sending to you in this email, just as soon as you are able to, Mr. Hedden-Jones.**

**I also really appreciate if you would call me this afternoon, as soon as possible, after you see and read this email, about this re-scheduled date of Monday, April 24, 2023 and whether that will be a regularly scheduled meeting of the Parks and Rec. Commission, or whether it is a, "special meeting" with only my appeal and hearing and this matter of the city's planned removal of the two heritage trees.**

**The rest of my concerns about dates and the packet that I discuss below essentially follow from the above most important question and point of concern.**

**These dates and agreements were made without me being adequately informed about the type of meeting that I would be agreeing to in my agreement to reschedule the appeal hearing for Monday, April 24, 2023.**

After you called me this morning and we discussed the postponement and rescheduling of my appeal and hearing, you told me that you were going to go post the ten day notice on the property at 233 Union Street, yourself.

Since we had that discussion and I am now realizing my concern about the appeal being heard at a regular meeting, I will, for now, plan to email my reasons for my appeal to be included in the packet by Tuesday, April 18, 2023 before 5 pm.

However, in good faith, Mr. Hedden-Jones, and with just a little time, which is very reasonable I think for my concern to be realized, about the dates that I was offered without any mention about the kind of meeting it will be, I am very worried that this rescheduled date, if it is not a regular Parks and Recreation Commission hearing will compromise my appeal.

This compromise of my appeal (which would have been made on April 10, 2023, before the commission and the public's view at a regularly scheduled hearing), should not happen as a result of a failure of the Santa Cruz Office of the Urban Forester to make the proper noticing, that is a ten day prior noticing of the hearing, which is exactly what happened in this case.

This failure to post the notice 10 days prior to the hearing date planned, which was a regular meeting of the City of Santa Cruz Parks and Recreation Meeting (scheduled for Monday, April 10, 2023), caused a hasty postponement of the hearing of my appeal and hearing, and the need for your office to reschedule a meeting for the appeal and hearing.

Yet, I was not informed by you, Mr. Hedden-Jones, as to whether or not the meeting dates that I was offered by you today, would, in fact, be regular meetings of the Parks and Recreation Commission, or not.

A regular meeting of the City of Santa Cruz Parks and Recreation Commission meeting, is the type of meeting I want and feel that I and my co-appellant, Mr. Marv Lewis, are legally entitled to in order to have my appeal and hearing of this matter (of the heritage tree removal that the city of seeking a permit for, at 233 Union Street in Santa Cruz), be made at most appropriately according to the Heritage Tree Ordinance and the public interest in this matter.

This is written, I believe, also, into the city code and laws pertaining to the type of hearing that I am entitled to make my appeal at, that being a, **regularly scheduled meeting of the City of Santa Cruz Parks and Recreation Commission** and not a subsidiary type of meeting that would be irregular, and therefore, compromise my appeal and hearing.

I will plan, therefore, out of courtesy for you, Mr. Hedden-Jones, for the moment, to have my appeal document (also known as a rebuttal), ready and emailed to you, on that day of Tuesday, April 18th, 2023, because I want our reasons for our appeal to be included in the packet that goes to the commissioners before the Monday, April 24, 2023 hearing, if that is the date that the entire regular Parks and Recreation Commission Meeting will be taking place (and my appeal and hearing are for the moment, rescheduled for).

However, if we are not having a complete and regular meeting of the Parks and Recreation Commission Meeting for the city of Santa Cruz on that date of April 24, 2023, I strongly urge for our appeal to be held at the next regularly scheduled Parks and Recreation Commission Meeting.

As I told you on the phone this morning, and from what I heard in a phone conversation with my co-appellant, Marv Lewis, the original hearing date of Monday, April 10, 2023 will not work because the notice to the public (that is required by the city laws and codes), about the appeal and hearing was not ever posted on the property site at 233 Union Street up until today, at least up until I was there at the property until about 11:55 am this morning.

A ten day notice to the public of the appeal is required, by the law and the codes- is my understanding and this is what my co-appellant informed you of during your meeting with him this morning.

I was at the site of 233 Union Street, arriving there at no later than 11:35 am, having walked from the City of Santa Cruz Parks and Recreation office on Church Street where I had been at about 11:25 am attempting to speak to you.

At that time of 11:35 am, today, Thursday, April 6, 2023, I arrived at the site of 233 Union Street and I observed that no posting had been made, for the next meeting of the Parks and Recreation Commission when the hearing was scheduled for, on April 10, 2023 and I thereby verified what my co-appellant told you (that the required posting had not been made by the city).

I state this just to confirm what my co-appellant, Marv Lewis had already informed you about in his in person conversation with you this morning, and which he had observed himself.

Therefore, the legally required notice that would provide, or allow for the public to know about, and be informed of the hearing which had been scheduled on the date of April 10, 2023 would not have been given if my co-appellant, Marv Lewis, had not brought it to your attention when he met with you at your office this morning, Thursday, April 6, 2023.

I was at the property site and took pictures and thoroughly looked for and examined the fencing, and all around the front of the property, and the notice was not posted, I confirmed, and as you said you saw and confirmed yourself, so I am glad to hear that you are going to put the notice up today (as you told me in our phone conversation this morning, as I stood in front of the 233 Union Street property)- in order to give the public the required ten days, and for the public to have the opportunity to be informed about the city's intent to remove the two heritage redwood trees as well as the appeal and the hearing date. This pertains to the date I chose when you offered me the two dates of Monday, April 17th, or Monday, April 24th, 2023.

But I am dismayed and concerned that if my appeal is not heard at a regularly scheduled meeting of the Parks and Recreation Commission meeting, that the public's awareness, normal participation and informed expectation will be compromised, since the public will not be aware of this, "special meeting" that you are setting up for my appeal to be heard.

**Having had a few minutes to think about the implications of all this, first of all the failure and the lack of notice to the public that was not made ten days in advance of the regularly scheduled Parks and Rec. Commission, and the rescheduling of the hearing that you hastily directed me toward, I am extremely concerned about the appeal hearing be set on the 24th of April.**



**If that is not a date (that is, Monday, April 24, 2023), when the Parks and Recreation Commission will be holding a regularly scheduled, fully regular meeting for and with the Public of the City of Santa Cruz, which would include the entire regular proceedings and the expected and required public notices and expectations on the part of the public citizenry, I think we need to wait and have the hearing of my appeal about the removal of the two heritage redwood trees until it can be scheduled to be held during a regularly scheduled meeting of the Parks and Recreation Commission.**

Thank you for your help on this critical matter of procedure, Mr. Hedden-Jones.

I will send this email out promptly and hope to speak to you today about this concern, if you are willing to have a phone conversation with me about this matter.

In any case, I hope and will expect an email reply to my serious concern about the reschedule date and it being before the public at a regular meeting of the City of Santa Cruz Parks and Recreation Commission Meeting in order to facilitate and not impede the public's inclusion, notification, and awareness of this matter of public interest in regard to the City Urban Forester's Permit to remove the two heritage redwood trees on the property at 233 Union Street, Santa Cruz, CA, 95060.

My phone will be on and I am ready to receive your call until 5 pm today, and in order to discuss this rescheduling concern that is of urgent need of attention.

Sincerely,

Ms. Elise Casby

cell: 831-266-7407

email: <casinberk@yahoo.com>

mailing address:  
PO Box 671  
Santa Cruz, CA 95061



**BYLAWS**

**of the**

**Parks and Recreation Commission**

**City of Santa Cruz, California**

**Under authority of applicable statutes of the State of California, and the City Charter of the City of Santa Cruz, California, for the purpose of establishing rules and regulations governing the organization and procedures of the Parks and Recreation Commission of the City of Santa Cruz, CA**

**Adopted** December 1, 2003

**Amended** by Commission March 1, 2010

**Approved** by City Attorney March 15, 2010

**Approved** by Council March 23, 2010

**Amended** by Commission November 1, 2021

**Amended** by Commission, Approved by Council December 14, 2021

# Parks and Recreation Commission Bylaws

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# **Parks and Recreation Commission Bylaws**

## **ARTICLE I – NAME AND/OR AUTHORITY**

The Name of this organization shall be the Parks and Recreation Commission of the City of Santa Cruz, California; hereinafter referred to as the Commission, or the Advisory Body.

## **ARTICLE II – PURPOSE**

The Parks and Recreation Commission will advise City Council on matters pertaining to public facilities including neighborhood and regional parks, the greenbelt, museum, wharf, urban forest, golf course and medians after receiving public input. The Commission will also advise City Council on matters pertaining to recreation programs and facilities including youth, teen, adult, and senior activities, arts and cultural programs, beaches and pools, and other community facilities.

## **ARTICLE III – DUTIES AND RESPONSIBILITIES**

The Parks and Recreation Commission shall have the ability, as vested by the City Council, and be required to:

- Recommend to the City Council, after public input, the adoption, amendment or repeal of ordinances, resolutions, or requirements pertaining to the preservation, enhancement and advancement of the viability and attractiveness of parks and recreation programs and facilities;
- Make recommendations to the City Council concerning programs policies and decisions relating to trees under Chapter 9.56 (Preservation of Heritage Trees and Heritage Shrubs) and Chapter 13.30 (Trees);
- Undertake studies in the area of parks and recreation;
- Act in an advisory capacity to the City Council in all matters pertaining to public recreation, including playgrounds, music and entertainment;
- Grant or deny heritage tree and heritage shrub permit applications on appeal pursuant to chapter 9.56.030 (Heritage Trees and Heritage Shrubs);
- Hear appeals to major public event permits pursuant to Chapter 10.64.250 (Major Public Special Events);
- Hear appeals to public gathering and expression permits pursuant to Chapter 10.65.230 (Public Gathering and Expression Events);
- Hear appeals from persons aggrieved by any decision of the director relating to trees pursuant to chapter 13.30.050 (Trees)
- Hear appeals to “adopt-a-park” applications pursuant to Chapter 13.40.050 (Park Adoptions);
- Receive complaints pertaining to parks and recreation programs and facilities;
- Review and make recommendations to the City Council pertaining to the department annual budget during its preparation;
- Review, monitor, and make long-range recommendations concerning the planning of a program for parks and recreation for the inhabitants of the city, promote and stimulate public interest therein, and to that end, solicit to the fullest extent possible the cooperation of school authorities and other public and private agencies interested therein;

- Review for comment qualified permit parking requests adjacent to City parkland or other public facilities pursuant to Chapter 10.41.040 (Vehicles and Traffic Citywide Permit Parking);
- Consult with the Parks & Recreation Director on any changes to park hours of operation pursuant to Chapter 13.04.011 (Parks and Recreation Hours of Operation);
- Hear and decide matters relating to parks and recreation programs and facilities; and
- Accept money, personal property or real estate donated to the city for park or recreational purposes, subject to the approval of the City Council.
- Perform other duties as may from time to time be prescribed by the City Council.

## **ARTICLE IV – MEMBERSHIP**

### Section 1. Membership

The Parks and Recreation Commission shall consist of seven Parks and Recreation Commission members, hereinafter referred to as members.

Membership, term of office, and procedures for removal of members and the filling of vacancies shall be as established by City Ordinance or by the City Council.

### Section 2. Qualifications

The seven members of the Parks and Recreation Commission shall be qualified electors of the City of Santa Cruz pursuant to 2.40.011 of the Municipal Code and City Council Policy, Section 5.

### Section 3. Application for Membership

Prospective members shall file an application in the office of the City Clerk.

### Section 4. Method of Appointment

The Parks and Recreation Commission shall consist of seven (7) members, appointed by the City Council and serving thereafter at the pleasure of the Council.

### Section 5. Good Standing and Reporting of Absences

Absences will be identified as “with notification” and “without notification.” An absence is considered as “with notification” if the member notifies the Staff or the Chair prior to a regular or special meeting. If there has been no prior notification, the absence is considered “without notification.”

Each member is allowed three absences with notification per calendar year. Should a member exceed the allowed absences from regular and special meetings, Staff shall notify the City Clerk. Excessive absences shall result in termination of membership. A leave of absence, approved by the City Council according to Council Policy is not subject to termination.

It is the responsibility of staff of an advisory body to bring serious attendance issues to the attention of the Mayor or City Clerk prior to reaching the limit, if possible. If either through study of the annual attendance report or through other channels, the Mayor learns that a member has more than the allowable number of absences, the Mayor may notify the member or chairperson that action may be initiated by City Council to remove the member from the

advisory body. The Mayor may choose to postpone or withhold notification to City Council in unusual circumstances: for example, if the member is actively performing work for the advisory body outside of the regular meetings or is involved in subcommittee work.

#### Section 6. Termination

After three meetings following appointment to the Advisory Body, each member shall be subject to removal by motion of any Councilmember, adopted by at least four affirmative votes.

#### Section 7. Ex-Officio Membership “Optional”

The Parks and Recreation Commission may find that, because of the complexity of its work, it is desirable to add member(s) at-large to the Advisory Body to serve as non-voting ex-officio members to lend other opinions or expertise to the work of the Advisory Body. The City Council will authorize the Chair of the Advisory Body to nominate member(s)-at-large for Council approval to be non-voting ex-officio members for a determined period of time.

### **ARTICLE V – TERM OF OFFICE**

#### Section 1. Term

Term of office for each member shall be four years. A member may be appointed to complete an unexpired term. A member may continue to serve until their successor has been appointed.

#### Section 2. Membership Year

A membership year shall be from February 1<sup>st</sup> to January 31<sup>st</sup> of each year.

#### Section 3. Length of Term

A member shall not serve more than two consecutive full four-year terms. Upon completion of a member's eighth consecutive year of service, that member will be ineligible for reappointment for a period of two years. Members who have six years or less at the time their term expires are eligible for reappointment.

#### Section 4. Dual Service

No member shall be eligible to serve on two Advisory Bodies unless one is established for less than 13 months.

### **ARTICLE VI – OFFICERS AND ELECTIONS**

#### Section 1. Officers

Officers of the Advisory Body shall consist of a Chair and Vice Chair.

#### Section 2. Election of Officers

As soon as is practicable following the first day of February of every year, there shall be elected from among the membership of the Advisory Body a Chair and Vice Chair.

#### Section 3. Term of Office

The term of office for the Chair and Vice Chair is one calendar year. Officers may not serve in the same position for more than two consecutive years.

#### Section 4. Nominations

The Chair will open the floor to nominations. Any member may nominate a candidate from the membership for the position of Chair or Vice Chair; nominations need not be seconded.

A member may withdraw their name if placed in nomination, announcing that, if elected, s/he would not be able to serve; but s/he shall not withdraw in favor of another member.

Once the nominations are complete, the Chair will ask for a motion to close the nominations; a second of, and vote on, the motion is required.

The Chair then declares that it has been moved and seconded that the nominations be closed, and the members proceed to the election.

#### Section 5. Voting

Voting may be by voice vote or by roll call vote.

The candidate who receives a majority of the votes is then declared to be legally elected to fill the office of Chair, and will immediately chair the remainder of the meeting.

The same procedure is followed for the election of Vice Chair.

#### Section 6. Vacancy of an Officer

Should a vacancy occur, for any reason, in the office of Chair or Vice Chair prior to the next annual election, a special election shall be held to fill the vacant office from among the membership. That member shall serve until a new appointment has been made.

#### Section 7. Removal of Elected Officers

The Chair or Vice Chair may be removed by a majority vote of the full Advisory Body at a regularly scheduled meeting of the Advisory Body, when all appointed members are present, or at a special meeting convened for that purpose at which a quorum is present. Any officer removed ceases to hold the office once the vote has been tallied and announced. If the Chair is removed, the Vice Chair shall become the new Chair. An election for the Vice Chair shall then be agendized for the next meeting.

#### Section 8. Duties of the Chair

The Chair shall preside at all regular meetings and may call special meetings. The Chair shall decide upon all points of order and procedure during the meeting; their decision shall be final unless overruled by a vote of the Advisory Body, in compliance with Article IX, Section 2, "General Conduct of Meetings." The Chair may not make motions, but may second motions on the floor. The Chair acts as primary contact for staff and shall represent the Advisory Body before City Council whenever the Advisory Body or Council considers it necessary. The Chair and staff shall jointly set the meeting agenda.

#### Section 9. Duties of the Vice Chair

The Vice Chair shall assume all duties of the Chair in the absence or disability of the Chair.



## Section 10. Duties of the Acting Chair

In case of absence of both the Chair and the Vice Chair from any meeting, an Acting Chair shall be elected from among the members present, to serve only during the absence of the Chair and Vice Chair.

## ARTICLE VII – STAFF SUPPORT

### Section 1. Staff

Staff support and assistance is provided, but advisory bodies do not have supervisory authority over City employees. While they may work closely with advisory bodies, staff members remain responsible to their immediate supervisors and ultimately to the City Manager and Council.

The Director of Parks and Recreation, or their designee, shall act as Liaison on behalf of the City and shall designate a secretary to the commission (Secretary) to assist and support the Advisory Body. Staff shall attend all regular and special Advisory Body meetings.

The Liaison shall:

- work closely with the Chair between meetings to identify and schedule agenda topics;
- be responsible for coordination of reports, studies, and recommendations as are necessary to assist the Advisory Body in the conduct of its business;
- enlist the assistance of other departments as required;
- make recommendations, prepare reports and proposals to the Advisory Body;
- represent the Advisory Body at meetings, presentations, and other public functions as requested; and
- oversee administrative tasks.

The Secretary shall:

- ensure compliance with all Brown Act postings and noticing requirements;
- record minutes of the meetings in accordance with the guidelines established in the “Preparation of Minutes” section of the City Councilmembers' Handbook;
- maintain proper records and files pertaining to Advisory Body business;
- receive and record all exhibits, petitions, documents, or other materials presented to the Advisory Body in support of, or in opposition to, any question before the Advisory Body; sign all notices prepared in connection with Advisory Body business;
- attest to all records of actions, transmittals, and referrals as may be necessary or required by law.

### Section 2. Staff Relationship to the Advisory Body

Given limited staff resources, the Chair or individual members shall not make separate requests of staff without approval of the Advisory Body. If a member has a research or report request, it shall be brought to the Advisory Body for discussion, consideration, and recommendation prior to making the request of staff. If not approved by the Advisory Body, the individual member shall be responsible for their own research or report.

The Liaison and the Chair shall jointly set the meeting agenda. The Secretary shall schedule appeals and public hearings according to legal requirements.

## **ARTICLE VIII – MEETINGS**

### **Section 1. Time and Location of Meetings**

The Advisory Body will hold its regular meeting on the second Monday of every other month (February, April, June, August, October, December) which shall begin at 4:00 pm in the City Council Chambers and will adjourn no later than 6:00 pm, unless the Chair, with concurrence of the Advisory Body, extends the time of adjournment.

If the scheduled date for a regular meeting falls on a holiday, such meeting shall be rescheduled in accordance with Council policy.

### **Section 2. Cancellation**

If a majority of the membership deems it necessary or desirable, a scheduled regular meeting may be cancelled or rescheduled upon giving notice, unless a public hearing has previously been noticed.

### **Section 3. Special Meetings**

The Chair of the Advisory Body, staff, or a majority of the membership of the Advisory Body may call a special meeting. Notice of such meeting shall state the purpose or the business to be transacted during such special meeting. No other business may be transacted at such special meeting other than as stated in the notice. Oral Communications are not required at special meetings as long as a statement appears on the agenda identifying that there will be no Oral Communications, but that members of the public will have the opportunity to address the Advisory Body on item(s) on the agenda.

## **ARTICLE IX – CONDUCT OF MEETINGS**

### **Section 1. Compliance with the Brown Act and Council Policies**

All regular, special, and adjourned meetings of the Advisory Body shall be open meetings to which the public and the press shall be admitted in compliance with the Brown Act. Meetings will be held at City facilities which are accessible to persons with disabilities.

### **Section 2. General Conduct of Meetings**

Points of order and conduct, including those not addressed by these Bylaws, shall be settled by the Chair, unless overruled by a majority vote of the Advisory Body. Points of order and conduct shall comply with the Brown Act, these Bylaws, and the City Councilmembers' Handbook. The Chair will consult with staff as necessary. Unresolved issues shall be referred to the City Attorney and continued to a future meeting.

### **Section 3. How Items Are Placed on the Agenda**

A request to have an item placed for consideration on a future agenda may be made by staff, any Advisory Body member or a member of the public. The Chair and staff will consider the validity (within the approved scope of work) and urgency of the request and determine when and if that item should be placed on an Advisory Body agenda. Issues can be referred to an advisory body by the City Council and may have time sensitive deadlines. The items must comply with the procedures in Article XII, Section 1, "Agenda Reports to Advisory Body."

#### Section 4. Quorum

A quorum of the Parks and Recreation Commission shall consist of four (4) members, whether or not there are vacancies on the Advisory Body.

#### Section 5. Absence of a Quorum

In the absence of a quorum at any meeting, such meeting shall be adjourned to the next regular meeting date by the Chair, Vice Chair, or staff.

A meeting may be declared adjourned for lack of a quorum after a 15-minute period has elapsed from the scheduled time of the start of the meeting. A meeting may also be declared adjourned in advance, if absence notifications received by staff provided for lack of a quorum. Adjournment may be declared by any member or staff.

#### Section 6. Agenda

The Chair and staff shall jointly set the meeting agenda and its format shall conform to the template set by Council Policy.

#### Section 7. Order of Business

The Chair or a majority vote of the Advisory Body may change the order of business.

### **ARTICLE X – MOTIONS**

#### Section 1. Call for Motion

Upon conclusion of preliminary discussion, any member other than the Chair may place a motion on the floor. The motion shall contain the proposed action.

#### Section 2. Seconding a Motion

The Chair shall receive all motions and shall call for a second to each motion. The Chair may second a motion.

#### Section 3. Lack of a Second

If, after a reasonable time, no second has been made, the motion shall be declared dead for lack of a second, and the Chair shall state this. This shall not be considered an action of the Advisory Body and shall not be included in the minutes.

#### Section 4. Discussion/Debate

After a motion has been made and seconded, the Chair shall call for a discussion of the question. All discussion shall be limited to the motion on the floor. At the close of the discussion, the Chair shall put the matter to a vote.

#### Section 5. Time Limits on Discussion/Debate

The Chair may, at their discretion, limit debate of any motion; except that each member shall have the opportunity to speak.

#### Section 6. Amending a Motion

A motion to amend may be made by any member to revise a motion on the floor; but it cannot be a freestanding motion on its own, nor can it substitute for a main motion. The motion to amend

must be voted upon, unless the maker and the second accept it as a friendly amendment, and, if it passes, it then becomes part of the main motion.

#### Section 7. Withdrawing a Motion

Any motion may be withdrawn by the maker and the second and shall not be included in the meeting minutes.

#### Section 8. Motion to Table

A motion to table may be made to suspend consideration of an item that appears on a meeting agenda for reasons of urgency or to end an unproductive discussion. A motion to table is not in order when another member has the floor. A motion to table requires a second, is not debatable, is not amendable, requires a majority vote for passage, and, if adopted, cannot be reconsidered at the meeting at which it is adopted. Members will refrain from using a motion to table as a means of capriciously limiting debate among members, to suppress a minority of the Advisory Body, or to avoid public input on an agenda item under consideration by the Advisory Body.

#### Section 9. Results of Voting

The Chair shall state the results of each vote, e.g., “The motion passes by a vote of five to two.”

### **ARTICLE XI – VOTING**

#### Section 1. Statements of Disqualification

Section 607 of the City Charter states that “...All members present at any meeting must vote unless disqualified, in which case the disqualification shall be publicly declared and a record thereof made.” No member may abstain from voting on any item, except on the approval of the minutes, when that member was absent.

The City of Santa Cruz has adopted a Conflict of Interest Code, and Section 8 of that Code states that “no person shall make or participate in a governmental decision which s/he knows or has reason to know will have a reasonably foreseeable material financial effect distinguishable from its effect on the public generally.”

Any member who has a disqualifying interest on a particular matter shall do all of the following:

- 1) Publicly identify the financial interest that gives rise to the conflict of interest or potential conflict of interest in detail sufficient to be understood by the public, except that disclosure of the exact street address of a residence is not required;
- 2) Recuse themselves from discussing and voting on the matter, or otherwise acting in violation of government code Section 87100;
- 3) Leave the room until after the discussion, vote, and any other disposition of the matter is concluded unless the matter has been placed on the portion of the agenda reserved for uncontested matters;
- 4) Notwithstanding paragraph 3, a public official may speak on the issue during the time that the general public speaks on the issue.

Any question regarding conflicts of interest shall be referred to the City Attorney.

## Section 2. Voice Vote

All questions shall be resolved by voice vote. Each member shall vote “Aye” or “No” and the vote shall be so entered into the minutes, noting the vote of each member. A member may state the reasons for their vote, which reasons shall also be entered into the minutes of the meeting. All members including the Chair shall vote on all matters, except where they have a disqualifying interest.

## Section 3. Roll Call Vote

Any member may request a roll call vote, either before or immediately after a voice vote. A roll call vote shall be taken without further discussion. The Advisory Body staff shall call the roll and each member shall state their vote for the record.

## Section 4. Sealed Ballot Votes

No Advisory Body shall take a sealed ballot vote in open session.

## Section 5. Adoption of

Adoption of a motion shall be made by a simple majority of the members present, except as otherwise provided. The Chair shall restate the vote for the record, e.g., “The motion is approved by a vote of five to two.”

## Section 6. Tie Votes

Tie votes will be resolved as follows:

Statement of Disqualification: A tie vote resulting from a Statement of Disqualification of one or more members, with no members absent and no vacancies on the Advisory Body, shall constitute a defeat of the motion.

Absence: A tie vote during the absence of one or more members, or when there is a vacancy on the Advisory Body, shall cause the item to be automatically continued to the next meeting; except that, as to matters on which action must be taken on a date prior to the next meeting, a tie vote shall constitute a denial of the requested action.

Successive Tie Vote: A tie vote at the next meeting on a matter that has been continued as a result of a tie vote shall constitute a denial of the appeal or defeat of the motion.

# ARTICLE XII – REPORTS

## Section 1. Agenda Reports to Advisory Body

All agenda items require a written report or an oral report. Written reports serve as the analysis, detail, history, and justification for each agenda item. Oral and written reports shall include recommendation(s) and background. If a report is initiated by an Advisory Body member, a draft of that report shall be provided to staff for formatting at least 10 business days prior to the meeting. Staff shall then format reports to be consistent with content, style, and formatting of City Council agenda reports. Items initiated by a committee shall be processed in the same manner. Draft reports not submitted in a timely manner shall be placed on a future agenda.

## Section 2. Committee Reports

Committee reports may be verbal or written and may be accompanied by written documentation.

## Section 3. Preparation of Advisory Body-Generated City Council Agenda Reports

All resolutions and recommendations adopted by the Advisory Body and addressed to the City Council shall be delivered to the Mayor as soon as possible. If the action requests City Council action, the item shall be placed on a future City Council agenda. Agenda reports to the City Council from the Advisory Body shall be written reports consistent with content, style, and formatting of City Council agenda reports.

Additionally, the agenda report shall include a section called analysis, which includes the pros, cons, and foreseeable consequences of the recommendation(s). In the event that staff and the Advisory Body disagree, an analysis of both recommendations shall be included.

# ARTICLE XIII – RECORD KEEPING

## Section 1. Maintenance of Records

All records shall be maintained according to the City of Santa Cruz Records Retention Schedule.

## Section 2. Action Agenda

Action agendas are required for Standing Advisory Bodies as referenced in Council policy 5.14. An action agenda is an unofficial record of the meeting and shall consist of attendance, meeting start and adjourn time and a brief description of action taken. The action agenda shall be made available online within four working days of the meeting.

## Section 3. Minutes

Action-only minutes will be produced for all Advisory Body meetings in the same format as that used for City Council meetings. Advisory Body members who want a particular comment included in the minutes must state “for the record” before making such comment. Minutes shall be reviewed, corrected as appropriate, and or amended and approved by the Advisory Body at a subsequent meeting. Minutes are a permanent document and shall be maintained in hard copy in addition to an electronic version.

Subcommittee reports presented orally in a meeting shall be summarized in the minutes.

## Section 4. Audio and Video Recording of Meetings

Proceedings for all Advisory Body meetings shall be recorded electronically whenever possible. The electronic media shall be retained for one year pursuant to the City of Santa Cruz Records Retention Schedule.

As appropriate and/or when requested by the Advisory Body or City Council, a meeting of the Advisory Body may be video recorded or televised.

Members of the public have the right to make recordings of a meeting without disrupting the proceedings under any circumstances.

## **ARTICLE XIV – COMMITTEES**

### **Section 1. Ad Hoc Committees**

Ad hoc committees are established by an Advisory Body to gather information or deliberate on issues deemed necessary to carrying out the functions and purpose of the Advisory Body. Ad hoc committees generally serve only a limited or single purpose, are not perpetual, and are dissolved once their specific task is completed. An ad hoc committee shall be less than six months in term and shall have fewer members than a simple majority of the membership of the appointing Advisory Body. Ad hoc committees shall bring back information to the Advisory Body in either oral or written form.

Following ad hoc committee input, the Advisory Body shall then discuss, deliberate, and make recommendations on the designated issue, thereby providing the public with the opportunity to participate in the decision-making process. This shall take place in the presence of a quorum of the Advisory Body at a properly noticed public meeting.

Ad hoc committees shall not be subject to the Brown Act. City staff shall not be required to be present at ad hoc committee meetings. All ad hoc committees shall provide a final report to the Advisory Body in lieu of minutes.

### **Section 2. Standing Committees**

Standing committees are bodies established to gather information or deliberate on issues deemed necessary to carrying out the functions and purpose of the Advisory Body. Standing committees are ongoing in nature and are created to deal with issues and make decisions on behalf of the Advisory Body. The public has a right to participate in this process. Standing committees are subject to the Brown Act and staff will provide only such support as to ensure such compliance.

### **Section 3. Staff Support to Committees**

City staff shall normally not be required to attend or provide support for standing or ad hoc committee meetings, unless directed by the department head. All ad hoc committees shall provide a final report to the Advisory Body in lieu of minutes. All standing committees shall provide reports, no less than quarterly, to the Advisory Body.

### **Section 4. Appointments**

The Commission may establish Standing Subcommittees and Temporary Subcommittees in accordance with Council Policy 5.12. The Chair of the Advisory Body may designate or solicit participation for standing and ad hoc committees.

### **Section 5. Committee Meetings**

All standing or ad hoc committee meetings shall be held upon call of the Committee Chair.

## **ARTICLE XV – AMENDMENTS**

A majority of the full membership of the Advisory Body may amend these bylaws, subject to the approval of the City Council.





4/24/23  
EE

# Flooding at 233 Union Street NOT due to the redwood trees.

From: Henry George Berkley (hgb@asicwizard.com)

To: casinberk@yahoo.com; marvlewis@hotmail.com

Date: Monday, April 24, 2023 at 02:28 PM PDT

To Whom it May Concern,

The flooding at 233 Union Street is not caused by the redwood trees on the property. The flooding happened **because of a failure to maintain the drainage system.**

Removing the redwood trees will not mitigate the flooding problem. The drainage system needs to be repaired and needs to be clean and inspected on an annual basis. There is evidence that the requisite **maintenance was not performed** and that the **sump pump is not getting power.** In addition the **backup gravity drain is clogged.**


The redwood trees have been on the property for many years and have not caused any flooding problems in the past.

- The flooding only started happening recently, after the drainage system was neglected.
- There is evidence that the sump pump is not getting power and that the backup gravity drain is clogged.
- I recommend that the owner of the property repair the drainage system and clean and inspect it on an annual basis.

This will fix the flooding problem and prevent it from happening again in the future.

I owned 233 Union Street from 1994 to 2010. During that time, the property flooded twice from ground water intrusion. The property is on a stepped lot with the front yard higher than the back and the ground floor. This creates water pressure from the front yard which forces water up into the ground floor. In 2004 I constructed and installed a drainage system which mitigated the problem.

The drainage system consists of a curtain drain (French drain) which surrounds the house to the base of the footing of the foundation, a sump pit in the carport in the back of the house, and a system of pipes that drain to Locust Street through Angle Alley in the back. The sump pit in the carport has a half-power sump pump with a pipe that discharges into a drain at the entrance to Angle Alley. The drain at the entrance to Angle Alley drains to Locust Street through three pipes that exit on the curb. In addition there is a backup gravity drain from the sump pit to Locust Street. The backup drain consists of two four-inch pipes that open to a drain where Angle Alley turns. The drain where Angle Alley turns has two pipes which open in the drain at the entrance to Angle Alley at Locust Street.

 **Comment 33:**  
Exterior GFCI outlet would not reset. Noted at the exterior right side of home.  
Caution is advised. Correction is advised by an electrical contractor.

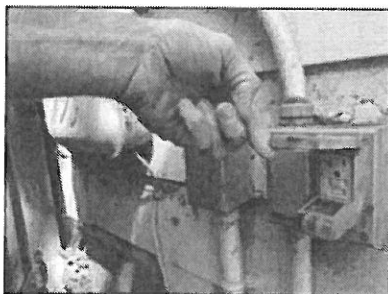


Figure 33-1

The building inspector reports that the **sump pump is not getting power.** Comment 33 states that the exterior GFCI outlet would not reset. Noted at the exterior right side of home. That GFCI outlet is in series with the power to the sump pump. If that GFCI can't reset, the pump can't get power.



The drain in Angle Alley where it turns so filled with dirt that plants are growing in it. This is where the backup gravity drain from the sump pit exits. Because it's filled with dirt, the **backup gravity drain is clogged** and will not exit to the drain at the entrance to Locust Street.

Here are some steps that you can take to repair the drainage system at 233 Union Street:

1. Clean the drainage system. The first step is to clean the drainage system. This can be done by using a garden hose to flush out the pipes. You may also need to use a power washer to remove any dirt or debris that is clogging the pipes.
2. Inspect the drainage system. Once the drainage system is clean, you should inspect it for any damage. The drainage system has clean-outs installed which can be used to inspect it with a fiber optic camera.
3. Replace the sump pump. The sump pump is an important part of the drainage system. If the sump pump is not working properly, it will not be able to remove water from the foundation. If your sump pump is old or damaged, you should replace it.
4. Install a backup sump pump. A backup sump pump is a good idea if you live in an area that is prone to flooding. A backup sump pump will provide an extra layer of protection in case your primary sump pump fails.
5. Have the drainage system inspected annually. Once the drainage system is repaired, you should have it inspected annually by a qualified professional.

This will help to ensure that the drainage system is working properly and that it is not damaged.

The flooding happened because:

- failure to maintain the drainage system.
- the sump pump is not getting power
- the backup gravity drain is clogged

Removing the redwood trees will not mitigate the flooding problem. The drainage system needs to be repaired and needs to be cleaned and inspected on an annual basis.

- Henry George Berkley  
Previous Owner of 233 Union Street

Received on 4/24/22



**From:** [Elise Casby](#)  
**To:** [Pauline Seales](#)  
**Cc:** [Elise Casby](#); [Marv Lewis](#)  
**Subject:** About The Heritage Trees, The Home and The Neighborhood at 233 Union Street. Please Attend Continuance of the Appeal!  
**Date:** Thursday, May 04, 2023 8:46:32 PM

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**There Is A Continuance of a Heritage Redwood Tree Appeal at City Hall,**

**Monday May 8, 2023, at 4 pm. Please Attend. We Appellants Need Your Support.**

**Please, also, help us get the word out about this continuance of our appeal. Please post to your email lists, put on your calendars, and face book pages and whatever other social media you use, please. If you are motivated, please write a letter to the editor of the Sentinel, or even an Op-ed.**

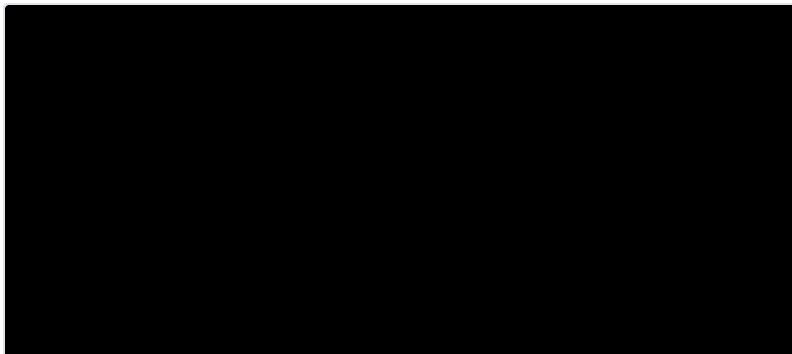
**Greater Attendance at the Monday, Special Meeting of the Parks and Recreation Commission could help us win this appeal and save these wonderful, heritage redwood trees.**

**Below is a colorful and informative spiel about the heritage trees, the house, our appeal, the neighborhood, and more. Please use it if you want to, borrow liberally in your social media postings and anything that helps us promote attendance at the appeal, and or for written pieces, to inform people about the city's attempt to, "remove" the trees.**

We co-appellants are working to keep the heritage redwood trees up, alive and in place on the property at 233 Union Street, one block down from the Goodwill.

For one thing, the home on that property is historically important because it is listed on the national register of historic places.

[National Register of Historic Places - National Park Service](#)



**National Register of Historic Places (U.S. National Park Service)**

National Register of Historic Places, a program of the National Park Service

These redwood trees, which appear to be **three** trees at least in so far as how they appear to the eye- are integral to this place and the character of the home.

These heritage redwood trees contribute a distinctive ambiance and show the natural history of this area.

They are essential to what makes the entire neighborhood of a very special, delightful and

historical character.

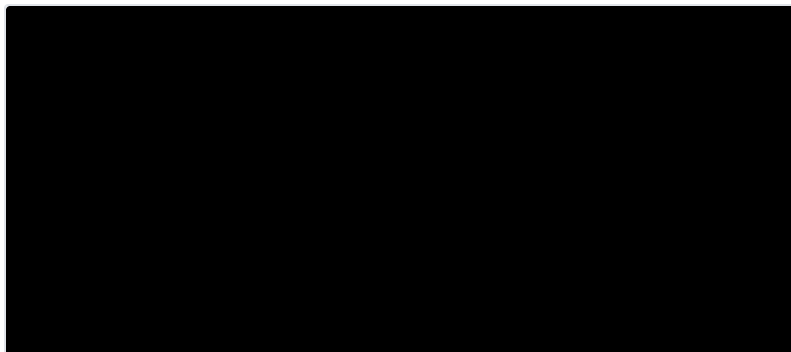
They add a lot of gorgeous green canopy and wildlife habitat to the site and surrounding area as well, which has unique landscape features in the small leafy green parks built into the corners directly in front of the home on both sides of the street and also, walking sidewalks adjacent to the regular block sidewalks directly in front of the property.

There is a unique walking ramp not far from here which takes people up to the westside of Locust street up the hill, across the street from the back of city hall and which rises up from another park called, Rincon Park.

The property borders and intersects Angle Alley and Chestnut Streets.

These trees remind one of a redwood forest and they contribute to the historical nature of the home, which is an example of a type of architecture called, "the vernacular", which is the reason that the house is listed on the National Register of Historic Places.

Also, the delightful train, the [Santa Cruz Beach Train - Roaring Camp Railroads](#), comes out of the tunnel from the bottom of a rocky cliff next to Chestnut Street, in this same exact neighborhood.



#### **Santa Cruz Beach Train - Roaring Camp Railroads**

Departing from the Santa Cruz Mountains, travel through ancient redwoods, down the scenic San Lorenzo River Gorg...

These many particular and lovely features combine with these heritage redwood trees and create a mosaic of character in this gem of a neighborhood.

It is one of the last really green corners of our city.

I particularly love walking down this street and seeing the train decorated with Christmas lights go by this corner where the trees, the home and the property are.

I wave at the people in the train as it goes by, chugging away, in this unique nook by this

storied property.

Carrying sightseers right through this neighborhood, the people on the train surely find enchantment in the neighborhood with its liling canopy from these redwood trees and other delightful effects that remind one of a time gone by.

When I face the house, I see the tree canopy shading the arresting angles of the house, when I turn around, I see the steep hilly rise of Green Street.

From there I can follow the lure of the neighborhood, which has captured me many times.

I often follow the curve of Chestnut Street where Green Street comes down to intersect the little parks, right across from these heritage redwood trees and one can find other engaging features only a couple blocks away, such as the Santa Cruz Mission State Historic Park and the The Town clock.

We are appealing the applicant's request and the city's decision to remove these three (although there are only two listed on the application) heritage redwood trees.

The trees are very healthy and not actually, "**adversely effecting the structural integrity of the structure**", which is the historical home on that site.

[Even the **Home Inspection Report** Did Not Cite, Specifically, Convincingly that the trees were causing that, "adverse" effect on, "structural integrity" of the house. You may find this Inspection Report on page 116, in the Agenda Packet for the P & R Commission Special Meeting that took place on Monday, April 24, 2023. The trees are cited but not that they are without a doubt having this adverse effect upon the structural integrity of the house.]

This bolded language is the essence of the law, part of the Heritage Tree Ordinance that the City's Urban Forester is quoting in order to justify removing these heritage redwood trees.

The trees are **not** impacting the, "structural integrity" of the house.

Neither are they, "**likely**" to, which is more language of the law, if the drainage system is maintained, and some other more superficial measures are taken to maintain the tree on the east side, especially, as well as the the drainage system on the property.

The drainage system that keeps the tree roots away from the house has not been maintained, the pump is broken and needs to be replaced for the proper drainage to be restored.

This drainage system is very extensive and very effective at deterring the tree's roots from seeking water under the house, however, the drainage system needs to be kept up and repaired.

It is very easy to see the detritus that falls from the trees has not been removed from the gutter nor the drains, and it is visible from the sidewalk and the back alley.

George showed me.

I was shown this lack of upkeep that has accumulated all over the drainage system by the former owner of the home.

The former owner of the house, **Mr. Henry George Berkeley**, testified at the Commission's Hearing of our Appeal, on the 24th of April.

He is the person who installed the drainage system (and he was a jet propulsion expert), he is extremely familiar with the drainage system and its effect on the house and property.

Mr. Berkeley presented compelling testimony to the Parks and Recreation Commission on April 24th, about this issue, that it was the drainage system and not the trees that is affecting the home, and this problem could be corrected with maintenance of the drainage system.

The Appeal Hearing resulted in a tie vote, and that is the reason our appeal is being continued at this Monday's meeting of the Parks and Recreation Commission, the commissioner who was absent from the April 24th public hearing of the appeal will most likely be present at this Monday's hearing.

His name is Nik Strong-Cvetich, and I am looking for a good email for him and in fact, I'm looking for contact emails for all the Parks and Recreation Commissioners, (but not the city's general email which must first go through the Secretary of the P & R commission). The reason that I am asking for these emails is so that I and we can lobby Nik in particular, as well as all the commissioners again. So, if anyone I am emailing here has some good contact emails for the Parks and Recreation Commissioners, I would appreciate it if you would pass them on to me. My email is at the bottom of this spiel.

This is a gem of a neighborhood and these trees are vital to the whole feel of it and the sustainability of the area, not only environmentally, in economic ways, too.

Without the trees, the area will be much more barren, but the critical issue is that they are not, as the city's urban forester claims,

**"having an adverse effect on the structural integrity" of the house, nor are they, "likely" to do so** ...with a little assistance and maintenance of the trees, the drainage system, and other aspects of the house.

Please, my friends, and fellow activists, come and attend this continuance of the hearing of our appeal this coming Monday at Santa Cruz City Hall.

Please, also, help us get the word out about the appeal meeting @ 4pm at City Hall on Monday, May 8th.

We Need to Keep our Eyes on the Prize: The Heritage Redwood Trees Left Standing at 233 Union Street, Santa Cruz, California.

We do not know at present if there will be any more time allowed for the public to address the Parks and Recreation Commissioners, however, your presence would put more of the public spotlight upon them and that adds a great deal of power to the probability of our cause prevailing.

Thanks very, very much for any help with this matter.

Yours truly,

Elise Casby

email: <casinberk@yahoo.com>





Henry George Berkley &lt;asicwizard@gmail.com&gt;

## Flooding at 233 Union Street NOT due to the redwood trees.

1 message

Henry George Berkley &lt;hgb@asicwizard.com&gt;

Mon, Apr 24, 2023 at 2:27 PM

Reply-To: hgb@asicwizard.com

To: Elise Casby &lt;casinberk@yahoo.com&gt;, Marv Lewis &lt;marvlewis@hotmail.com&gt;

To Whom it May Concern,

The flooding at 233 Union Street is not caused by the redwood trees on the property. The flooding happened **because of a failure to maintain the drainage system.**

Removing the redwood trees will not mitigate the flooding problem. The drainage system needs to be repaired and needs to be clean and inspected on an annual basis. There is evidence that the requisite **maintenance was not performed** and that the **sump pump is not getting power.** In addition the **backup gravity drain is clogged.**

The redwood trees have been on the property for many years and have not caused any flooding problems in the past.

- The flooding only started happening recently, after the drainage system was neglected.
- There is evidence that the sump pump is not getting power and that the backup gravity drain is clogged.
- I recommend that the owner of the property repair the drainage system and clean and inspect it on an annual basis.

This will fix the flooding problem and prevent it from happening again in the future.

I owned 233 Union Street from 1994 to 2010. During that time, the property flooded twice from ground water intrusion. The property is on a stepped lot with the front yard higher than the back and the ground floor. This creates water pressure from the front yard which forces water up into the ground floor. In 2004 I constructed and installed a drainage system which mitigated the problem.

The drainage system consists of a curtain drain (French drain) which surrounds the house to the base of the footing of the foundation, a sump pit in the carport in the back of the house, and a system of pipes that drain to Locust Street through Angle Alley in the back. The sump pit in the carport has a half-power sump pump with a pipe that discharges into a drain at the entrance to Angle Alley. The drain at the entrance to Angle Alley drains to Locust Street through three pipes that exit on the curb. In addition there is a backup gravity drain from the sump pit to Locust Street. The backup drain consists of two four-inch pipes that open to a drain where Angle Alley turns. The drain where Angle Alley turns has two pipes which open in the drain at the entrance to Angle Alley at Locust Street.



Comment 33:

Exterior GFCI outlet would not reset. Noted at the exterior right side of home.

Caution is advised. Correction is advised by an electrical contractor.



Figure 33-1

The building inspector reports that the **sump pump is not getting power.** Comment 33 states that the exterior GFCI outlet would not reset. Noted at the exterior right side of home. That GFCI outlet is in series with the power to the sump

pump. If that GFCI can't reset, the pump can't get power.



The drain in Angle Alley where it turns so filled with dirt that plants are growing in it. This is where the backup gravity drain from the sump pit exits. Because it's filled with dirt, the **backup gravity drain is clogged** and will not exit to the drain at the entrance to Locust Street.

Here are some steps that you can take to repair the drainage system at 233 Union Street:

1. Clean the drainage system. The first step is to clean the drainage system. This can be done by using a garden hose to flush out the pipes. You may also need to use a power washer to remove any dirt or debris that is clogging the pipes.
2. Inspect the drainage system. Once the drainage system is clean, you should inspect it for any damage. The drainage system has clean-outs installed which can be used to inspect it with a fiber optic camera.
3. Replace the sump pump. The sump pump is an important part of the drainage system. If the sump pump is not working properly, it will not be able to remove water from the foundation. If your sump pump is old or damaged, you should replace it.
4. Install a backup sump pump. A backup sump pump is a good idea if you live in an area that is prone to flooding. A backup sump pump will provide an extra layer of protection in case your primary sump pump fails.
5. Have the drainage system inspected annually. Once the drainage system is repaired, you should have it inspected annually by a qualified professional.

This will help to ensure that the drainage system is working properly and that it is not damaged.

The flooding happened because:

- failure to maintain the drainage system.
- the sump pump is not getting power
- the backup gravity drain is clogged

Removing the redwood trees will not mitigate the flooding problem. The drainage system needs to be repaired and needs to be cleaned and inspected on an annual basis.

- Henry George Berkley  
Previous Owner of 233 Union Street

**From:** [Candace Brown](#)  
**To:** [Parks & Recreation Commission](#)  
**Subject:** May 8th Agenda Item - 233 Center Street - Removal of Redwood Heritage Trees  
**Date:** Monday, May 08, 2023 12:06:05 PM

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As a Parks Commission, amongst your many duties is to ensure we have a vital City Urban Canopy of trees. The City also has a Heritage Tree Ordinance and it is your duty to honor it.

While there are always challenges dealing with this Urban Canopy, the Parks Commission should allow the heritage trees to live with the maintenance normally required for any homeowner for proper drainage and mitigations to ensure they do not impact the structural integrity of the house.

There is no indication that the structural integrity of the house is being jeopardized, therefore the appeal should be approved to save the heritage trees.

Thank you for your service, Candace Brown

**From:** [Lira Filippini](#)  
**To:** [Parks & Recreation Commission](#)  
**Subject:** Retain Trees at 233 Union Street  
**Date:** Monday, May 08, 2023 12:19:00 PM

---

Dear Commissioners,

Please review the report on the house and trees closely. These substantial community trees are not found to be a threat to the house on the property they have historically shared space with.

The previous owner's testimony shows that great care and funds have gone into a drainage system that should be properly maintained (as with any useful system). These 2-3 trees are beautiful, a symbol of our special habitat where redwoods meet the coast, and are of a size and age that deems them worthy of preservation both morally and legally.

Thank you for your thoughtful consideration,  
Lira Filippini

**From:** [Hector Marin](#)  
**To:** [Parks & Recreation Commission](#)  
**Subject:** Save the Heritage Trees  
**Date:** Monday, May 08, 2023 12:39:09 PM

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Dear Parks and Rec Comission,

As a Latino resident of Santa Cruz County, it is imperative to fight against climate change and environmental racism. These issues are intersectional to race, class, and gender, and the Heritage Trees play an instrumental role in our ecology to ensure that we have clean air and a clean atmosphere, in our beautiful town of Santa Cruz.

I have talked to thousands of residents in Santa Cruz County and have received over 1300 votes in their support of my campaign as the sole Latino candidate, where environmentalism and climate change was discussed. Saving the Heritage Trees is imperative, and as a Community Organizer and Latino resident of this town, I urge you to save these trees through your vote in the Commission.

Thank you and don't hesitate to reach out if you have any thoughts or concerns on this matter.

Warm regards,

**From:** [Shelley Hatch](#)  
**To:** [Parks & Recreation Commission](#)  
**Subject:** Tree appeal today  
**Date:** Monday, May 08, 2023 12:29:29 PM

---

Dear Commissioners,

I attended the April Zoom meeting of the commission about the appeal for the redwood trees at 233 Union Street.

The information presented by the appellant was well researched and the other in person supporters of the appeal added clarity and details to the facts that should be considered.

The information from the former owner who installed the extensive drainage system is of integral importance in understanding what has happened at 233 Union . Had the current owners made sure it was functioning as designed, this request to remove the trees most likely would not have happened. And the person who knows much about redwoods from his work at Henry Cowell presented valuable information about redwood growth.

Another important comment was from the person who said that the verbal references were always about the " historical house " , but that the trees are even older and are historical trees that should be saved if at all possible.

Thank You for your careful deliberation on this appeal.

Shelley Hatch

**From:** [Henry George Berkley](#)  
**To:** [Parks & Recreation Commission](#)  
**Subject:** Upcoming Special Meeting on 8May2023  
**Date:** Saturday, May 06, 2023 11:18:00 AM  
**Attachments:** [Gmail - Flooding at 233 Union Street NOT due to the redwood trees .pdf](#)

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Hi Parks and Rec Commission,

Attached is an email that I sent to the activists appealing the permit to remove the trees at 233 Union Street.

It basically says the the flooding occurred at this winter at 233 Union was NOT due to the Redwood trees. It was due to neglected maintenance of the drainage system on the property.

If possible, please attach it to the meeting packet for 8May2023.

Best regards,

-- Henry George Berkley  
Former Owner of 233 Union Street

CITY OF SANTA CRUZ  
Parks & Recreation Department  
323 Church Street  
Santa Cruz, California 95060



## PARKS & RECREATION COMMISSION

### Regular Meeting Summary

May 8, 2023

**4:00 PM GENERAL BUSINESS AND MATTERS OF PUBLIC INTEREST, COUNCIL CHAMBERS (809 CENTER ST)**

### Parks & Recreation Commission

#### Call to Order - 4:05 PM

**Roll Call** - Commissioners: Bradley Angell, Leonardo Cruz, Jane Mio, Jacob Pollock (via Zoom), Nik Strong-Cvetich (via Zoom); Vice Chair Hollie Locatelli and Chair Kristina Glavis.

**Staff:** Tony Elliot (Director), Travis Beck (Superintendent of Parks), Lindsay Bass (Principal Management Analyst), Jessi Bond (interim Recreation Superintendent), Leslie Keedy (Urban Forester), Noah Downing (Park Planner), and Tremain Hedden-Jones (Secretary).

**Presentations** - None.

**Statements of Disqualification** - None.

#### Oral Communications

Members of the public spoke.

#### Announcements

Chair K. Glavis moved announcements toward the end of the agenda.  
Item heard at 4:11 PM.



## Approval of Minutes

1. Approval of Minutes for the April 24, 2023 special meeting of the Parks & Recreation Commission.

Motion *carried* to approve the meeting minutes from the special meeting of the Parks & Recreation Commission on April 24, 2023, as submitted.

**Consent Agenda** - None.

**Public Hearings** - None.

## General Business

2. Tree Appeal -233 Union Street (Continued from prior meeting).

Motion *carried* to uphold staff's decision to approve request for a Heritage Tree Removal Permit (Application #23-0005) to remove two Coast Redwood trees located at 233 Union Street as required by City Council Resolution.

3. San Lorenzo Park Redesign Process.

Motion *carried* to recommend the City Council accept the draft guiding principles and design goals for the San Lorenzo Park Redesign process.

*Note: Commissioner N. Strong-Cvetich departed the meeting at 4:59 PM.*

**Information Items** - None.

**Subcommittee Oral Reports** - None.

**Adjournment** - 5:55 PM

# ARBORIST REPORT

## Trees and Built-Property Conflict Assessment

233 Union St., Santa Cruz, California

May 25, 2023



*Prepared for:*

Danny Alvarez

**Maverick Group Real Estate**

*Prepared by:*

**Donald W. Cox**

*Certified Arborist WE3023A*

(510) 994-1143

*drtreelove@gmail.com*

## **Arborist Assignment**

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Don Cox, independent consulting arborist, has been called on to assess the condition, conflicts, and suitability for preservation of two existing trees on a property at 233 Union St., Santa Cruz, California

The arborist site visit took place on May 20, 2023.

Plans, laws, and standards used for site and tree assessment:

### **City of Santa Cruz Heritage Tree Ordinance Chapter 9.56**

**Best Management Practices: Tree Risk Assessment** (2<sup>nd</sup> Edition 2017)  
(A publication of the International Society of Arboriculture)

**Best Management Practices: Managing Trees During Construction** (2<sup>nd</sup> Edition 2016)  
(A publication of the International Society of Arboriculture)

## **Summary Of Tree Assessment**

Two coast redwoods are located, one on each side of a home in Santa Cruz.

Redwoods are extremely large growing forest trees, which are beautiful and desirable trees if located in the right place with ample space for the eventual size. Unfortunately, the potential problems with root, root crown and trunk expansion, frequent limb and top breakage, were overlooked with this planting in a very small residential built environment.

Now the “wrong tree – wrong place” principle has become evident. The characteristic root crown expansion is past the limit of tolerable tree retention and cannot be allowed to continue without certain property damage and devaluation of the property.

Removal and replacement with a more suitable tree selection is recommended.

,

## Description Of Subject Trees

### 1. Coast Redwood (*Sequoia sempervirens*)

Location: 233 Union St, Santa Cruz (left/east side of house)

Trunk Size: 76-inches DBH (diameter at breast height, 54-inches above soil grade).

This is a multi-stemmed tree with a 6-foot diameter trunk at base, which bifurcates at 8-feet above soil grade to form two stems of approximately 30-inches and 28-inches in diameter.

**(Multi-stemmed tree** means a tree that has one stem at ground level but that splits into two or more stems above ground level. Trees whose stems diverge below ground level are considered separate trees.)

Height: 115-feet

Condition: Mature tree, appears physiologically healthy and structurally sound at this time, but extremely over-grown for the site.

Suitability for preservation: Not suitable to retain if the structural integrity of the house foundation is a priority, and the economic impact of the inevitable root and root crown encroachment with certain property damage is considered.

TPZ: For purposes of root protection and the preservation of structural-root integrity and tree stability, the Tree Protection Zone recommendation is **40-foot radius**, distance from the tree trunk in all directions as a non-intrusion, no root cutting zone for tree preservation. (ISA BMP - Trunk diameter method – 8:1, using adjusted trunk diameter of above burl)



## 2. Coast Redwood (*Sequoia sempervirens*)

Location: 233 Union St, Santa Cruz (right/west side of house)

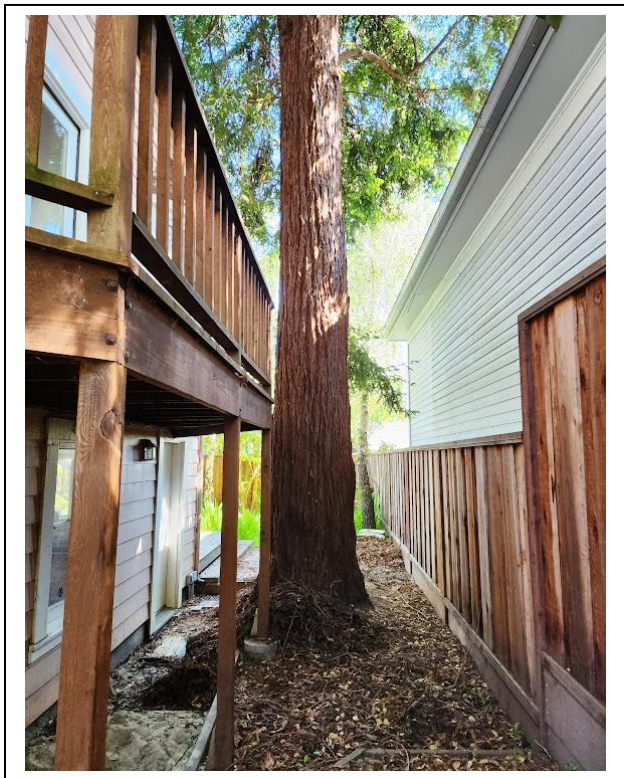
Trunk Size: 38-inches DBH (diameter at breast height, 54-inches above soil grade)

Height: 85-feet

Condition: Mature tree, appears physiologically healthy and structurally sound at this time, but a wrong tree, wrong place situation with expanding root crown and large root encroachment extending under the house.

Suitability for preservation: Not suitable to retain if the structural integrity of the house foundation and the neighbor's property are a priority, and the economic impact of the inevitable root and root crown encroachment with certain property damage is considered.

**TPZ:** For purposes of root protection and the preservation of structural root integrity and tree stability, the Tree Protection Zone recommendation is **25-foot radius**, distance from the tree trunk in all directions as a non-intrusion, no root cutting zone for tree preservation. (ISA BMP - Trunk diameter method – 8:1).



**Root flare expansion with large structural root encroaching under foundation.**

**Conditions applicable to both of the subject trees:**

**City of Santa Cruz Municipal Code Protection Status:** Classified as a 'heritage tree' according to current ordinance definition based on size.

**Potential destabilization of the trees:** Significant damage and potential destabilization to the trees would be inevitable with any excavation and root cutting within the recommended Tree Protection Zone.

**Risk and potential targets:**

Risk of major damage to foundation of house and interior flooring within two to five years from root and root crown expansion. Neighboring properties are also at risk.

Tree-parts most likely to fail: Deadwood. One or more live limbs. Top of central leader breakage.

Targets for falling tree parts: Roof of house and neighboring houses, yards and walkways.

***Arborist Recommendation***

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Almost everyone who lives in northern California knows how big redwoods grow. In this case, this fact was not considered or was ignored, creating an unsustainable situation. Two redwood trees were planted in extremely close positions to existing structures, without intelligent regard for eventual size and root expansion as the trees mature. It a classic case of "wrong tree - wrong place". The trees are now overmature for the site and will cause significant property damage if they are allowed to grow and encroach on the built structures.

In order to restore the safety, aesthetic quality, and economic value of the property, further damage abatement is required. Excavation in the proximity of the base of the trees is necessary. The required excavation would be impossible without causing extreme physiological stress and severe damage to the tree (cutting of structural roots and root collar) and possible destabilization (risk of wind-throw toppling).

**Removal is determined as unavoidable due to proximity to the structures. The trees are obstacles for essential repairs. No reasonable means of mitigation is available that would preserve the trees. Removal and replacement with more suitable trees will benefit the property and the community.**

**Arborist Disclosure Statement:**

Arborists are tree specialists who use their education, knowledge, training, and experience to examine trees, recommend measures to enhance the beauty and health of trees, and attempt to reduce the risk of living near trees. Clients may choose to accept or disregard the recommendations of the arborist, or to seek additional advice.

Arborists cannot detect every condition that could lead to the structural failure of a tree. Trees are living organisms that fail in ways that we sometimes do not fully understand. Conditions are often hidden within trees and below ground.

Arborists cannot guarantee that a tree will be healthy or safe under all circumstances, or for a specified period of time. Likewise, remedial treatments cannot be guaranteed.

Treatment, pruning, and removal of trees may involve considerations beyond the scope of the arborist's services such as property boundaries, property ownership, site lines, disputes between neighbors, and other issues. Arborists cannot take such considerations into account unless complete and accurate information is disclosed to the arborist.

Trees can be managed, but all factors cannot be controlled. To live near trees is to accept some degree of risk.

Information contained in this report covers only those items that were examined and reflects the conditions of those items at the time of inspection.

The inspection is limited to visual examination of accessible items without dissection, excavation, probing, or coring. There is no warranty or guarantee, expressed or implied, that problems or deficiencies of the plants or property in question may not arise in the future.

Certification:

I hereby certify that all the statements of fact in this report are true, complete, and correct to the best of my knowledge and belief, and are made in good faith, in the best interests of the trees, the property owners and the community.



---

Donald W. Cox,  
ISA Board Certified Master Arborist WE-3023BUM retired.  
Municipal Arborist, Utility Arborist, Tree Risk Assessment, Plant Health Care/IPM Specialist

***ARBORIST REPORT***  
Evaluation &  
Recommendations for Two  
Coast Redwood

233 Union Street  
Santa Cruz, CA 95060  
5/26/2023

Prepared for:

**Mr. Danny Alvarez**  
129 Water Street  
Santa Cruz, CA 95060

Prepared by:

Kurt Fouts  
ISA Certified Arborist WE-0681A  
Tree Risk Assessment Qualification (TRAQ)





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### Attachments:

- Assumptions and Limiting Conditions

## Background

Two mature coast redwood are causing issues to a home at 233 Union Street, Santa Cruz. I was contacted by Mr. Danny Alvarez, Realtor, to give a general evaluation of the tree, address areas of concern, and provide management recommendations.

On 5/26/2023 I met onsite with Mr. Alvarez. He described the issues created by the two redwoods, which are occurring because the trees are growing too close to the home.

Following our meeting I evaluated the health and structure of the tree and took a closer look at the potential issues caused by the redwoods.

## Summary of Findings

Two coast redwood are causing damage to the home's infrastructure including the siding, utilities. One tree is causing flooding to the home.

After investigation, I have determined that the tree's trunk and roots are creating these problems.

Due to the tree's close location to the home, the damage caused by the tree's trunk and root(s), and no suitable mitigation options, I am recommending removal of the two trees.

The trees meet removal criteria of the City of Santa Cruz Resolution No. NS-23,710, Exhibit 1. (c), (1) *The heritage tree has or is likely to have an adverse effect upon the structural integrity of a building, utility or public right of way.*

An assessment of the trees current condition, and the reasons for my recommendation are dicussed in more detail in the report that follows.

## Observations

On 5/25/2023 I inspected the two mature coast redwood trees, (*Sequoia sempervirens*). The trees have a trunk diameter greater than 14-inches and meet the City of Santa Cruz criteria to be defined as a *heritage tree*. The trees grow in the side yard of the home, (Image #1).



Image #1 – Two coast redwood. T1 on left and T2.

Tree T1, a 72-inch diameter redwood is about 120-feet tall and has a 30-foot canopy spread. From a single trunk, the redwood splits two trunks at 5-feet above grade. The trunks share the same root ball and therefore are considered a single tree.

Tree T2, a 45-inch redwood is about 85-feet tall and has a 25-foot canopy spread.

Both trees have dense canopies, well developed structures, and are in good condition.

The trunk of tree T1, redwood, grows against the siding of the home, (Image #2).



**Image #2 –Tree T1, coast redwood. Note trunk growing against home siding. Also note trunk is very close to gas line running against home siding, (arrow).**

The tree trunk is pushing against the siding and causing it to warp and deform.

The trunk is very close to a  $\frac{3}{4}$ " gas supply line, (Image #2).

The trunk of tree T1 grows very close to a utility room door, (Image #3).



Image #3 –Tree T1, redwood growing near utility room door.

The redwood grows less than one foot from the door, limiting the distance the door can open.

Tree T1 is growing against a 4-inch sewer clean out, (Image #4)



Image #4 –Tree T1, note sewer clean out. (arrow).

Trunk bark is growing over and around the cleanout.

Tree T2, coast redwood is growing less than 4-feet from the house, (Image #5).



Image #5 –Tree T2, coast redwood grows < 4-feet from home.

The mature redwood is growing adjacent to an entry doorway.

Because roots were lifting a walkway between the tree and a doorway, water was entering the home through the doorway. Flooding into the home occurs during rain events. Because of the flooding, the brick walkway was removed, and soil was excavated to determine the extent of root growth causing the flooding, (Image #6).



Image #6 – Tree T2, redwood and 8” diameter buttress root. Note root is growing below root barrier. Second 2” root arrow.

The excavation revealed an 8-inch buttress root that grows towards the foundation and doorway, (Image #6). A tree root barrier was installed some years ago to prevent root intrusion towards the foundation, (circled, Image #6). The root barrier (*biobarrier* geotextile impregnated with herbicide) has not been effective at limiting the root growth, as the root has grown below and beyond the barrier limit.

The root is growing down against the bottom of the foundation and may be growing underneath it.

A second 2-inch diameter root, (arrow, Image #6). is also growing towards the foundation.



The trunk buttress is also growing towards the foundation and doorway, (Image #7).



**Image #7 –Tree T2, view of root and trunk buttress. (circled), growing towards foundation and doorway.**

Deck posts installed for a deck attached to the home (Image #5), are being lifted by the redwoods shallow surface roots causing an uneven deck surface.

## DISCUSSION

The two redwoods were planted too close to the home. Current industry standards for planting large trees require a minimum distance of 10 feet. The two trees were planted much closer than this standard.

Both trees are causing multiple problems for the home.

Tree T1, is causing damage to the siding by physically compressing the wood. Moisture trapped between the trunk and siding has or is likely to cause the siding to rot and fail. Access to the utility room adjacent to tree T1 is limited and as the trunk continues to expand, at some point it will not be possible to enter the room. The trunk buttress grows within inches from a gas line that if ruptured could cause significant damage and harm to people. The access to a 4-inch cleanout is limited because of trunk diameter expansion.

Tree T2 is causing flooding to the adjacent room. Because of the size and location of the root, the brick entryway grade has been raised so that water easily enters the home during rain events. Shallow surface roots are raising the deck posts of the adjacent deck and causing an uneven deck surface.

The redwoods are both in good condition, growing vigorously and their trunks and roots will continue to enlarge by root diameter expansion. This will only increase the problems listed above.

## Mitigation

### **Tree T1:**

Chipping and cutting into the tree's trunk bark to create trunk clearance from the home, gas line and sewer line clean out, would be a temporary solution that would need to be repeated frequently and this is not a feasible alternative. Access to the utility room is already limited, large appliances or fixtures cannot currently be brought in, and there is no feasible alternative to remedy this problem.

### **Tree T2:**

The large 8-inch diameter root would need to be cut at the trunk to reduce the flooding problem and provide a minimum amount of clearance for entry into the doorway.

The grade around the trunk buttress is the same as, or close to the grade at the doorway entry, and it is likely that other anchoring roots between the tree and the home would need to be cut to eliminate the possibility of flooding. Removal of most of the shallow anchoring roots on one side of the tree could cause it to become unstable and greatly increase the risk of whole tree failure. There are several homes that are a target in the event of tree failure.

The two trees are too close to the home because their trunk and/or roots cannot be successfully pruned or cut to eliminate the problems they cause. There are no reasonable mitigation measures that could be performed to either tree to prevent further property damage, additionally root pruning this close to the tree trunks is not industry standard and could destabilize trees.

For the reasons above tree removal is the best mitigation option in this situation.

## Replacement Trees

If removal is granted by the approval authority, replacement trees may be required. The number and container size of tree(s) will be determined by the City Santa Cruz Urban Forester.

## RECOMMENDATIONS

1. Remove the two coast redwood trees.
2. To eliminate the possibility of root regrowth, use of a stump grinder is recommended *if* the contractor can ensure it is safe to use close to the foundation and utilities.

Respectfully submitted,

*Kurt Fouts*

Kurt Fouts ISA Certified Arborist WE0681A  
ISA Tree Risk Assessment Qualification



### ASSUMPTIONS AND LIMITING CONDITIONS

1. Any legal description provided by the appraiser/consultant is assumed to be correct. No responsibility is assumed for matters legal in character nor is any opinion rendered as the quality of any title.
2. The appraiser/consultant can neither guarantee nor be responsible for accuracy of information provided by others.
3. The appraiser/consultant shall not be required to give testimony or to attend court by reason of this appraisal unless subsequent written arrangements are made, including payment of an additional fee for services.
4. Loss or removal of any part of this report invalidates the entire appraisal/evaluation.
5. Possession of this report or a copy thereof does not imply right of publication or use for any purpose by any other than the person(s) to whom it is addressed without written consent of this appraiser/consultant.
6. This report and the values expressed herein represent the opinion of the appraiser/consultant, and the appraiser/consultant's fee is in no way contingent upon the reporting of a specified value nor upon any finding to be reported.
7. Sketches. Diagrams. Graphs. Photos. Etc., in this report, being intended as visual aids, are not necessarily to scale and should not be construed as engineering reports or surveys.
8. This report has been made in conformity with acceptable appraisal/evaluation/diagnostic reporting techniques and procedures, as recommended by the International Society of Arboriculture.
9. When applying any pesticide, fungicide, or herbicide, always follow label instructions.
10. No tree described in this report was climbed, unless otherwise stated. We cannot take responsibility for any defects which could only have been discovered by climbing. A full root collar inspection, consisting of excavating around the tree to uncover the root collar and major buttress roots, was not performed, unless otherwise stated. We cannot take responsibility for any root defects which could only have been discovered by such an inspection.

### CONSULTING ARBORIST DISCLOSURE STATEMENT

Arborists are tree specialists who use their education, knowledge, training, and experience to examine trees, recommend measures to enhance the beauty and health of trees, and attempt to reduce risk of living near trees, Clients may choose to accept or disregard the recommendations of the arborist, or to seek additional advice.

Arborists cannot detect every condition that could possibly lead to the structural failure of a tree. Trees are living organisms that fail in ways we do not fully understand. Conditions are often hidden within trees and below ground. Arborists cannot guarantee that a tree will be healthy or safe under all circumstances, or for a specified period of time. Likewise, remedial treatments, like medicine, cannot be guaranteed.

Trees can be managed, but they cannot be controlled. To live near trees is to accept some degree of risk. The only way to eliminate all risk associated with trees is to eliminate all trees.



**Jennifer Bennett, PE**  
120 Redwood St, Santa Cruz, CA  
(831) 332-5500  
[jbennettpe@gmail.com](mailto:jbennettpe@gmail.com)

May 25, 2023

Dorth Raphaely and Sarah Moore  
233 Union Street  
Santa Cruz, CA 95060

RE: Structural engineering observations and recommendations for redwood tree encroachment at 332 Union Street, City of Santa Cruz

Dear Dorth Raphaely and Sarah Moore:

This letter summarizes structural engineering observations and recommendations for redwood tree encroachment at the existing residential structure at 233 Union Street in the City of Santa Cruz, California. This letter only addresses redwood tree encroachment related issues and does not include detailed structural calculations, repair design, or determination of code compliance.

**Observations:**

On Thursday, May 25, 2023, I visited the site referenced above at 8:30 a.m. in the morning. The weather was foggy and cool. Owner representative Danny Alvarez was present.

The existing residence is a historic two-story residence of approximately 1430 square feet (sqft) built on a flat lot. County records indicate the residence was constructed in 1848. The structure is a conventionally framed wood structure on a concrete perimeter foundation. The lower basement level floor is concrete slab-on-grade.

Two significant, mature redwood trees are within 4' of the structure's exterior walls.

The first tree is on the east side of the structure. The diameter of the tree is greater than 7'. The root ball below is greater than 10' across. The main trunk of the tree has less than 2' clearance from two orthogonal walls of the structure on the east elevation. The tree root ball is pressing and growing against the lower 2' of the east wall and foundation. Out-of-plane bowing is easily visible from the inside of the structure at the base of this wall. Out-of-plane displacement is estimated to be greater than 2". Along the orthogonal wall in the same location, the tree trunk is severely limiting the access of the basement crawlspace door. The door can no longer open sufficiently to effectively access the space, which houses important mechanical equipment, including the structure's water heater. Additionally in this location, the root ball has surrounded, blocked, and infiltrated

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Page 1 of 3

an existing exterior perimeter drainage pipe. Owner representative reports the root ball is also touching the gas line.

The second tree of concern is on the west side of the structure, close to the lower-level entry door. The diameter of the tree is greater than 3'. The roots of the tree have pushed up and destroyed an adjacent brick patio at the entry door. Removal of bricks and excavation at the doorway has facilitated observation of the tree roots at the existing foundation. The roots are growing against and below the existing foundation of the structure in the vicinity of the entry door. Owner representative reported flooding during this year's rainy season through this door.

**Discussion:**

It is my professional opinion both redwood trees described above represent an immediate and future threat to the integrity of the existing structure. Structural integrity can be defined as an ability of a structure to withstand its expected building-code defined loading without fracture, visible deformation, fatigue, or collapse.

The first tree on the east side of the residence presently appears to be causing significant out-of-plane displacement in the exterior bearing wall at the basement level. Observed displacement was estimated to be greater than 2". Greater than 2" of out-of-plane displacement is generally considered a structural stability concern as an industry standard. Further displacement as the tree grows is likely. If left unmitigated, the stressed condition could eventually lead to cracking in the foundation, significant moisture leaks in finishes and slabs, and eventually structural collapse.

The blocked drainage pipe at the east side location is also a structural concern. If water accumulates against the foundation and saturates adjacent soils, the bearing capacity of the soil is compromised and foundation movement is accelerated, also potentially leading to eventual foundation cracking and displacement.

Impaired access to the basement crawlspace and water heater is not explicitly a structural issue, but is an important architectural concern that should not be overlooked. Additionally, the roots are touching the gas line, which is an architectural concern.

The second tree on the east side of the residence appears to be presently compromising the existing foundation. Roots are growing directly under the perimeter foundation, preventing adequate bearing of the perimeter foundation in the vicinity of the basement doorway, and possibly in other locations. Although foundation or wall displacement was not currently visually obvious in this location, the structure is at risk of uplift and/or rotation of basement perimeter footing, slab, and exterior bearing walls due to the growing tree roots. If left unmitigated, further root growth will likely lead to cracking of the foundation, significant moisture leaks in finishes and slabs, and eventually could lead to collapse.

**Recommendations:**

Based on my observations of encroachment of the two redwood trees described above, I recommend one of two options:

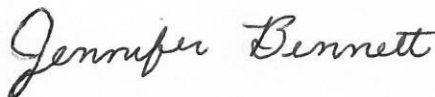
1. **Protect the Existing Structure** - Remove both encroaching redwood trees entirely, including grinding and chipping of root balls and root systems to minimize future growth in the vicinity of existing foundations. Regrade exterior surfaces adjacent to foundations to drain away from foundations. Repair and/or replace/reroute surface drain pipes to pull water away from existing foundations. Reroute and repair/replace gas lines as needed. Please note partial removal of root ball is not likely to be an effective long-term solution.

**OR**

2. **Protect the Existing Trees** – Demolish portions of the existing structure that are within 10’ minimum clearance of existing redwood trees, or greater as recommended by qualified arborist. Redesign, rebuild, and remodel the existing structure to accommodate the trees and their future 100-year growth. Relocate water heaters and basement access. Redesign and repair surface drainage to move water away from relocated foundations. Reroute gas lines as needed. Please note, due to the historic nature of the structure, the limited lot size, and the high cost of remodel, redesign, and rebuilding, this option may not be viable.

I trust this letter satisfies your request for structural observations and recommendations regarding redwood tree encroachment for your property at 233 Union Street. Please do not hesitate to contact me directly with any further questions or concerns.

Yours truly,



Jennifer Bennett, P.E.  
License No. C70830



5/30/23

From: Elise Casby  
Mailing Address:  
PO Box 671  
Santa Cruz, CA, 95061

<casinberk@yahoo.com>  
831-266-7407



To: Santa Cruz City Council  
809 Center Street  
Santa Cruz, CA 95060  
Wednesday, May 17, 2023

Re: This is a Letter of Appeal to the Santa Cruz City Council to appeal the decision, (by a vote of 4-3) of the Parks and Recreation Commission to uphold Santa Cruz City Staff's decision to approve a request for a Heritage Tree Removal Permit (Application #23-0005) to remove two coast Redwood trees located at 233 Union Street, on Monday, May 8, 2023, at a Special Meeting of the Parks and Recreation Commission Meeting.

Dear City Council Members,

The Parks and Recreation Commission voted in favor of granting the City's request to approve the issuance of a permit to remove two Heritage Redwood Trees on the property at 233 Union Street, Santa Cruz, CA, on May 8, 2023 with a 4 to 3 vote. The City's Urban Forester and Arborist, Leslie Keedy had approved the request from the owner of the property who filed the application to have a Heritage Tree Removal Permit issued to have two (although I assert that there are actually, three Heritage Redwood Trees) to be removed from this property. Commissioner Nik Strong-Cvetich was absent from the first meeting of the Commission at which my appeal was heard on Monday, April 24, 2023 and which resulted in a tie vote. Due to this result of a tie vote of 3 to 3, my appeal was continued at a second special meeting of the Parks and Recreation Commission, which occurred on Monday, May 8, 2023. At this meeting the commissioners voted again and the result was the 4 to 3 result in favor of upholding staff's decision to approve the request for a Heritage Tree Removal Permit.

I include a quote taken from the first page of the Agenda Report of the May 8<sup>th</sup>, 2023 special meeting below, which was prepared by Tremain Hedden Jones, Secretary to the Parks and Recreation Commission and approved by Tony Elliot the Director of Parks and Recreation Commission. This quote demonstrates the need for a second meeting due to a tie vote.

DISCUSSION: Section 6 of the parks and recreation commission by laws states that a "tie vote during the absence of one or more members, or when there is a vacancy on the Advisory Body, shall cause the item to be automatically continued to the next meeting; except that, as to matters on which action must be taken on a date prior to the next meeting, a tie vote shall constitute a denial of the requested action." With the absence of commissioner Strong-Cvetich at the April 24, 2023 meeting, the item and action was continued to the next available meeting. The original staff report, including attachments, can be found as part of the April 24, 2023 agenda packet.

FISCAL IMPACT: None.

Prepared By: Tremain Hedden-Jones



I, Elise Casby, am filing an appeal to you, the city council members of Santa Cruz today, on Thursday, May 18, 2023, because the city has not shown actual proof, nor has city staff demonstrated by any incontrovertible, certain, authentic and therefore, "established" evidence that factually establishes and therefore provides adequate "proof" to support the reasons that they cite in the laws that they rely upon to support their decision to approve the permit to remove the heritage redwood trees at 233 Union Street. The law that the city cites, which is a city resolution, is clear and, "findings must be established". However, no evidence has been provided by the city, that they have so far produced in either of the two special meetings of the Parks and Recreation Commission, on either April 24, 2023, nor on May 8, 2023, which provides the necessary certainty that the law they cite, actually requires.

This proof is necessary because the law that the city cites to support their decision to remove the trees maintains that the applicant is "required", "to establish", the "findings". The very law that the City Urban Forester, Leslie Keedy quotes, and relies upon to support her decision spells out the criteria which must be met by the city to approve this permit. It is clearly stated in the wording of the ordinance that she and the city are relying upon to support their decision to approve the issuance of the Heritage Tree Removal Permit when it states that it is, "required that the findings must be established". I maintain that the city's reasons and the "findings" that they have attempted to demonstrate that purport that the heritage trees are having an, "adverse effect upon the structural integrity", of the building (which in this case is the house at 233 Union St.), have not been adequately proven nor demonstrated in order to achieve the requirement of being "established" under the resolution, the law that they cite. Therefore, the criterion that is laid out and clearly stated in the law that the city is relying upon to support their decision has not been met. These contentions form the basis for my appeal to you all.

The city's arborist, Leslie Keedy, has relied upon, as she has stated, in the Agenda Report for the April 24<sup>th</sup> meeting of the Commission, City Council Resolution No. NS-23, 710, Exhibit A 1. (c). where she has quoted from part of this resolution, "...The heritage tree or heritage shrub has, or is likely to have, an adverse effect upon the structural integrity of a building, utility, or public or private right of way (attached)." Please see the Agenda Report from the Commission meeting of April 24, 2023, wherein Ms. Keedy reports, "Staff has determined that this application meets stated criteria required for tree removal approval as specified by City Council Resolution No. NS-23,710, Exhibit A 1(c). The heritage tree or heritage shrub has, or is likely to have, an adverse effect upon the structural integrity of a building, utility, or public or private right of way (attached)."

I submit here, that Ms. Keedy has left out, or, to put it another way, that Ms. Keedy has omitted a part of the resolution that she relies upon and here I quote from the same, City Council Resolution No. NS-23, 710, Exhibit A 1. (c). requires that, "one or more of the following findings must be established by the applicant". Ms. Keedy fails to quote or state the first part of

this very resolution upon which she relies, and she does not include in the agenda packet from April 24, 2023, which states that, **“Exhibit A 1. (c). requires that one or more of the following findings must be established by the applicant and confirmed by the Director of Parks and Recreation for the alteration or removal of a Heritage Tree”**. Ms. Keedy does quote from the Resolution, cited, in the Agenda packet from April 24<sup>th</sup>, only the the second part of the resolution, when she says that, “The heritage tree or heritage shrub has or is likely to have an adverse effect upon the structural integrity of a building, utility, or public or private right of way;”. By leaving out the first part of the pertinent ordinance, she omits what she has not clearly, “established”, which is, “required” by the same resolution.

Therefore, she completely omits in her quote of the resolution cited, the first clause or part of the resolution and that first part of this resolution maintains that the applicant is, **“required”**, **“that, “one or more of the following findings must be established by the applicant”**. It is exactly the criteria which is set out first part of the resolution cited here, in the word, **“required”** that I submit, here in this appeal that has not been met by the city, since the city’s arborist has not provided proof or clear evidence in order that she and the city, **“establish”**, that the heritage redwood trees, are having, **“an adverse effect”** or, **“are likely to have an adverse effect upon the structural integrity of the building”**, in this case, the house at 233 Union Street, which is required by the law cited. None of the testimony that the city has submitted has proved that the, **“structural integrity of the building”** (which in this case is the house at 233 Union Street) has been proven to this standard of criteria that the heritage trees are having an effect of this magnitude, that is an effect upon the structural integrity of the house. In fact, all of the demonstrative photos, statements by the city, that is the applicant fail to show this kind of profound effect to the, “structural integrity” of the house. They do show some more superficial effects that the heritage redwood trees seem to be having on the house, but nothing that establishes the kind of impact, that would meet the criterion to establish, “an adverse effect upon the structural integrity of the building... (house)”. Even the Home Inspection Report included in the Agenda packet from the April 24<sup>th</sup> commission meeting failed to provide incontrovertible proof that would be needed to meet the criterion of, “establishing”, that the structural integrity of the house was being, “adversely effected” by the heritage trees, as the city has failed to prove.

So far, in these two meetings of the Parks and Recreation Commission there was simply no concrete evidence submitted or presented which met the criteria set out in this ordinance, in this specific city resolution that shows that, and again, I quote from the Resolution No. NS-2, 710, Exhibit A 1. (c). “...the heritage tree or heritage shrub has or is likely to have an adverse effect upon the structural integrity of the building...”, and this ordinance Ms. Keedy cites is absolutely clear that it, and again I quote, from the same ordinance, **“requires that one or more of the following findings must be established by the applicant”**.

My assertion and the reason that I am filing this appeal for city council members to hear and to reverse the decision made by the Parks and Recreation Commission on May 8<sup>th</sup>, is exactly that the findings that are required, that is “one or more of the following findings” that this city resolution requires were not established by the applicant, for the permit, who in this case is the

City of Santa Cruz. These findings that are required to be established were not established, and this is the second word stating the criterion, that is most important in this provision of the law that the city and Ms. Keedy are relying upon, that, “the following findings” (that is an adverse effect upon the structural integrity of the building” that the heritage trees are having upon the house) have not been proven, or, “established” by any incontrovertible evidence by Ms Keedy and the city. Here, below, is the resolution upon which I register and base the first part of my appeal, which is from the SCMC, and which Ms. Keedy uses only I part to justify her decision to approve the permit for the removal of the trees.

{City Council Resolution No. NS-23,710, Exhibit A 1.(c) requires that one or more of the following findings must be established by the applicant and confirmed by the Director of Parks and Recreation for the alteration or removal of a Heritage Tree: (attachment) (1) The heritage tree or heritage shrub has, or is likely to have, an adverse effect upon the structural integrity of a building, utility, or public or private right of way;}

The second part of my appeal is based upon SCMC, the Heritage Tree Ordinance that states, as cited below...

## **9.56.060 PERMITS REQUIRED FOR WORK SIGNIFICANTLY AFFECTING HERITAGE TREES AND/OR HERITAGE SHRUBS.**

(a) No person shall prune, trim, cut off, or perform any work, on a single occasion or cumulatively, over a three-year period, affecting twenty-five percent or more of the crown of any heritage tree or heritage shrub without first obtaining a permit pursuant to this section. No person shall root prune, relocate or remove any heritage tree or heritage shrub without first obtaining a permit pursuant to this section.

(f) Where three or more heritage trees or three or more heritage shrubs are the subject of any proposed work to be performed, the director shall require that the applicant sign an agreement for preparation and submission of a consulting arborist report. As part of said agreement, the applicant shall be required to deposit with the department an amount of money equal to the estimated cost of preparing the report, as contained in said agreement.

In citing this part of the SCMC, and other parts of the Heritage Tree Ordinance that define what is meant by the word or concept of a, “tree” I submit to the city council members, that there are actually three heritage redwood trees on the property which would require, that the City of Santa Cruz, abide by the the laws quoted in SCMC 9.56.060, sub-section (f), (above provided in print here), and provide that,

“the director shall require that the applicant sign an agreement for preparation and submission of a consulting arborist report.”

The heritage redwood tree to the east of the house on the property at 233 Union Street, has "two co-dominant stems" growing from one root bulb or ball. Leslie Keedy maintained this fact about the two co-dominant stems (or trees), in her speech and testimony on April 24, 2023. These two stems actually being, "co-dominant" necessitate that a consulting arborist be brought in under this law, 9.56.060 and also in other parts that are stated in the SCMC these, as I maintain, three heritage redwood trees are protected.

The City of Santa Cruz must uphold the laws that protect these heritage redwood trees, as in fact the City of Santa Cruz must uphold and abide by its own laws. Please support my appeal of the City of Santa Cruz Parks and Recreation Commission's decision to approve the permit to remove these heritage redwood trees, as the necessary criteria that the city must prove has not been adequately met, as it as their findings have not, so far, at least, been "established".

Thank you, sincerely,

Elise Casby

Email: [casinberk@yahoo.com](mailto:casinberk@yahoo.com)

A handwritten signature in cursive script that reads "Elise Casby". The signature is written in black ink and is positioned below the typed name and email address.

04/24/2023

Summary of  
Basis of Appeal

Page 1 of 2

Appeal of City of Santa Cruz, Staff's Decision to approve a request for a Heritage Tree Removal Permit (Application#23-0005) to remove two Coast Redwood trees located at 233 Union Street by Elise Casby and Marv Lewis .

Monday April 24, 2023 Special Meeting of the Parks and Recreation Commission

#### Summary of the Basis for the Appeal

In this appeal we are citing section 9.56 of the Santa Cruz municipal code, to challenge the city's assertion that, "The heritage tree or heritage shrub has, or is likely to have, an adverse effect upon the structural integrity of the building, utility, or public or private right of way".

There are two main arguments that we appellants are making and both cite provisions of chapter 9.56 to support our appeal of the city's decision to approve the request for the issuance for a Heritage Tree Removal Permit.

The first challenge or argument stems from 9.56.060 PERMITS REQUIRED FOR WORK SIGNIFICANTLY AFFECTING HERITAGE TREES. In this section, subsection (f) the code states that Where three or more heritage trees or three or more heritage shrubs are the subject of any proposed work to be performed, the director shall require that the applicant sign an agreement for preparation and submission of a consulting arborist report. As part of said agreement, the applicant shall be required to deposit with the department an amount of money equal to the estimated cost of preparing the report, as contained in said agreement.

In this first challenge, we appellants are asserting that there are actually three heritage redwood trees on this property at 233 Union Street. From this assertion, we will proceed to show that the city needs to follow a different procedure that is prescribed by the section, section (f) of the chapter, 9.56.060 than was followed.

In the second challenge, or argument that we are making in this appeal in which we are asserting that the director of parks & recreation acted in error, (9.56.070), and we are relying upon the language in City Council Resolution No. NS-23,710, Exhibit A 1. (c) that the city is asserting that, "findings have been established by the applicant and confirmed by the Director of Parks and Recreation that the heritage tree or shrub has or is likely to have an adverse effect upon the structural integrity of the building or utility or right of way."

In short, we appellants are maintaining in this second main rebuttal that the heritage trees are not having an adverse effect on the structural integrity of the building, and that any deleterious effect that the heritage trees may pose, or could be likely to have, or could potentially have is slight, or superficial and does not amount to, "adverse effect upon the structural integrity of the building".

Although there is a profoundly serious problem on the property with maintenance of the drainage system, and this failure to maintain the drainage system is causing the roots of the heritage redwood trees to seek water and develop in a way that could have an adverse effect upon the house, and these roots are likely to do so, if the lack of maintenance continues and the current state of the clogged drainage system and failed power pump to the drainage system is not fixed.

We are stating in this second argument that it is the lack of upkeep of the drainage system, firstly, and the various features and components of the house that have fallen into a state of disrepair that are, in fact, and actually the original causes of the main problems cited in the various reports, on the forms and in various pictures by the applicant and by the city's arborist on staff, Ms. Leslie Keedy, that document deleterious effects to the house, such as flooding in the house.



Page 2

Appeal of the City of Santa Cruz's Decision to Approve a Permit for the Removal of Heritage Redwood Trees at 233 Union Street.

Appeal Summary Continued from page 1.

Summary of  
Basis of Appeal  
Page 2 of 2

We appellants are further stating that the trees are being cited as being the cause of these problems when in fact the heritage redwood trees are not the cause of these problems.

The failure of upkeep and maintenance of the drainage system, failure to maintain the redwood trees and cleaning and removing the detritus that results from the trees in various places on the house and the property, the failure to clear out the dirt and remove the debris from the drainage system, and the lack of upkeep and maintenance of the various features of the house that are cited in the home inspection report, and Ms. Keedy's report, are the actual, first an original causes of the problems to the house and the foundation. The trees are being cited as the cause of these problems, however, they are not the original problem.

There are some issues, in which the trees are growing and beginning to make contact with the house, and we appellants believe that an independent arborist should be called in to assess any contact the trees may be making to the house, however, we are of the opinion that this contact could be mitigated and in addressing these possible, or potential issues, which may be, "likely to have an adverse effect upon the structural integrity of the building" as the Resolution requires for the alteration or removal of the three heritage trees, the mitigation and upkeep would allow the trees to be saved from removal and the house would be protected from any adverse effect to the house's, "structural integrity".

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## PR Commission AGENDA REPORT

DATE: 04/05/2023

AGENDA OF: 04/24/2023  
DEPARTMENT: Parks and Recreation  
SUBJECT: FY 2024 Department Draft Budget.

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page (25)

**RECOMMENDATION:** 1) Review the Fiscal Year (FY) 2024 budget; 2) discuss potential service implications of the FY 2024 budget; and 3) make recommendations to City Council regarding the FY 2024 Parks and Recreation department budget, as submitted by staff.

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**BACKGROUND:** Under the City of Santa Cruz (City) Charter, the fiscal year of the City begins on the first day of July of each year. As part of the budget process, all City departments submit budget requests for the next fiscal year. These requests are consolidated by the Finance Department and reviewed by the City Manager to ensure that requests and departmental objectives are consistent with the City's overall goals. The City Manager then presents to the City Council a structurally balanced budget—one that supports financial sustainability. As required by the Charter, this budget is transmitted to the City Council and made available to the public for review no later than the first Council meeting in June.

On February 14th, the Finance Department shared their mid-year financial outlook, which emphasized that the City had experienced a strong start to FY 2023 in terms of revenues, but winter storms were bringing upwards of \$10 million in storm damage costs. Consequently, the Finance Department directed departments to submit a status quo budget for FY 2024.

In the context of the Parks and Recreation Department FY 2024 budgetary planning, the following principles continue to guide budget development:

1. Minimize impacts to staff
2. Prioritize community and City Council highest priorities in terms of essential infrastructure, programs and services,
3. Preserve the ability to cost recover and generate revenue, and
4. Think long-term.

**DISCUSSION:** For FY2024, the Parks and Recreation department is proposing a status quo budget of \$20,257,890 which includes: \$11,182,115 in personnel services, \$8,955,709 in Services, Supplies & Other Charges, \$95,000 in Capital Outlay and \$25,066 in Debt Service. An updated cost allocation plan incorporates \$2,599,527 of central service costs into the department's status quo budget.

The proposed revenue budget of \$5,702,774 adds \$239,590 in anticipated revenues compared with the department's FY2023 adopted revenue budget. This translates to a cost recovery of 32

25

**If that is not a date (that is, Monday, April 24, 2023), when the Parks and Recreation Commission will be holding a regularly scheduled, fully regular meeting for and with the Public of the City of Santa Cruz, which would include the entire regular proceedings and the expected and required public notices and expectations on the part of the public citizenry, I think we need to wait and have the hearing of my appeal about the removal of the two heritage redwood trees until it can be scheduled to be held during a regularly scheduled meeting of the Parks and Recreation Commission.**

Thank you for your help on this critical matter of procedure, Mr. Hedden-Jones.

I will send this email out promptly and hope to speak to you today about this concern, if you are willing to have a phone conversation with me about this matter.

In any case, I hope and will expect an email reply to my serious concern about the reschedule date and it being before the public at a regular meeting of the City of Santa Cruz Parks and Recreation Commission Meeting in order to facilitate and not impede the public's inclusion, notification, and awareness of this matter of public interest in regard to the City Urban Forester's Permit to remove the two heritage redwood trees on the property at 233 Union Street, Santa Cruz, CA, 95060.

My phone will be on and I am ready to receive your call until 5 pm today, and in order to discuss this rescheduling concern that is of urgent need of attention.

Sincerely,

Ms. Elise Casby

cell: 831-266-7407

email: <casinberk@yahoo.com>

mailing address:  
PO Box 671  
Santa Cruz, CA 95061



CITY OF SANTA CRUZ  
Parks & Recreation Department  
323 Church Street  
Santa Cruz, California 95060



**PARKS & RECREATION COMMISSION**

**Regular Meeting Minutes - DRAFT**

**April 24, 2023**

**4:00 PM GENERAL BUSINESS AND MATTERS OF PUBLIC INTEREST, COUNCIL CHAMBERS**

**Parks & Recreation Commission**

**Call to Order - 4:04 PM**

**Roll Call - Commissioners: Bradley Angell, Leonardo Cruz, Jane Mio, Jacob Pollock (via Zoom), Vice Chair Hollie Locatelli and Chair Kristina Glavis.**

**Absent with prior notification: Nik Strong-Cvetich.**

**Staff: Tony Elliot (Director), Cassie Bronson (City Attorney), Travis Beck (Superintendent of Parks, Lindsay Bass (Principal Management Analyst), Jessica Bond (Interim Recreation Superintendent), Daniel Lawson-Thomas (Interim Recreation Superintendent), and Tremain Hedden-Jones (Secretary).**

**Presentations - None.**

**Statements of Disqualification - None.**

**Oral Communications - None.**

**Announcements**

1. Commission and Department Updates.

Chair K. Glavis moved item to the end of the meeting. 4:06 PM

Announcements at 6:37 PM

Receive announcements from the following:

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Page 2

**General Business**

2. Tree Appeal -233 Union Street (Continued from prior meeting).

Uphold staff's decision to approve request for a Heritage Tree Removal Permit (Application #23-0005) to remove two Coast Redwood trees located at 233 Union Street.

3. San Lorenzo Park Redesign Process.

Receive an update and 1) provide direction as appropriate, and 2) recommend the City Council accept the draft guiding principles and design goals for the San Lorenzo Park Redesign process.

**Information Items - (No Action Shall Be Taken)**

**Subcommittee Oral Reports**

**Adjournment**

page 3  
P&R Com Mtg from April 24<sup>th</sup>,  
2023

Chair K. Glavis heard questions of procedure and allowed the applicant to submit an oral statement preceding public comment.

Chair K. Glavis opened the floor for public comment (Endorsements and Opposition) at 4:42 PM. The following members of the public spoke:

Endorsements (in favor of keeping the trees):

Paul Carlson  
Gillian Greensite  
Donald M.  
Robert M.  
Lyle R.

Opposition (upholding the approval of the removal permit):

Danny A. (agent of property owner - allowed 10 minutes)  
Sara (property owner)  
Donald F.

5:08 PM - Appellant rebuttal to any new information derived from earlier comment and findings.

5:14 PM Deliberations

Commissioners asked clarifying questions regarding structural integrity and definitions of the ordinance and resolution.

**MOTION:** Commissioner B. Angell, seconded by Vice Chair H. Locatelli, moved to uphold staff's decision to approve request for a Heritage Tree Removal Permit (Application #23-0005) to remove two Coast Redwood trees located at 233 Union Street as required by City Council Resolution.

**ACTION:** The motion failed by the following tie vote:

AYES: Angell, Vice Chair Locatelli and Chair Glavis.  
NOES: Cruz, Mio, and Pollock.  
ABSENT: Strong-Cvetich  
ABSTAIN: None.

The item has been continued to the next available meeting.

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1. Presiding Officer - Chair K. Glavis announced that the announcement commission and department updates will be heard towards the end of the meeting.
2. Commissioners - None.
3. Department Staff (written submission)
4. Director of Parks & Recreation

### Approval of Minutes

2. Approval of Minutes for the March 6, 2023, retreat of the Parks & Recreation Commission.
3. Approval of Minutes for the March 6, 2023, regular meeting of the Parks & Recreation Commission.

**MOTION:** Commissioner Locatelli, seconded by Commissioner Angell, moved to approve the minutes from the March 6, 2023, retreat, and regular meetings, as submitted.

**ACTION:** The motion was carried by the following vote:

AYES:	Angell, Cruz, Mio, Pollock; Vice Chair Locatelli and Chair Glavis.
NOES:	None.
ABSENT:	Strong-Cvetich
ABSTAIN:	None.

### Consent Agenda

#### Public Hearings

4. Tree Appeal -233 Union Street.

Chair K. Glavis opened the item at 4:13 PM.

Urban Forester L. Keedy provided a presentation on the background of the item, including slides on the status of the trees and any damage done by the tree(s) to the property.

Chair K. Glavis called for the appellant's testimony at 4:21 PM.

Co-appellants E. Casby and M. Lewis presented information to commission, including testimony for a previous property owner of 233 Union St

Please return to Elise Casby



**CITY OF SANTA CRUZ**  
Parks Division  
Leslie Keedy  
Urban Forester  
323 Church Street  
Santa Cruz, California 95060  
Telephone (831) 420-5246 FAX(831)420-5361

Date: 02-21-23

Marvin Lewis & Elise Casby  
PO BOX 671  
Santa Cruz CA 95060

The Director & the P&R Commission Chair are working towards setting a date for the tree appeal meeting with the Commission. Staff will be in contact once that meeting date has been scheduled. You will get notice & an agenda package from the Secretary to the Commission.

Attached is some additional evidence of property damage from the 2 trees for your consideration. I also have attached a copy of the City Council resolution as to when the City grants permits for tree removal. In this case the city is obliged to issue a permit due to property damage & a likelihood of future & ongoing damage as the trees continue to grow to maturity.

Mitigation to save the 2 trees is not feasible as both trees are in contact with the structure & cannot be root pruned per industry standard or without causing significant tree damage or destabilization. The home cannot reasonably be made smaller or moved to accommodate the actively growing 2 trees. The owner has cleared away additional duff & soil to more accurately represent the structural property damage conditions.

Additionally, I had met with the previous owners several years ago & we did discuss trying to prune roots & install a root barrier panel to mitigate the root damage from the tree to the west (see pictures of root panel). At that time the tree to the east had no viable root pruning or barrier options & removal was discussed at that time but the owners never pursued the effort. The bio barrier panel you will see in the attached picture is warranted for 10 years roughly; you will see that efforts to save the tree on the west side of the building were completed & the tree roots have since breached this root mitigation system. It is clear the owner made an effort to save the tree & that root barrier mitigation action did not stop the roots or the tree from continuing to grow into the size that redwoods want to grow to. If you are interested in withdrawing please contact to discuss.

Sincerely,

  
Leslie Keedy  
City Urban Forester



### Flooding at 233 Union Street NOT due to the redwood trees.

From: Henry George Berkley (hgb@asicwizard.com)  
To: casinberk@yahoo.com; marvlewis@hotmail.com  
Date: Monday, April 24, 2023 at 02:28 PM PDT

To Whom it May Concern,

The flooding at 233 Union Street is not caused by the redwood trees on the property. The flooding happened **because of a failure to maintain the drainage system.**

Removing the redwood trees will not mitigate the flooding problem. The drainage system needs to be repaired and needs to be clean and inspected on an annual basis. There is evidence that the requisite **maintenance was not performed** and that the **sump pump is not getting power.** In addition the **backup gravity drain is clogged.**

The redwood trees have been on the property for many years and have not caused any flooding problems in the past.

- The flooding only started happening recently, after the drainage system was neglected.
- There is evidence that the sump pump is not getting power and that the backup gravity drain is clogged.
- I recommend that the owner of the property repair the drainage system and clean and inspect it on an annual basis.

This will fix the flooding problem and prevent it from happening again in the future.

I owned 233 Union Street from 1994 to 2010. During that time, the property flooded twice from ground water intrusion. The property is on a stepped lot with the front yard higher than the back and the ground floor. This creates water pressure from the front yard which forces water up into the ground floor. In 2004 I constructed and installed a drainage system which mitigated the problem.

The drainage system consists of a curtain drain (French drain) which surrounds the house to the base of the footing of the foundation, a sump pit in the carport in the back of the house, and a system of pipes that drain to Locust Street through Angle Alley in the back. The sump pit in the carport has a half-power sump pump with a pipe that discharges into a drain at the entrance to Angle Alley. The drain at the entrance to Angle Alley drains to Locust Street through three pipes that exit on the curb. In addition there is a backup gravity drain from the sump pit to Locust Street. The backup drain consists of two four-inch pipes that open to a drain where Angle Alley turns. The drain where Angle Alley turns has two pipes which open in the drain at the entrance to Angle Alley at Locust Street.


 **Comment 33:**  
Exterior GFCI outlet would not reset. Noted at the exterior right side of home.  
Caution is advised. Correction is advised by an electrical contractor.



Figure 33-1

The building inspector reports that the **sump pump is not getting power.** Comment 33 states that the exterior GFCI outlet would not reset. Noted at the exterior right side of home. That GFCI outlet is in series with the power to the sump pump. If that GFCI can't reset, the pump can't get power.



The drain in Angle Alley where it turns so filled with dirt that plants are growing in it. This is where the backup gravity drain from the sump pit exits. Because it's filled with dirt, the **backup gravity drain is clogged** and will not exit to the drain at the entrance to Locust Street.

Here are some steps that you can take to repair the drainage system at 233 Union Street:

1. Clean the drainage system. The first step is to clean the drainage system. This can be done by using a garden hose to flush out the pipes. You may also need to use a power washer to remove any dirt or debris that is clogging the pipes.
2. Inspect the drainage system. Once the drainage system is clean, you should inspect it for any damage. The drainage system has clean-outs installed which can be used to inspect it with a fiber optic camera.
3. Replace the sump pump. The sump pump is an important part of the drainage system. If the sump pump is not working properly, it will not be able to remove water from the foundation. If your sump pump is old or damaged, you should replace it.
4. Install a backup sump pump. A backup sump pump is a good idea if you live in an area that is prone to flooding. A backup sump pump will provide an extra layer of protection in case your primary sump pump fails.
5. Have the drainage system inspected annually. Once the drainage system is repaired, you should have it inspected annually by a qualified professional.

This will help to ensure that the drainage system is working properly and that it is not damaged.

The flooding happened because:

- failure to maintain the drainage system.
- the sump pump is not getting power
- the backup gravity drain is clogged

Removing the redwood trees will not mitigate the flooding problem. The drainage system needs to be repaired and needs to be cleaned and inspected on an annual basis.

- Henry George Berkley  
Previous Owner of 233 Union Street



(Invoice continued)

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Comment 80:  
Inspection fee- \$600.00



The flooding in the house, for example that Ms. Keedy cites in her photographs, I believe is absolutely not being caused by the heritage redwood trees on the property.

The testimony that I heard by the person who knows the inside of the house at 233 Union Street very well indicates very specific other causes and reasons for that water on the floor in the inside of the house that Ms. Keedy wants to attribute to the heritage redwood trees.

I will present these facts that indicate that Ms. Keedy is perhaps interested in presenting evidence that is not, in fact, well researched or true, or correct.

These trees are protected by laws that are important and evident to the city, to citizens who are concerned, such as myself with the preservation of these heritage trees and must only be removed if certain evident and factual situations are happening.

The facts matter.

Ms. Keedy's facts are not evident as the cause of damage to the house and I will present my case in my appeal and at the hearing.

I do not believe and have scrutinized the evidence that Ms. Keedy presented to me when she attempted to dissuade me from making my appeal and before I filed the appeal on Monday, February 13, 2023.

Any so called, "damage" to this house and or property of 233 Union Street is not substantial and is, in fact, mostly cosmetic, and slight and could be easily remedied with minimal changes to aspects of the structure, such as the brick walk, the root barrier, the furnace room, the gas line, etc.

I went with Ms. Keedy with my co-appellant that afternoon of Monday, February 13th, after waiting in the office for Ms. Keedy to take me onto the property which she did.

I saw all the points and the aspects of the property that Ms. Keedy wanted to offer and say, were, "damaging" to the property, and I did not agree with her, although I did not wish to argue with her then and there.

I maintained my thoughts to myself and cordially noticed and observed everything she wanted to demonstrate to me and Mr. Lewis that day of February 13, 2023.

I believe that Ms. Keedy is not presenting compelling evidence, for a fact that the trees are, "damaging the building that is the house", which is the reason that she is citing for the removal of the three heritage trees.

In fact, I believe that her explanations and reasons are not, in fact, true.

Ms. Keedy has demonstrated a keen ambition for dissuading me from making the filing of my appeal.

I will present more evidence about the persuasive actions she has made and, along with the realtor, several attempts were made to dissuade me from making my appeal, and they encouraged me to rescind my appeal. I heard the realtor when Ms. Keedy accidentally played a recording he made to her left in her voicemail, wherein he was gloating about the fact that it did not look like anyone was going to file an appeal before the deadline of 5 pm on Monday, February 13, 2023.

He called me no less than three times, trying to reach me, that day of Monday, February 13th, and in the two following days after that day, on the 14th of February and the next day.

His first call came to me within an hour after I filed, along with Mr. Lewis, my appeal to prevent the removal of the (two, but actually, three) three redwood trees.

I wanted to file my appeal early as possible and arrived in the Parks and Recreation office before 3:30 pm on that day of Monday, February 13, 2023.

However, Ms. Keedy was called by Tremain Hedden-Jones and they asked me to wait and allow Leslie to show me the trees and the property which would demonstrate her position.

I did this, even though it delayed my filing of the appeal until later in the afternoon.

I wanted to see what Ms. Keedy might show me.

I went along with everything she asked me to see, all the trees, and the house, etc., and I went forward and filed my appeal.

Since I filed my appeal there have been many actions by the City of Santa Cruz and the Parks and Recreation Department that are evidence of their negligence and in fact, omissions to follow the required procedure(s) as required by our laws, to provide me with information and documents in timely ways.

Instead I have been met with obstacles and challenges, such as the city's failure to post notices on the property in time for the regularly scheduled hearing of the Parks and Recreation Commission for the meeting of Monday, April 10, 2023, which is only one example of the hurdles I have faced in conducting my appeal in a legal, timely and appropriate manner.

This is my statement, and testimony which I will expand on at the hearing of my appeal.

Thank you,

Elise Casby

**Please Commissioners, Vote to Deny the City's Request for a Permit to Remove the Heritage Redwood Trees at 233 Union Street and Uphold Our Appeal. Monday May 8, 2023, at 4 pm.**

Below is a colorful and informative essay composition about the heritage trees, the house, our appeal, the neighborhood, and more. We are appealing the City of Santa Cruz's decision to, "remove" these heritage redwood trees at 233 Union Street, downtown.

**Please read this, Parks and Recreation Commissioners, and anyone in the general public who is interested in this property and neighborhood and the heritage redwood trees growing on this property.**

We co-appellants are working to keep the heritage redwood trees up, alive and in place on the property at 233 Union Street, one block down from the Goodwill.

For one thing, the home on that property is historically important because it is listed on the registry of historic places.

<https://www.nps.gov/subjects/nationalregister/index.htm>

These redwood trees, which appear to be **three** trees at least in so far as how they appear to the eye- are integral to this place and the character of the home.

These heritage redwood trees contribute a distinctive ambiance and show the natural history of this area. They are essential to what makes the entire neighborhood of a very special, delightful and historical character.

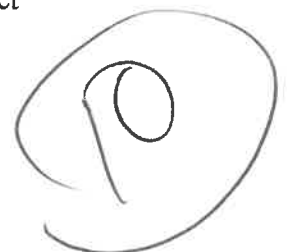
They add a gorgeous green canopy and wildlife habitat to the site and surrounding area as well, which has unique landscape features in the small leafy green parks built into the corners directly in front of the home on both sides of the street and also, walking sidewalks adjacent to the regular block sidewalks directly in front of the property.

There is a unique walking ramp not far from here which takes people up to the westside of Locust street up the hill, across the street from the back of city hall and which rises up from another park called, Rincon Park. The property at 233 Union Street, borders and intersects Angle Alley and Chestnut Streets.

These trees remind one of a forest of redwoods and they contribute to the historical nature of the home, which is an example of a type of architecture called, "the vernacular", which is the reason that the house is listed on the National Register of Historic Places.

Also, the delightful train, the Santa Cruz Beach Train - Roaring Camp Railroads, comes out of the tunnel from the bottom of a rocky cliff next to Chestnut Street, in this same exact neighborhood.

<https://roaringcamp.com/excursions/santa-cruz-beach-train-2>



These many particular and lovely features combine with these heritage redwood trees and create a mosaic of character in this gem of a neighborhood. It is one of the last really green corners of our city. I particularly love walking down this street and seeing the train decorated with Christmas lights go by this corner where the trees, the home and the property are. I wave at the people in the train as it goes by, chugging away, in this unique nook by this storied property. Carrying sightseers right through this neighborhood, the people on the train surely find enchantment in the neighborhood with its lilting canopy from these redwood trees and other delightful effects that remind one of a time gone by.

When I face the house, I see the tree canopy shading the arresting angles of the house, when I turn around, I see the steep hilly rise of Green Street. From there I can follow the lure of the neighborhood, which has captured me many times.

I often follow the curve of Chestnut Street where Green Street comes down to intersect the little parks, right across from these heritage redwood trees and one can find other engaging features only a couple blocks away, such as the Santa Cruz Mission State Historic Park and the The Town clock.

We are appealing the applicant's request and the city's decision to remove these three (although there are only two listed on the application) heritage redwood trees. The trees are very healthy and not actually, **"having an adverse effect on the structural integrity of the structure"**, which is the historical home on that site.

[Even the **Home Inspection Report** did not cite, specifically, with evidence, that the trees were causing that, "adverse" effect on, "structural integrity" of the house. You may find this Inspection Report on page 116, in the Agenda Packet for the P & R Commission Special Meeting that took place on Monday, April 24, 2023. The trees are cited but not that they are without a doubt having this adverse effect upon the structural integrity of the house.]

This bolded language is the essence of the law, part of the Heritage Tree Ordinance that the City's Urban Forester is quoting in order to justify removing these heritage redwood trees.

The trees are **not** impacting the, "structural integrity" of the house. Neither are they, **"likely"** to, which is more language of the law, if the drainage system is maintained, and some other more superficial measures are taken to maintain the tree on the east side, and to continue to mitigate against the tree growth as it comes closer to the house (structure).

The drainage system that keeps the tree roots away from the house has not been maintained, the pump is broken and needs to be replaced for the proper drainage to be restored. This drainage system is very extensive and very effective at deterring the tree's roots from seeking water under the house, however, the drainage system needs to be kept up and repaired.

It is very easy to see the detritus that falls from the trees has not been removed from the gutter nor the drains, and it is visible from the sidewalk and the back alley.



George showed me. I was shown this lack of upkeep that has accumulated all over the drainage system by the former owner of the home. The former owner of the house, **Mr. Henry George Berkeley**, testified at the Commission's Hearing of our Appeal, on the 24th of April. He is the person who installed the drainage system (and he was a jet propulsion expert), he is extremely familiar with the drainage system and its effect on the house and property.

Mr. Berkeley presented compelling testimony to the Parks and Recreation Commission on April 24th, about this issue, that it was the drainage system and not the trees that is affecting the home, and this problem could be corrected with maintenance of the drainage system.

The Appeal Hearing resulted in a tie vote, and that is the reason our appeal is being continued at this Monday's meeting of the Parks and Recreation Commission, the commissioner who was absent from the April 24th public hearing of the appeal will most likely be present at this Monday's hearing. Nik Strong-Cvetich, we hope you will, please consider our strong rebuttal and vote to deny the city's permit to remove the heritage redwood trees at 233 Union Street.

This property is in a gem of a neighborhood and these trees are vital to the whole feel of it and the sustainability of the area, not only environmentally, in economic ways, too. The provisions upon which the City of Santa Cruz's Urban Forester is relying have not been demonstrated by evidence and the legal standards have not been met to justify approving the permit to remove the heritage redwood trees under the legal specifications required by the Heritage Redwood Tree Ordinance. Therefore, the city's request for the permit should be denied, our appeal upheld.

The critical issue is that the heritage trees are not, as the city's urban forester claims, "**having an adverse effect on the structural integrity**" of the house, nor are they, "**likely**" to do so. With mitigation of any superficial effects the trees could have on the house and maintenance of the trees, the drainage system, and other aspects of the house, and property, the trees are also, not **likely** to have an adverse effect on the structural integrity of the house. Again, our appeal should be upheld.

Please, Commissioners, vote today to deny the city's request to be granted the permit to remove the trees and uphold our appeal to allow them to continue to exist on the property at 233 Union Street.

Thanks very, very much for any help with this matter.

Yours truly,

Elise Casby



Monday, May 8th, 2023

1:40 pm

Dear Parks and Recreation Commissioner,

Please vote to support our appeal of the City of Santa Cruz Staff's Decision to Remove the two (which may actually be more accurately called, three heritage redwood trees) on either side of the historically registered house on the property located at 233 Union Street in downtown Santa Cruz.

By voting to support our appeal and deny the permit to remove the trees, you will be saving two (and possibly, three), heritage trees that are critical to the health of wildlife, the integrity of the arbor, and plant life there in this area.

You will also be preserving their contributions to the character, the natural health and history, the sustainability of our natural environment in this area and in our city, as well as the integrity of the house and the property and the neighborhood in this historically designated neighborhood and this historically designated and listed house which is on the historical registry.

**These are heritage redwood trees and fall under the jurisdiction of the Heritage Redwood Tree Ordinance.**

The city staff has not adequately shown, nor demonstrated explicit evidence that the trees are having an adverse effect on the structural integrity of the {structure}, the home, or are likely to, which is the provision under the law, that is, The Heritage Tree Ordinance, that Ms. Leslie Keedy is relying upon to justify the permit for, "removal" of the trees to be permitted.

**This requirement has simply not been met, not been evidenced and should not be approved.**

**The law, that is The Heritage Tree Ordinance, as well as other pertinent requirements and laws, should be followed, must be followed and assiduously observed, it is perhaps, dismaying that this legal fact must be stated.**

Yet, we have seen several questionable breeches in the process of the filing and the seeing through of this appeal, and also in the lack of evidence presented by Ms. Keedy of the trees having an actual, adverse effect on the structural integrity of the house, and also, a willful blindness to the methods available to prevent the likelihood of these adverse effects with basic maintenance of an extremely effective drainage system that has already been fully installed, and had worked effectively for decades until recently, when the pump stopped working due to a lack of power, (and which can be easily fixed), and other measures that have already been effectively taken, and put in place and have been effectively working for years and decades, in fact, to prevent what the city and Ms. Keedy are claiming, in the provision of the law which they city, "the likelihood", of the trees having an adverse effect upon the structural integrity of the (structure), the house, in this case.

**Although these two (but likely to actually be three heritage redwood trees) are going to continue to grow, the drainage system was installed by the former owner of the property, George Berkley, to prevent water from accumulating under the house and this system, when maintain will, along with other mechanisms that were also installed, prevent the heritage tree's roots from seeking water under the structure.**

A consulting arborist probably was more in accordance with the laws pertaining to this Heritage Tree Ordinance, it depends on one's definition of what precisely constitutes a tree, if there are three trees on the property a consulting arborist (independent of the city arborist) should be called into the matter to



determine if there are three trees and also, what precise effect the trees are having upon the structural integrity of the {house}, and also, if they are likely to have this adverse effect.

The heritage trees are not having this effect and this is the determination by law that must be met, if the heritage trees are to be removed and the permit granted.

They are not, likely to have this effect if the drainage system is fixed, which is an excellent system that cost \$125, 000 (one hundred twenty five thousand dollars) and was installed by George Berkley, the former owner of the home and property and also who was a jet propulsion engineer.

Mr. Berkeley's testimony at he April 24th Public Hearing of our Appeal was clear, and this drainage system has and will continue to prevent, that is to stop the heritage redwood tree roots from growing under the house, the structure.

**There are other equally effective measures that can be taken, and which have already been taken, to prevent the trees from growing closer to the structure and which will prevent these heritage redwood trees from actually effecting the structural integrity of the house, and that therefore, will prevent these trees from the, likelihood, of effecting the, structural integrity of the house adversely.**

These trees serve in tandem with the house, (the structure) and serve and show by their manifest existence to be the natural historical equivalent in the same way and along with the house, which itself serves as an example of the, "vernacular" an historical, architectural type, and an architectural example that is extremely unique and that is the reason it is listed on the historical registries.

These trees in tandem with the house are located and exist in a unique neighborhood which is also preserved by it's listing on the proper appointed historical registers, and these heritage trees need to be, and should be protected under the law, The Heritage Tree Ordinance.

The requirements as specified for the removal of these heritage trees have not been met, have not been evidently demonstrated, and in fact many actions were taken to prevent this appeal from being filed and thereby having the opportunity to dispute the city arborist and the realtor's application, and the city's decision to request a permit to remove these heritage redwood trees.

Some forms of negligence or zeal to discourage our filing of the appeal are listed below:

The city staff provided a fee schedule to the realtor agent that was far below the current, pertinent and lawful fee structure. Commissioner Jan Mio pursued this line of questioning to Ms. Keedy at the Public Hearing of our Appeal on Monday, April 24, 2023.

Our appeal was actively discouraged by the City's Urban Forester in person on the day on which we filed, and through materials sent to me, Elise Casby through the USPS.

She, Ms. Keedy, offered to remit our money, that is, she offered to reimburse us if we would rescind the appeal, that is she would return to us, the fee required to file our appeal.

After I filed the appeal, although the city's arborist, Leslie Keedy took me onto the property and showed me what concrete examples she thought justified her use of the law.

I found her demonstrations to be lacking to justify and to meet the requirements by law to remove the heritage redwood trees.

I found the City's decision to be in error.



I presume, and please excuse my presumption, however, I believe that three calls to my cell phone after I filed the appeal by the realtor, Mr. Danny Alvarez, (and of which I still have recordings of two of those phone calls), also indicated a zeal on the part of this agent to have the heritage trees removed.

I presume there were some collaborations that took place previously between Ms. Keedy and the realtor, Mr. Alvarez that led him to leave a certain voicemail message on her cell phone, and which also resulted in her zeal to discourage our appeal, and which continued to be indicated in other actions that Ms. Keedy took to discourage me from seeing this appeal through and also did Mr. Alvarez.

Some of these actions which were performed to discourage me and my co-appellant from filing our appeal and seeing it through took place in the Parks and Recreation Office that very day we went into the office to file the appeal.

Although these actions may also be seen as Ms. Keedy simply performing her professional duty, all these actions, taken altogether indicate a close relationship between the City Forester and Arborist and the Realtor Agent and the permit requested to remove the trees and the decision to do so and approve this permit for the heritage tree removal indicate that these actions were inappropriate and biased.

**When all of these actions that were taken by the City Urban Forester and the Realtor to discourage and even obstruct my filing of the appeal and for the public to be properly noticed are all seen together that is, seen in combination with the actual, taking of a payment from the realtor to fulfill his obligations in this matter, that was a low payment, insufficient and in fact, too low, the amount of which the realtor paid, and which Ms. Keedy too, that was not fulfilling the current fee schedule required by the current laws and city council vote and approval; the total picture of the city's decision, and Ms. Keedy's relationship with the realtor should be understood as inappropriate and perhaps also indicates a breach of legal constraints and perhaps indicates some intentions, actions and the resultant decision by the city to remove the trees to be, actually, illicit and indefensible by law.**

The day I filed the appeal, Monday, February 13, 2023, I heard a recording in the Parks and Recreation office accidentally played by Ms. Keedy, from her cell phone, in the office, of this realtor and agent, Mr. Danny Alvarez, after I filed my appeal with Mr. Lewis, that sounded clearly and audibly, and that Tremain Hedden-Jones who was sitting right there present, with myself and my co-appellant, Marv Lewis, along with Ms. Keedy, in which Mr. Alvarez was gloating, with apparent glee that (as he thought, mistakenly) it looked like no appeal of the city's decision would be filed by 5 pm.

He was mistaken, as I did file an appeal that day, on time, and Ms. Keedy, as quickly as she could, but not before we who were present had heard the words uttered by Mr. Alvarez, had deduced the entire meaning of his voicemail that he left for her, and which she accidentally played for us.

He was gloating because he thought that she and he, the realtor agent had successfully accomplished to request the permit, and avoid anyone filing an appeal.

When their hopes were not fulfilled, Ms. Keedy and Mr. Alvarez made many attempts to discourage me and my co-appellant from proceeding with our appeal, they attempted to get us to change our minds and offered us a refund of our money in the hope that this would discourage us from proceeding with the appeal.

This is not the only clear demonstration that we appellants were actively being discouraged to not file our appeal for the heritage redwood trees to be saved from this permit to be approved which would remove these trees, I believe, illegally from the property.

The applicant's request to have the permit approved for the removal of the trees was not properly noticed as required by law by the guiding laws that require the city to post notices about these Public Hearings of Appeals.

A handwritten signature or set of initials, possibly 'S' and 'V', enclosed within a hand-drawn circle.



If one of the co-appellants had not read the requirements specified by law and reported the omission of the proper noticing to Mr. Tremain Hedden-Jones, the Public Hearing of our Appeal would have not been noticed to the public and the Public Hearing would have taken place on April 10, 2023.

But due to the diligence of my co-appellant, Mr. Lewis, we held the Parks and Recreation Commission of the City of Santa Cruz and the Urban Forester accountable to this failure to give proper notice to the public and that is the reason that our appeal was rescheduled for Monday, April 24, 2023, when the Appeal was actually heard.

We do want to thank, Mr. Tremain Hedden-Jones for his diligence and many demonstrations of efficiency, courtesy, and competency in fulfilling all his duties and professional capacities with regard to our appeal.

We are indebted to his work and professional excellence in assisting us in the necessary requirements for fulfilling our side of the legal issue of this Appeal.

Although Mr. Tremain Hedden-Jones was only performing his duties and his "job", at every step of the way, he demonstrated the epitome of professionalism, and we are grateful.

The other staff in the front lobby of the Parks and Recreation Office were also very helpful and professional and went out of their way to assist us while they also upheld the constraints and measures befitting their office.

Many thanks to all these staff people.

Please read another written piece that I will send to all of you commissioners that I wrote several days ago, last week, about these heritage redwood trees, and their disposition and importance to this property and this neighborhood at 233 Union Street.

**Please, Commissioners, we are asking that you uphold our Appeal and follow the Heritage Tree Ordinance and deny the City of Santa Cruz's request to, "remove" these assets of tremendous natural value on this property.**

Sincerely,

Elise Casby

(and Marv Lewis, co-appellant)

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Chapter 1.16  
APPEALS

Sections:

- 1.16.010 Purpose.
- 1.16.020 Definitions.
- 1.16.030 Appeals, procedures and limitations.
- 1.16.032 Appeal fees.
- 1.16.040 Review on city council's own motion.
- 1.16.050 Stay of license, permit or privilege pending appeal or review.
- 1.16.060 Record on appeal – Request for transcript.

1.16.010 PURPOSE.

The purpose of this chapter is to provide for appeals to the city council by interested persons from rules, regulations, orders and procedures, when appeals are expressly provided for by the provisions of this code establishing such rules, regulations, orders and procedures. The provisions of this chapter shall not apply to appeals taken pursuant to the provisions of Chapters 23 and 24 of the Santa Cruz Municipal Code, or pursuant to any other section or chapter of this code expressly providing for its own appeals procedure.

(Ord. 84-08 § 1, 1984; prior code § 1400).

1.16.020 DEFINITIONS.

(a) "Appellant" is the person aggrieved by any rule, regulation, order or procedure from which an appeal lies by reason of express declaration of the right of appeal under the section or article of the municipal code imposing such rule, regulation, order or procedure.

(b) "Applicant" is any person who has applied for and obtained a decision or action pursuant to any city rule, regulation, order or procedure.

(c) "Director" is defined as any officer, administrator or employee of the city of Santa Cruz authorized and empowered by the Santa Cruz Municipal Code to impose a regulation or enforce compliance with any rule, regulation, order or procedure provided for by the Santa Cruz Municipal Code, and which is subject to appeal as herein specified.

(Ord. 84-08 § 2, 1984; prior code § 1401).

1.16.030 APPEALS, PROCEDURES AND LIMITATIONS.

Any person affected by any rule, regulation, order or procedure imposed or enforced by the city of Santa Cruz or any of its official boards or commissions or any of its directors, pursuant to provisions of the Municipal Code wherein the right of appeal is expressly granted as relief from such rule, regulation, order or procedure sought to be enforced, may file an appeal with the city clerk as clerk of the city council in accordance with the following rules and regulations:

(a) The appeal must be filed in writing within ten days after the decision or action by the board, commission or director imposing or enforcing such rule, regulation, order or procedure subject to appeal. If the final day for filing an appeal occurs on a weekend day or holiday, the final filing date shall be extended to the next following work day.

(b) The appeal shall state in substance that it is made from a decision or action of a board, commission or director of the city enforcing compliance with a rule, regulation, order or procedure pursuant to the Municipal Code, specifying the rule, regulation, order or procedure enforced or acted upon. The appeal must be signed by the appellant or the appellant's representative, and must set forth the mailing address to which the clerk may direct notice of a hearing.

(c) The city clerk, upon receipt of the written appeal, shall forthwith notify the director or secretary of the board or commission in question, in writing, of said appeal, and the director or secretary of the board or commission shall forthwith transmit to the city clerk for review by the city council, the rule, regulation, order or procedure appealed from, and the written records, including any written findings and determinations of the director, board or commission supporting the decision or action.

(d) The city clerk shall set the appeal for hearing on the agenda for a regular or special meeting of the city council not less than fifteen days nor more than sixty days after the date of filing such appeal, provided that the appeal can be scheduled within this time frame in a manner consistent with agenda preparation procedures and city council meetings schedule. As used in this subsection, the phrase "consistent with agenda preparation procedures" shall entail a requirement that no more than two appeal hearings conducted pursuant to this section and Section 2.06.025 shall be held at any given regularly or specially scheduled city council meeting and shall also entail a requirement to consider time constraints imposed by other items scheduled for city council consideration at that city council meeting. This two hearing limitation may be waived by the mayor when he or she determines that there is sufficient council meeting time and staff resources to conduct more than two appeal hearings at a single city council meeting.

(e) Notice of hearing on the appeal shall be mailed by the city clerk, not less than five days prior to the hearing, to the appellant, and to the applicant if the appellant is not also the applicant.

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(g) The order of procedure at the hearing shall be as follows:

- (1) The director or secretary of the board or commission shall present an oral staff report concerning the action or decision, if requested by the council;
- (2) The appellant shall present such opening statement, evidence and argument as appellant shall deem appropriate;
- (3) If the appellant is not the applicant, then the applicant shall present such opening statement, evidence and argument as the applicant shall deem appropriate;
- (4) The appellant may submit rebuttal evidence and closing argument;
- (5) The council may, in its discretion, consider such other oral or written information as it deems relevant to the matter to be decided, including the record of the director, board or commission supporting the decision or action appealed from.

(h) The city council may sustain the action or decision appealed from, or modify said action or decision in any particulars it may deem necessary for the preservation of the rights of the applicant, appellant and the public, or revoke said decision or action. The findings and decisions of the city council on such appeal shall be conclusive.

(Ord. 2000-01 § 1, 2000; Ord. 91-15 § 1, 1991; Ord. 84-08 § 3, 1984; Ord. 74-28 § 1, 1974; prior code § 1402).

1.16.032 APPEAL FEES.

For the purpose of reimbursement of the city for administration of this chapter, the council shall, by resolution, from time to time, fix the amount of fees to be charged for processing all appeals provided for in this chapter.

(Ord. 83-10 § 1, 1983).

1.16.040 REVIEW ON CITY COUNCIL'S OWN MOTION.

Whenever any order, rule or regulation imposed or enforced by the city through any of its official boards or commissions is appealable as in this chapter provided, and whether or not an appeal has been properly filed in the manner provided in Section 1.16.030, any city council member may, when he or she considers it a matter of sufficient general public interest to warrant special city council consideration, file with the city clerk, within five days after the decision or action by the board or commission imposing or enforcing such order, rule or regulation subject to appeal, a request that the matter be referred to the city council in order that the city council may determine if it should, on its own motion, review the action of the board or commission. The city council may review such action in accordance with the following rules and regulations:

- (1) The affected board or commission shall be notified of the request, and shall submit a report to the city council setting forth the reason or reasons for its action, or shall be represented at the meeting of the city council when such request for review is considered.
- (2) The city council shall at its next meeting after the filing of such request, consider the request to review the action of the board or commission and may, on the affirmative vote of four of its members, set the matter for review. No public hearing need be held thereon, provided that the city council may hold any hearings it deems necessary.
- (3) In the event the city council sets the matter for review, the city clerk shall give notice thereof to the applicant, and the applicant shall be entitled to be present at the time of the review to present facts and arguments, or to file with the city council a written statement setting forth his facts and arguments.
- (4) The city council from the evidence, argument and reports presented upon such review, may sustain the order, rule or regulation of the board or commission, modify the order, rule or regulation, or revoke the order, rule or regulation. The findings and ruling of the city council on such reviews shall be conclusive.

(Prior code § 1403).

1.16.050 STAY OF LICENSE, PERMIT OR PRIVILEGE PENDING APPEAL OR REVIEW.

The exercise of any right or privilege, and the operation of any license or permit, the granting or approval of which has been either appealed from, or requested for review on the city council's own motion, shall be stayed pending the decision of the city council on any such appeal or review hereunder.

(Prior code § 1404).

1.16.060 RECORD ON APPEAL – REQUEST FOR TRANSCRIPT.

When a matter on appeal is to be contested, and a request is made to the city clerk, in writing, at least five days prior to the date of the hearing, which request is accompanied by a deposit in an amount established by the council by resolution, the clerk shall arrange for the recording of the hearing by a qualified reporter. If so requested by the person requesting the record, and upon the deposit with the clerk of an additional sum equal to the estimated cost of transcribing the record, the clerk shall cause the record to be transcribed, and a copy made available to the person making such request. The full cost of reporting and transcribing such record shall be paid by the person making such request, and the deposit shall be applied thereon. Any amount deposited with the city clerk which exceeds the cost of reporting and/or transcribing shall be returned to the person making the deposit. Additional copies of such record may be made available to other persons at cost.

(Ord. 78-28 § 1, 1978).



The Santa Cruz Municipal Code is current through Ordinance 2023-04, passed February 28, 2023.

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Section  
from  
CG - appellant  
M. Lewis  
re: laws of  
heritage tree  
ordinance  
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## Chapter 1.16 APPEALS

### Sections:

- 1.16.010 Purpose.**
- 1.16.020 Definitions.**
- 1.16.030 Appeals, procedures and limitations.**
- 1.16.032 Appeal fees.**
- 1.16.040 Review on city council's own motion.**
- 1.16.050 Stay of license, permit or privilege pending appeal or review.**
- 1.16.060 Record on appeal – Request for transcript.**

### **1.16.010 PURPOSE.**

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consideration at that city council meeting. This two hearing limitation may be waived by the mayor when he or she determines that there is sufficient council meeting time and staff resources to conduct more than two appeal hearings at a single city council meeting.

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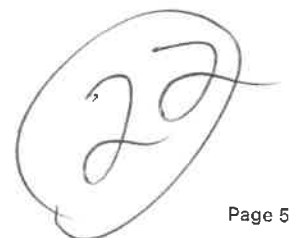
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PR Commission  
AGENDA REPORT

DATE: 03/22/2023

AGENDA OF: 04/24/2023

DEPARTMENT: Parks and Recreation

SUBJECT: Tree Appeal –233 Union Street.

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**RECOMMENDATION:** Uphold staff's decision to approve request for a Heritage Tree Removal Permit (Application #23-0005) to remove two Coast Redwood trees located at 233 Union Street.

---

**BACKGROUND:** On January 11, 2023, Dorth Raphaely submitted an application requesting the removal of two heritage size Coast Redwood trees located at 233 Union Street. The reasons stated on the request for tree removal in summary are trees are causing damage to the foundation/house. An email dated January 11, 2023 describing the locations of the two trees and the damage to the property was also included with the application as well as photographs.

City Council Resolution No. NS-23,710, Exhibit A 1.(c) requires that one or more of the following findings must be established by the applicant and confirmed by the Director of Parks and Recreation for the alteration or removal of a Heritage Tree: (attachment)

- (1) The heritage tree or heritage shrub has, or is likely to have, an adverse effect upon the structural integrity of a building, utility, or public or private right of way;
- (2) The physical condition or health of the tree or shrub, such as disease or infestation, warrants alteration or removal; or
- (3) A construction project design cannot be altered to accommodate existing heritage trees or heritage shrubs.

On February 13, 2023, Elise Casby & Marvin Lewis filed an appeal of the staff decision stating "The Director/ City Urban Forester has cited "damage to the building" as the reason for the removal of the two trees, which are mature, redwood heritage trees. I believe that mitigation is possible to prevent further damage to the building and to correct the damage to the building that has already occurred. I have examined the trees (from the public sidewalk) and reviewed the photographs included in the application and reviewed it and I am convinced based on my background and educated opinion that these two heritage redwood trees are extremely valuable to the wildlife, the neighborhood, and history of the locale, that mitigation is not only feasible but necessary and these two trees should not be removed."

The appellant admits damage to the building in her stated reason for the appeal and did not present evidence contrary to Chapter 9.56 or the findings listed within the Criteria & Standards City Council Resolution No. NS-23,710, Exhibit A 1.(c)(1) to support the appeal. As stated per 9.56.070(a)(2), the appellant did not specifically cite which provisions of Chapter 9.56 was relied



## Meder Arroyo bike trails

Dave Alexander <2dwave@gmail.com>

Wed 2/15/2023 13:13

To: Parks & Recreation Commission <prcommission@santacruzca.gov>

I live adjacent to a public access trail for the Meder Arroyo; off McMillan Ct. While I dislike that MtBikes have degraded the walking path, I accept that they too have access. My concern are the continuing efforts by a few to build jumps, ramps, or other course features into the trail. These efforts degrade the hillsides and may create unsafe situations for biker-pedestrian encounters. Is trail modification a concern or regulated the City? If not permitted then is there a means to post signs to inform public not to modify the trails?

Looking for guidance,

David  
cell 6507035779

upon to support the appellant's contention that the director of parks & recreation acted in error (9.56.070 Right of Appeal (a) (2) attachment)

Additionally, I met with the appellants prior to the appeal filing and walked them onto the property showing them the two trees proximity to the structure and the associated damage to the building and utility, explaining my reasoning by Resolution as to why the two trees met the criteria for removal as per the Council Criteria & Standards Resolution.

**DISCUSSION:** Staff has determined that per City Council Resolution No. NS-23,710, Exhibit A 1.(c) findings have been established by the applicant and confirmed by the Director of Parks & Recreation, that the heritage tree or heritage shrub has, or is likely to have, an adverse effect upon the structural integrity of a building, utility, or public or private right of way.

The tree to the east is in full contact with the wall of the structure, it is also in contact with the gas line to the home. Likely to damage both the house and the utility and also potentially represent a public safety concern for the gas line if it ruptures. The door behind the tree is nonfunctional and prohibits safe access to the utility closet. The tree has cracked interior sheetrock in the past and has pushed in the siding of the home, some of which has been painted over. The site drainage system has been impacted by the tree contact.

The tree to the west has had a bio barrier root containment devise installed in the past in an effort to mitigate the tree root concerns and prolong tree removal. The roots have breached this root containment system. The tree is causing flooding in the interior of the home on the east side and has altered site drainage.

Mitigation and root pruning are not possible on these two trees give the proximity of the trees to the structure. There are no reasonable options to save the two trees or prevent ongoing damage to the structural integrity of the building. The two redwood trees are still relatively juvenile given the expected lifespan of this native tree which can be thousands of years. They are also still of a relatively small diameter given the girth that redwood trunks develop into, generally exceeding 20 feet in diameter (attachment -see informational printout from National Parks Service).

Staff has determined that this application meets stated criteria required for tree removal approval as specified by City Council Resolution No. NS-23,710, Exhibit A 1.(c). The heritage tree or heritage shrub has, or is likely to have, an adverse effect upon the structural integrity of a building, utility, or public or private right of way (attached).

Staff recommends the Parks and Recreation Commission uphold the approval of this application for a permit to remove two Coast Redwood trees located at 233 Union Street.

**FISCAL IMPACT:** Not applicable.

**Prepared By:**  
Leslie Keedy  
Urban Forester

**Submitted By:**  
Tremain Hedden-Jones  
Secretary to the Committee

**Approved By:**  
Tony Elliot  
Director of Parks &  
Recreation



**ATTACHMENTS:**

1. TREE PERMIT APPLICATION.PDF
2. MITIGATION & STAFF INSPECTION CHECK LIST.PDF
3. TENTATIVE TREE PERMIT NOTICE OF ACTION.PDF
4. APPEAL FORM C SUBMITTED BY APPELLANT.PDF
5. RESOLUTION NS-23,710 EXHIBIT A CRITERIA & STANDARDS FOR TREE REMOVAL PERMIT.PDF
6. SCMC 9.56.070 (A)(2).PDF
7. LETTER TO APPELLANT DATED ON 02-21-2023 RE SCHEDULING OF APPEAL.PDF
8. GENERAL SPECIES INFORMATION FOR COAST REDWOOD (NPS).PDF
9. HOME\_INSPECTION\_REPORT.PDF
10. APPELLANT REBUTTAL DATE 04.18.2023.PDF



Parks & Recreation Department  
323 Church St, Santa Cruz CA 95060  
Ph: (831) 420-5270 | Fax: (831) 420-5271

For Office Use Only: Application #TR 23-0005

**TREE PERMIT APPLICATION**  
(This form is not a permit)

- Heritage Tree Alteration/Removal – \$50 fee (2 or more trees additional \$20/tree)
- Emergency Tree Alteration/Removal
- Dead Tree Verification
- Non-Heritage Street Tree Alteration/Removal
- Street Tree Planting

Property Owner Name: Dorth Raphaely Date: 1/11/2023  
 Tree Site Address: 233 Union St Phone: 831-818-4181  
 Mailing Address: 233 Union St City: Santa Cruz State: Ca Zip: 95060  
 Email: Danny@davidlyng.com  
 Authorized Signature: Dorth Raphaely DocuSigned by: 83AADD1F834C48F...  Property Owner  Applicant

State the reason for your request for tree removal/alteration: Other  
Other: Trees are causing damage to foundation/house

SPECIES	QTY	REMOVE	PRUNE	DEAD	PLANT	RELOCATE	ADDITIONAL COMMENTS
Redwood	2	Yes					

**This section is only to be completed if you are a property agent or tree service representing the above referenced property:**

Agent Name: Daniel A. Alvarez Phone: 831-818-4181  
 (if other than Property Owner or Applicant)  
 Agent Signature: [Signature] 2F227BEA363E466...

Qualified Person or Tree Service Performing Work: Lewis Tree (if getting bids, leave blank)  
 Address: 1500 Brommer Street, Santa Cruz, CA 95062 Phone: 831-476-1200  
 City or State Business License # 755357

In order to process a Tree Permit Application, the City Arborist and/or designed City staff must enter onto your property to inspect the tree(s). By applying for a Tree Permit, you are consenting to an on-site inspection.

\*\*\*\*\*  
For Office Use only: \*\*\*\*\*

Inspected by: [Signature] Position: Urban Forester Date: 1-31-23  
 Recommendations: Remove property damage

Received by: [Signature] Entered by: [Signature] Fees Paid: \$ 70.00  
 Date: 1/12/23 Date: 1/12/23 Received by: [Signature]

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**9.56.060 PERMITS REQUIRED FOR WORK SIGNIFICANTLY AFFECTING HERITAGE TREES**

- (a) No person shall prune, trim, cut off, or perform any work, on a single occasion or cumulatively, over a three-year period, affecting twenty-five percent or more of the crown of any heritage tree or heritage shrub without first obtaining a permit pursuant to this section. No person shall root prune, relocate or remove any heritage tree or heritage shrub without first obtaining a permit pursuant to this section.
- (b) All persons, utilities and any department or agency located in the city of Santa Cruz shall submit a permit application, together with the appropriate fee as set forth by city council resolution, to the department prior to performing any work requiring a permit as set forth in subsection (a) of this section. The permit application shall include the number, species, size, and location of each subject heritage tree or heritage shrub, and shall clearly describe the scope of work being proposed and the reason for the requested action. Any supplemental reports which may be submitted by the applicant and staff are advisory only and shall not be deemed conclusive or binding on the director's findings.
- (c) An authorized representative of the department shall inspect the tree or shrub which is the subject of the application. Pursuant to that inspection, the authorized representative shall file with the director written findings.
- (d) If, upon said inspection, it is determined that the tree or shrub which is the subject of the permit application meets none of the criteria set forth in Section 9.56.040, no further action on the part of the director or the permit applicant is necessary.
- (e) If the tree or shrub which is the subject of the permit application meets any of the criteria set forth in Section 9.56.040 based upon a review of the permit application and the inspection report, then the director shall make findings of fact upon which he/she shall grant the permit, conditionally grant the permit specifying mitigation requirements, deny the permit or allow a portion of the proposed work outlined in the permit application to be done.
- (f) Where three or more heritage trees or three or more heritage shrubs are the subject of any proposed work to be performed, the director shall require that the applicant sign an agreement for preparation and submission of a consulting arborist report. As part of said agreement, the applicant shall be required to deposit with the department an amount of money equal to the estimated cost of preparing the report, as contained in said agreement.
- (g) The decision of the director shall be final unless appealed to the commission by the permit applicant or any other aggrieved person pursuant to Section 9.56.070.
- (h) The director shall issue any permit granted pursuant to this section, which permit shall be conspicuously posted near the subject(s) of the permit.
- (i) Unless appealed, the permit shall take effect ten calendar days after it is issued, except where the tenth day occurs on a Saturday, Sunday or holiday, in which case the effective date shall be extended to the next following business day.
- (j) All work performed on any designated heritage tree or heritage shrub pursuant to a permit as provided in this section shall be completed within forty-five days from the effective date of the permit, or within such longer period as the director may specify.

<p style="text-align: center; color: red;"><b>IMPORTANT</b> <i>Please Read and Initial</i></p> <p><b>CRITERIA AND STANDARDS FOR TREE REMOVAL APPROVAL</b></p> <ul style="list-style-type: none"> <li>• The heritage tree or shrub has, or is likely to have, an adverse effect upon the structural integrity of a building, utility or public or private right of way; Or</li> <li>• The physical condition or health of the tree or shrub, such as disease or infestation, warrants alteration or removal; Or</li> <li>• A Construction project design cannot be altered to accommodate existing heritage trees or shrubs.</li> </ul> <p><b>APPROVED TREE(S) REMOVAL REPLACEMENT REQUIREMENTS</b></p> <ul style="list-style-type: none"> <li>• On-site replanting is the primary intent for replacement.</li> <li>• The Director shall make a determination regarding tree replacement based on the chart below:</li> <li>• Category I: A Heritage tree as defined by criteria in section 9.56.04 of the ordinance.</li> <li>• Tree Replanting Requirement: A) Replanting three (3) fifteen gallon (15 gallon) or one (1) twenty-four inch (24") size specimen or the current value which shall be determined by the Director.</li> </ul> <div style="text-align: right; border: 1px solid red; padding: 2px; width: fit-content; margin-left: auto;">Initials</div>	<p><b>LOCATION MAP: Please site and label all structures and heritage tree(s).</b></p> <p style="text-align: right; color: red;"><i>If submitting electronically, please attach location map</i></p>
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**Catherine Green**

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**From:** Parks and Rec  
**To:** Danny Alvarez  
**Subject:** RE: 233 Union / Tree removal application

**From:** Danny Alvarez <danny@maverickgroupre.com>  
**Sent:** Wednesday, January 11, 2023 4:33 PM  
**To:** Parks and Rec <parksandrec@cityofsantacruz.com>  
**Cc:** Raphaely, Dorth <raphaely@gmail.com>; Sarah Moore <sarahbaemag@gmail.com>  
**Subject:** 233 Union / Tree removal application

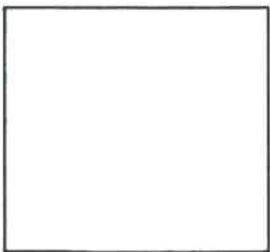
Hi Catherine or to Whom it May Concern,

Please find attached a copy of the application to remove two redwood trees located at 233 Union St., one tree is on the left side of the house towards the front, as you view it from Union St~it is one tree with two trunks splitting above approximately 10'-20' feet above the ground. This tree is against the house and contacting the foundation. The other tree is located at the rear on the right side; it is lifting the ground around the foundation near a door causing water to flow into the house, breaking up walkways and a major root at the foundation. (SEE PHOTOS).

I have provided Dorth's cell phone and had him sign the application. Sara Moore is also an owner, she is CC'd in this email and I am their Real Estate Agent helping them with this as they live out of the area. They are prepared to pay the in lieu fee to have trees planted elsewhere in the City. I have received a bid form Lewis Tree Service to remove both trees. There is damage occurring as we speak and your attention to this matter is appreciated.

Thanks for your time and consideration. Please call me directly (831-818-4181) so that I can meet you at the house when you come by to inspect (I can show you the water damage in the downstairs).

Kind regards,



**DANIEL A. ALVAREZ**

Broker Associate | DRE 01237892

831.818.4181

danny@maverickgroupre.com

maverickgroupre.com

129 Water St. Santa Cruz, Ca 95060

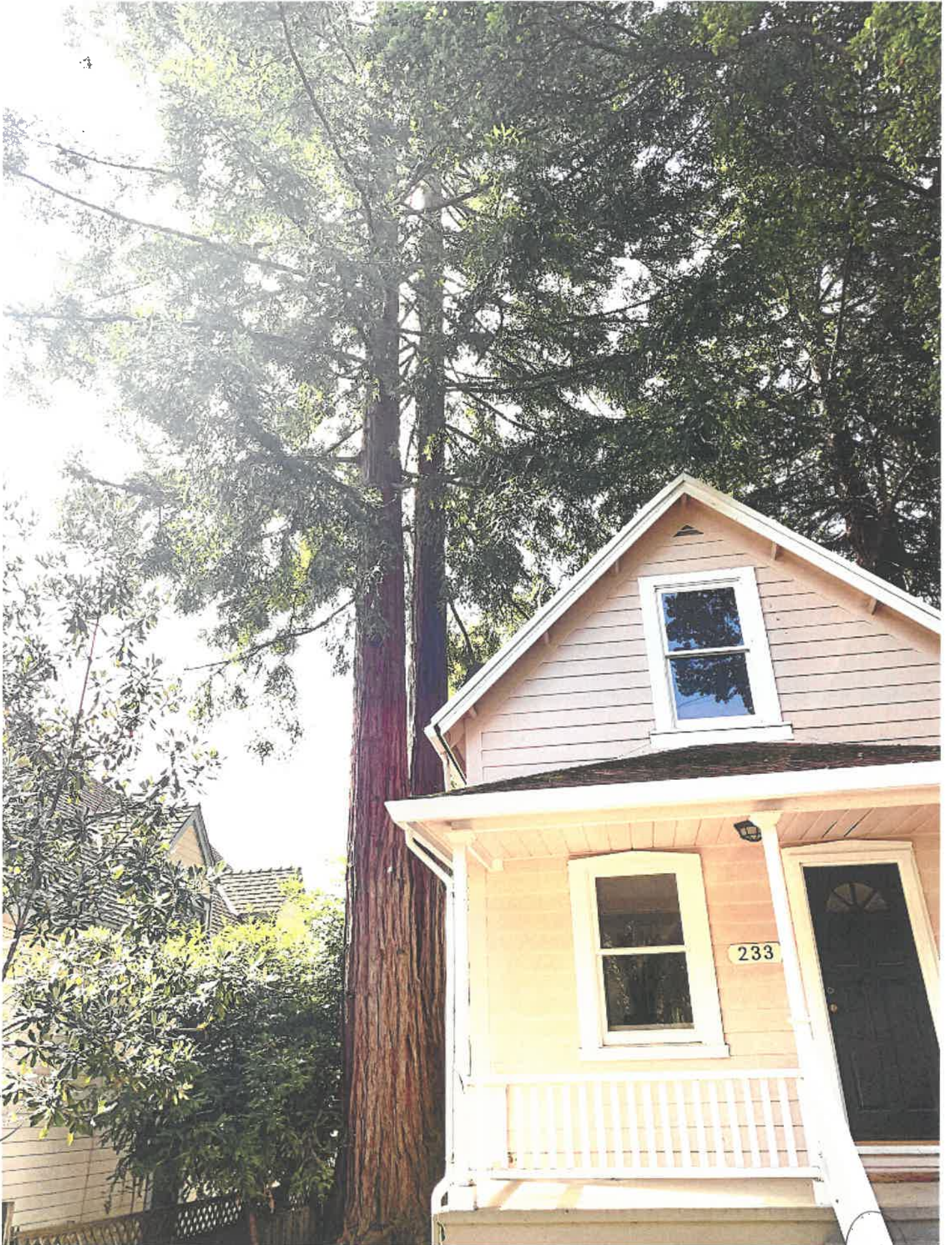




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## Receipt & Agreement



**Receipt #** 152269  
**Payment Date:** 01/12/2023  
**Household:** 19837

**DORTH RAPHAELY**  
 233 UNION ST  
 SANTA CRUZ CA 95060

Parks & Recreation Administration  
 323 Church St.  
 Santa Cruz CA 95060  
 Phone: (831)420-5270  
[www.cityofsantacruz.com](http://www.cityofsantacruz.com)

**OS Service Item Details: Tree Permit Application-Appeal (Tree Permit Application)**

Service Item Type:	<b>Miscellaneous</b>	<u>New Fees</u>	<u>Total Fees</u>	<u>New Paid</u>	<u>Total Paid</u>	<u>Amount Due</u>
Quantity:	<b>1</b>	70.00	70.00	70.00	70.00	0.00
Family Member:	<b>Dorth Raphaely</b>					

Fee Details:	Fee Description	<u>Amount</u>	<u>Count</u>	<u>Discount</u>	<u>Sales Tax</u>	<u>Total Fee</u>
	Permit Fee	50.00	1.00	0.00	0.00	50.00
	Discount Trees (QTY)	20.00	1.00	0.00	0.00	20.00

Special Questions: **CRW TrackIt#: TR23-0005**  
**Permit Status: In Review**

Processed on 01/12/23 @ 10:08 am by cgreen

Total New Fees	70.00
Discount Applied	0.00
<b>Total Due</b>	<b>70.00</b>
Total Fees Paid	70.00
<b>Total Paid</b>	<b>70.00</b>

**Household Balance Information**

Overall Household Credit Balance Available	0.00
Overall Household Balance Due	0.00

Payment of: 70.00 Made By: CREDIT CARD Auth: 92337D Card#: xxxxxxxxxxxx9142 With Reference: TR23-0005 233  
 Union St Tree Permit

## Receipt & Agreement



**Receipt #** 153720  
**Payment Date:** 01/31/2023  
**Household:** 19837

**DORTH RAPHAELY**  
**233 UNION ST**  
**SANTA CRUZ CA 95060**

Parks & Recreation Administration  
 323 Church St.  
 Santa Cruz CA 95060  
 Phone: (831)420-5270  
[www.cityofsantacruz.com](http://www.cityofsantacruz.com)

**POS Service Item Details: Tree In Lieu Fee**

Service Item Type:	<b>Miscellaneous</b>	<u>New Fees</u>	<u>Total Fees</u>	<u>New Paid</u>	<u>Total Paid</u>	<u>Amount Due</u>
Quantity:	1	300.00	300.00	300.00	300.00	0.00
Family Member:	Dorth Raphaely					
Fee Details:	Fee Description	<u>Amount</u>	<u>Count</u>	<u>Discount</u>	<u>Sales Tax</u>	<u>Total Fee</u>
	Tree Mitigation Fee (Private Property)	150.00	2.00	0.00	0.00	300.00

Processed on 01/31/23 @ 10:13 am by bpowers

Total New Fees			300.00
Discount Applied			0.00
	<b>Total Due</b>		<b>300.00</b>
Total Fees Paid			300.00
	<b>Total Paid</b>		<b>300.00</b>

**Household Balance Information**

Overall Household Credit Balance Available 0.00  
 Overall Household Balance Due 0.00

Payment of: 300.00 Made By: Check With Reference: 114

Please use this form to facilitate this process. The effective date of the permit shall be determined by the date the bond and/or Santa Cruz Tree Trust Fund contribution is received.

Name: Daniel Alvarez  
Address: 733 Union St.  
City: S.C. State: Ca Zip: 95060  
Telephone: 831-818-4181

Application number: 23-0005  
Bond Submitted: \_\_\_\_\_  
(Date)

Mailing Address: (If different from above)  
Address: \_\_\_\_\_  
City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Please check one (1) of the following two options:

I have enclosed a check made payable to: City of Santa Cruz, 323 Church Street, Santa Cruz, CA 95060 in the amount of \$ \_\_\_\_\_ as a refundable bond. This amount includes \$250.00/per tree removed. I understand it is my responsibility to notify the City Urban Forester at (831)420-5246 to make arrangements for inspection ninety (90) days after planting.

I have enclosed a check for a monetary contribution to replant trees off-site by contributing to the Santa Cruz Tree Trust Fund made payable to : City of Santa Cruz Tree Trust Fund, 323 Church Street, Santa Cruz, CA 95060 in the amount of \$ 300. This amount includes \$150.00 for each 24" box tree or \$50.00 for each of three - 15 Gallon trees for each tree removed.

\_\_\_\_\_  
(Please Print Full Name)

Daniel Alvarez  
(Agent-Please Print Full Name)

\_\_\_\_\_  
(Signature of Applicant)

[Handwritten Signature]  
(Signature of Agent)

OFFICE USE ONLY:

Check #: 114  
By: [Signature]

Date Received: 1-31-23

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## **IMPORTANT TREE REPLANTING REQUIREMENT INFORMATION**

### **PLEASE READ**

If your application receives tentative approval, a notice will be conspicuously posted on your property for 10 days for public appeal. If there is no appeal, the tentative permit will be valid provided **conditions of the tree replanting requirements have been met**. The tree replanting requirements are the last step to complete the permit process [Municipal Code 9.56.100, paragraph (a) Replanting Resolution.

**If it is deemed inappropriate to replant on-site.**

You may choose to:

- Place a refundable bond of \$250.00 and replant appropriate tree(s) on private property if approved by the Director of Parks and Recreation; or
- Contribute in cash or check, payable to the City of Santa Cruz Tree Trust Fund, the equivalent value of the tree(s) in the amount of \$150.00.

**On-site replanting is the primary intent for tree replanting.**

You may choose to replant either:

- Three (3) fifteen (15) gallon trees
- or
- One (1) twenty-four inch (24") box size specimen tree for each approved tree removal.

If you choose to replant, Municipal Code 9.56.100 (a) requires you to post a bond, pay cash or submit a check payable to the City of Santa Cruz, 323 Church St., Santa Cruz, CA 95060. No interest will be paid on the bond. No permit shall be issued until the bond has been posted and or a contribution is made to the Santa Cruz Tree Trust Fund.

**HERITAGE  
TREE / SHRUB  
EVALUATION FORM**

FORM B



**City of Santa Cruz  
Parks and Recreation  
Department**  
323 Church Street  
Santa Cruz, California 95060  
831-420-5270

NAME: Raphaela INSPECTION DATE: 1-31-23  
 ADDRESS: 123 Union APPLICATION #: 23005  
 TREE/SHRUB SPECIES #1: Redwood HT: 70 DBH: 30 ACS: 30  
 TREE/SHRUB SPECIES #2: \_\_\_\_\_ HT: 70 DBH: 40 ACS: 30

Tree / shrub DOES / DOES NOT \_\_\_\_\_ meet Heritage Tree / Heritage Shrub criteria in accordance with Ordinance adopted by City Council. (See other side.)

FACTOR	VARIATION IN CONDITION	TREE/SHRUB		COMMENTS
		#1	#2	
CROWN / FOLIAGE DEVELOPMENT	Well-balanced / Normal size & color	X	X	
	Lacking natural symmetry			
	Lacking a full crown			
TRUNK CONDITION	Sound and solid	X	X	
	Decay: Minor			
	Moderate Severe			
MAJOR BRANCH STRUCTURE	No defects	X	X	old cuts healed
	Die-back limited			
	Few broken branches			
	Several broken branches			
ADVERSE EFFECT ON:	Utility	X	X	drainage systems, gas line
	Walkway			
	Driveway			
	Foundation	X	X	
	Other			
INSECTS & DISEASES	No insects or diseases apparent	X	X	
	Insects / disease			
	Severe infestation			
ROOTS	No root problems apparent			drainage cracking contact w/ house
	Minor root problems			
	Severe root problems	X	X	

Staff DOES / NOT recommend removal / alteration in accordance with Ordinance adopted by City Council.  
 STAFF RECOMMENDATIONS:

EVALUATED BY: Ueedy REVIEWED BY: \_\_\_\_\_

REVIEW COMMENTS:  
Remove property damage 35

Distribution: White: Original to File  
 Yellow: Public Notice  
 Pink: Applicant  
 Gold: For Posting

**Leslie Keedy**

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**From:** Leslie Keedy  
**Sent:** Tuesday, January 31, 2023 10:48 AM  
**To:** Leslie Keedy





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Sent from my iPhone



# NOTICE of ACTION

## HERITAGE TREE ALTERATION/REMOVAL/RELOCATION TENTATIVE PERMIT

Posting Date: 2/1/2023

Application #: TR23-0005

Applicant: DORTH RAPHAELY  
233 UNION ST  
SANTA CRUZ, CA 95060

Site Location: 233 UNION ST, SANTA CRUZ, CA 95060-3709

PERMIT APPLICATION for: Remove 2 Redwood sp

Effective Date: 02/13/2023 at 5:00 P.M.

### APPEAL PROCEDURE

Pursuant to Chapter 9.56 of the Santa Cruz Municipal Code pertaining to Heritage Trees, section 9.56.070, titled "Right of Appeal" paragraph (a) items (1) through (11) and paragraph (b) items (1) through (3); and chapter 13.30 of the Municipal Code pertaining to Street Trees, sections 13.30.160, titled "Right of Appeal" through 13.30.200, titled "Hearing on Appeal": Appellant has ten calendar days from the notification date in which to file an appeal. A written appeal using Form C, available at the Parks and Recreation Department must be filed with the Secretary of the Parks and Recreation Commission at 323 Church Street from 8:00 AM to 5:00 PM Monday through Friday. There is a \$100.00 filing fee. The appellant shall state the basis for the appeal and shall specifically cite which provision of this ordinance is relied upon to support the appellant's contention that the Director of Parks and Recreation erred in granting or denying the permit. The Secretary will notify appellant as to the next most convenient commission meeting to which the appeal can become a part of the agenda. At such time appellant can verbally state the appeal before the Commission. If the Commission reverses staff's decision, applicant shall be issued a permit after 10 calendar days except where the tenth day occurs on a Saturday, Sunday or holiday, in which case the effective date shall be extended to the next following business day, allowing for an appeal of the Commission's decision.

Any person, public agency or utility aggrieved or affected by any decision or action taken by the Commission may appeal that decision or action to the City Council. All such appeals shall be made pursuant to Chapter 1.16 of the Santa Cruz Municipal Code. A written appeal using form C, available at the Parks and Recreation Department is filed with the City Clerk's office located at 809 Center Street. An appeal fee of \$100.00 is paid when appellant files the appeal. The City Clerk's office will notify appellant as to the next most convenient council meeting to which the appeal can become a part of the agenda. At such time, the appellant can verbally state the appeal before the City Council. If the City Council reverses the Commission's decision, applicant will be issued a permit within a short period of time. If the city council concurs with the Commission, the permit will be denied and the matter will be closed.

Authority:

Leslie Keedy  
City Urban Forester/Arborist

City of Santa Cruz  
Parks and Recreation Department  
323 Church Street, Santa Cruz, CA | Ph : ( 831 ) 420-5270  
Monday through Friday - 8am to 5pm (Except Holidays)

## Receipt & Agreement



**Receipt #** 154519  
**Payment Date:** 02/13/2023  
**Household:** 20227

ELISE CASBY  
 PO BOX 671  
 SANTA CRUZ CA 95061

Parks & Recreation Administration  
 323 Church St.  
 Santa Cruz CA 95060  
 Phone: (831)420-5270  
 www.cityofsantacruz.com

**POS Service Item Details: Tree Permit Application-Appeal (Tree Permit Application)**

Service Item Type:	<b>Miscellaneous</b>	<u>New Fees</u>	<u>Total Fees</u>	<u>New Paid</u>	<u>Total Paid</u>	<u>Amount Due</u>
Quantity:	1	100.00	100.00	100.00	100.00	0.00
Family Member:	Elise Casby					
Fee Details:	Fee Description	<u>Amount</u>	<u>Count</u>	<u>Discount</u>	<u>Sales Tax</u>	<u>Total Fee</u>
	Appeals Fee	100.00	1.00	0.00	0.00	100.00

Special Questions: CRW TrackIt#: TR23-005  
 Permit Status: In Review

Processed on 02/13/23 @ 5:02 pm by tjones

Total New Fees		100.00			
Discount Applied		0.00			
	<b>Total Due</b>	<b>100.00</b>			
Total Fees Paid		100.00			
	<b>Total Paid</b>	<b>100.00</b>			

**Household Balance Information**

Overall Household Credit Balance Available 0.00  
 Overall Household Balance Due 0.00

Payment of: 100.00 Made By: CREDIT CARD Auth: 099069 Card#: xxxxxxxxxxxx5487 With Reference:


Parks & Recreation Department  
323 Church St, Santa Cruz CA 95060  
(831) 420-5270



HERITAGE TREE REMOVAL/ALTERATION PERMIT APPLICATION  
APPEAL FORM C

IN ACCORDANCE WITH ORDINANCE ADOPTED BY CITY COUNCIL  
and ~~Mark~~ <sup>Marylin</sup> Lewis please mail all relevant mail to this PO box please  
→ mailing address: P.O. Box 671, Santa Cruz, CA 95060  
APPELLANT: Elise Casby and ADDRESS: I live at 215 Storey St. Santa Cruz, CA 95060 ZIP: 95060  
PHONE: 831-266-7407 DATE OF APPEAL: Monday, February 13, 2023 TREE APPLICATION NO: TR 23-0005  
TREE ADDRESS: 233 Union Street Santa Cruz, CA TREE SPECIES: 2 Redwood sp  
TREE LOCATION: Please use map below to indicate tree(s) location on property.

PLEASE NOTE: THE APPELLANT SHALL STATE THE BASIS FOR THE APPEAL AND SHALL SPECIFICALLY CITE WHICH PROVISION OF THIS ORDINANCE OR CITY COUNCIL RESOLUTION IS RELIED UPON TO SUPPORT THE APPELLANT'S CONTENTION THAT THE DIRECTOR OF PARKS AND RECREATION ERRED IN GRANTING OR DENYING THE PERMIT. ANY REPORTS WHICH MAY BE SUBMITTED BY THE APPELLANT AND/OR STAFF ARE ADVISORY ONLY AND SHALL NOT BE DEEMED CONCLUSIVE OR BINDING ON THE COMMISSION'S FINDINGS.

<p>REASON FOR APPEAL: <u>The director/city Urban Forester/Arborist has cited "damage to the building" as the reason for the removal of the two trees, which are mature, redwood heritage trees. I believe that mitigation is possible to prevent further damage to the building and to correct the damage to the building that has already occurred. I have examined the trees (from the public sidewalk) and reviewed the photographs included in the application and reviewed it and I am convinced based on my background and educated opinion that these two heritage redwood trees are extremely valuable to the wildlife, the neighborhood and history of the local. That mitigation is not only feasible but necessary and these two trees should not be removed.</u></p> <p><u>Elise M. Casby</u> APPELLANT SIGNATURE</p>	<p>LOCATION MAP: Please site and label all structures and heritage tree(s).  <u>There are 2 (two) redwood trees cited on the posting for removal at the location/property at 233 Union Street that I am appealing.</u></p> <p style="text-align: right;"> NORTH</p>
---	--

THERE IS A \$100.00 FILING FEE

FOR OFFICE USE ONLY:

RECEIVED BY: \_\_\_\_\_ DATE: \_\_\_\_\_ FEE: \_\_\_\_\_  
PARKS & RECREATION COMMISSION MEETING DATE: \_\_\_\_\_  
COMMISSION DECISION: APPROVED \_\_\_\_\_ DENIED \_\_\_\_\_

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## 9.56.070 RIGHT OF APPEAL

(a) Decision or Action of Director. Any person, public agency or utility aggrieved or affected by any decision or action taken pursuant to the authority of this chapter by the Director may appeal that decision or action to the Commission according to the following rules and regulations:

(1) A written notice of appeal, together with the appropriate fee as set forth by City Council resolution, must be received by the staff to the Commission not later than ten (10) calendar days following the date of the decision or action from which such appeal is being taken. If the final day for filing an appeal occurs on a weekend day or City holiday, the final filing date shall be extended to the next following business day.

(2) The appellant shall state the basis for the appeal and shall specifically cite which provision of this chapter or City Council Resolution pertaining to criteria for application approval, is relied upon to support the appellant's contention that the Director acted in error. Any information or reports which may be submitted by the applicant, appellant or staff are advisory only and shall not be deemed conclusive or binding on the Commission's findings. The appeal must be signed by the appellant or appellant's representative, include appropriate appeal fees as set forth by City Council Resolution and must provide a valid mailing address to which the staff to the Commission may direct notice of a hearing.

(3) Upon receipt of the appeal the staff to the Commission shall schedule the matter for a public hearing at the next regularly scheduled business meeting, but not sooner than ten (10) business days after receipt. The Commission shall complete its action within sixty (60) days from the date the matter is first scheduled for public hearing, unless appellant and/or permit applicant mutually agree to extend said sixty (60) day period.

(4) Notice of the public hearing shall be sent by first class mail to the permit applicant and appellant at least five (5) calendar days prior to the meeting.

(5) Notice of the public hearing shall be conspicuously posted by the Director near the heritage tree(s) in question, at least ten (10) calendar days prior to the meeting.

(6) All notices shall include:

(A) The time, place and date of the public hearing;

(B) A brief description of the matter to be considered including a concise description of the heritage tree in question, its location and scope of work being proposed;

(C) A brief description of the general procedure for submission of comments;

(D) The date of the filing of the permit application and the name of the applicant.

(7) The Commission shall make findings of fact, based on and consistent with the adopted City Council Resolution setting forth the criteria and standards for tree alteration and removal, on which it bases its action. The Commission may conditionally grant the permit specifying tree replanting requirements consistent with Title 24, the Zoning Ordinance, and the adopted City Council Resolution specifying approved tree removal replanting requirements, as well as time of performance, deny the permit, or allow a portion of the proposed work outlined in the permit application to be completed.

(8) The Commission shall direct the Director to issue any permit granted by the Commission pursuant to this section, which permit shall be conspicuously posted near the subject(s) of the permit.

(9) The decision of the Commission shall be final unless appealed to the City Council pursuant to Chapter 1.16 of the City of Santa Cruz Municipal Code by the permit applicant or any other aggrieved person.

(10) Unless appealed, the permit shall take effect ten (10) calendar days after it is issued, except if the tenth day occurs on a weekend day or City holiday, in which case the effective date shall be extended to the next following business day.

(11) All work performed on any designated heritage tree pursuant to a permit as provided in this section shall be completed within ninety days from the effective date of the permit, or within such longer period as the Commission may specify.

(b) Decision or Action of Commission. Any person, public agency or utility aggrieved or affected by any decision or action taken pursuant to the authority of this chapter by the Commission may appeal that decision or action to the City Council. All such appeals shall be made pursuant to Chapter 1.16 of the Santa Cruz Municipal Code.

(1) Members of the City Council shall be exempt from the appeal fee specified in Chapter 1.16 when acting in their official capacity.

(2) The City Council shall determine all questions raised on appeal pursuant to Chapter 1.16, and the decision of the City Council shall be final.

(3) Permit applications denied by the City Council on appeal shall not be considered for reapplication for a period of one year from the date of the City Council's decision, unless:

(A) There is a significant decline in the health of the subject heritage tree as verified by a Certified Arborist and confirmed by the Director; and

(B) Said decline in health has not been caused by the applicant or any person associated with the applicant.

RESOLUTION NO NS-23,710

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ  
RESCINDING RESOLUTION NO. NS-21,433 REGARDING THE ADOPTION  
OF CRITERIA AND STANDARDS FOR THE ALTERATION OR REMOVAL  
OF HERITAGE TREES AND SHRUBS

WHEREAS, Chapter 9.56 of the Santa Cruz Municipal Code titled "Preservation of Heritage Trees and Heritage Shrubs" authorizes the alteration or removal of any heritage tree or heritage shrub only under circumstances to be set forth by City of Santa Cruz City Council resolution; and

WHEREAS, it is the intention of the City Council of the City of Santa Cruz that this resolution, and the criteria and standards hereby adopted, shall be used to determine the only circumstances under which any heritage tree or heritage shrub may be altered or removed.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz that it hereby adopts the criteria and standards set forth in Exhibit A attached hereto and by this reference incorporated herein for the determination of the circumstances under which any heritage tree or heritage shrub may be altered or removed, and that Resolution No. NS-21,433 is hereby rescinded.

PASSED AND ADOPTED this 14th day of April, 1998, by the following vote

AYES: Councilmembers: Beiers, Rotkin, Hernandez, Mathews, Kennedy,  
Mayor Scott.

NOES: Councilmembers: None

ABSENT: Councilmembers: Campbell

DISQUALIFIED: Councilmembers: None.

APPROVED: Colin Scott  
Mayor

ATTEST: Kimma Falden  
City Clerk

40

EXHIBIT A

CRITERIA AND STANDARDS

1. A heritage tree or heritage shrub, as defined in Chapter 9.56 of the City of Santa Cruz Municipal Code shall only be altered or removed in the following circumstances.

(a) Alteration of a heritage tree or heritage shrub would only affect less than twenty-five percent (25%) of the crown of said heritage tree or heritage shrub;

(b) Findings by the Director of Parks & Recreation can be established in conformity with the City's Urban Forest and Wildland Interface Policy Statement; or

(c) One or more of the following findings are established by the applicant and confirmed by the Director of Parks and Recreation:

(1) The heritage tree or heritage tree shrub has, or is likely to have, an adverse effect upon the structural integrity of a building, utility, or public or private right of way;

(2) The physical condition or health of the tree or shrub, such as disease or infestation, warrants alteration or removal, or

(3) A construction project design cannot be altered to accommodate existing heritage trees or heritage shrubs.

2. For every heritage tree or heritage shrub altered, damaged or removed, mitigation shall occur in accordance with the City Council resolution establishing mitigation requirements for alterations, damage and removals of heritage trees and shrubs.

3. During the pendency of any appeal arising out of the approval or disapproval of a heritage tree removal/alteration permit application processed pursuant to S.C.M.C. 9.56, the tree, grove of trees or shrub which is the subject of that appeal shall be maintained in the same condition as on the permit application date and shall not be pruned or altered in any fashion whatsoever whether or not the pruning or alteration would otherwise require a permit.



the maintenance and repair work specified by Sections 13.30.060(b) and 15.20.210(c) of this code.

(Ord. 94-60 § 1, 1995; Ord. 94-01 § 2, 1994).

### **9.56.070 RIGHT OF APPEAL.**

(a) **Decision or Action of Director.** Any person, public agency or utility aggrieved or affected by any decision or action taken pursuant to the authority of this chapter by the director may appeal that decision or action to the commission according to the following rules and regulations:

(1) A written notice of appeal, together with the appropriate fee as set forth by city council resolution, must be received by the secretary of the commission not later than ten calendar days following the date of the decision or action from which such appeal is being taken. If the final day for filing an appeal occurs on a weekend day or holiday, the final filing date shall be extended to the next following business day.

(2) The appellant shall state the basis for the appeal and shall specifically cite which provision of this chapter is relied upon to support the appellant's contention that the director of parks and recreation acted in error. Any reports which may be submitted by the applicant, appellant or staff are advisory only and shall not be deemed conclusive or binding on the commission's findings. The appeal must be signed by the appellant or appellant's representative, and must set forth the mailing address to which the secretary of the commission may direct notice of a hearing.

(3) Upon receipt of the appeal the secretary of the commission shall schedule the matter for a public hearing at the next regularly scheduled business meeting, but not sooner than ten business days after receipt. The commission shall complete its action within thirty days from the date the matter is first scheduled for public hearing, unless appellant and appellee mutually agree to extend said thirty-day period.

(4) Notice of the public hearing shall be sent by first class mail to the permit applicant and appellant at least five calendar days prior to the meeting.

(5) Notice of the public hearing shall be conspicuously posted by the director near the heritage tree(s) or heritage shrub(s) in question, at least ten calendar days prior to the meeting.

(6) All notices shall include:

(A) The time, place and date of the public hearing;

(B) A brief description of the matter to be considered including a concise description of the heritage tree or heritage shrub in question, its location and scope of work being proposed;

(C) A brief description of the general procedure for submission of comments;

(D) The date of the filing of the permit application and the name of the applicant.

(7) The commission shall make findings of fact on which it bases its action. The commission may conditionally grant the permit specifying mitigations, deny the permit or allow a portion of the proposed work outlined in the permit application to be done.

(8) The commission shall direct the director to issue any permit granted by the commission pursuant to this section, which permit shall be conspicuously posted near the subject(s) of the permit, and maintained at the reference desk of the central branch of the Santa





**CITY OF SANTA CRUZ**  
Parks Division  
Leslie Keedy  
Urban Forester  
323 Church Street  
Santa Cruz, California 95060  
Telephone (831) 420-5246 FAX(831)420-5361

Date: 02-21-23

Marvin Lewis & Elise Casby  
PO BOX 671  
Santa Cruz CA 95060

The Director & the P&R Commission Chair are working towards setting a date for the tree appeal meeting with the Commission. Staff will be in contact once that meeting date has been scheduled. You will get notice & an agenda package from the Secretary to the Commission.

Attached is some additional evidence of property damage from the 2 trees for your consideration. I also have attached a copy of the City Council resolution as to when the City grants permits for tree removal. In this case the city is obliged to issue a permit due to property damage & a likelihood of future & ongoing damage as the trees continue to grow to maturity.

Mitigation to save the 2 trees is not feasible as both trees are in contact with the structure & cannot be root pruned per industry standard or without causing significant tree damage or destabilization. The home cannot reasonably be made smaller or moved to accommodate the actively growing 2 trees. The owner has cleared away additional duff & soil to more accurately represent the structural property damage conditions.

Additionally, I had met with the previous owners several years ago & we did discuss trying to prune roots & install a root barrier panel to mitigate the root damage from the tree to the west (see pictures of root panel). At that time the tree to the east had no viable root pruning or barrier options & removal was discussed at that time but the owners never pursued the effort. The bio barrier panel you will see in the attached picture is warranted for 10 years roughly; you will see that efforts to save the tree on the west side of the building were completed & the tree roots have since breached this root mitigation system. It is clear the owner made an effort to save the tree & that root barrier mitigation action did not stop the roots or the tree from continuing to grow into the size that redwoods want to grow to. If you are interested in withdrawing please contact to discuss.

Sincerely,

  
Leslie Keedy  
City Urban Forester



Sent from my iPhone

A handwritten signature or initials enclosed in a circle.

EXHIBIT A

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(c) One or more of the following findings are established by the applicant and confirmed by the Director of Parks and Recreation:

(1) The heritage tree or heritage tree shrub has, or is likely to have, an adverse effect upon the structural integrity of a building, utility, or public or private right of way;

(2) The physical condition or health of the tree or shrub, such as disease or infestation, warrants alteration or removal, or

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3. During the pendency of any appeal arising out of the approval or disapproval of a heritage tree removal/alteration permit application processed pursuant to S.C.M.C. 9.56, the tree, grove of trees or shrub which is the subject of that appeal shall be maintained in the same condition as on the permit application date and shall not be pruned or altered in any fashion whatsoever whether or not the pruning or alteration would otherwise require a permit.

RESOLUTION NO NS-23,710

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PASSED AND ADOPTED this 14th day of April, 1998, by the following vote

AYES: Councilmembers: Beiers, Rotkin, Hernandez, Mathews, Kennedy,  
Mayor Scott.

NOES: Councilmembers: None

ABSENT: Councilmembers: Campbell

DISQUALIFIED: Councilmembers: None.

APPROVED: Colin Scott  
Mayor

ATTEST: *Kimma Holden*  
City Clerk

(43)



Coast redwood forest canopy with inset of close up redwood leaves.

*NPS, inset courtesy C. Schelz*

## General Description

In Latin, *semper* means always, and *virens* means green, or flourishing. Two-thousand years ago, some of the oldest living coast redwoods (*Sequoia sempervirens*) were seedlings. This incredible longevity is matched only by the redwood's equally astounding height. Its straight, reddish-brown trunk reaches over 350 feet, making it the tallest tree in the world. At ground level, a mature tree can exceed 20 feet in diameter.



CERTIFIED  
INSPECTOR

## View Point Inspections

831.345.7007

viewpointinspections.com

jasongee13@gmail.com

Inspected By: Jason Gingery, ACI



## Home Inspection Report

Prepared Exclusively For:

**Raphaely / Moore**

Property Address:

**233 Union St.**

**Santa Cruz, CA 95060**

Inspected on: Fri, Mar 24 2023 at 1:09 PM

26:195

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# Report Summary

This summary page is not the entire report. The complete report may include additional information of interest or concern to you. It is strongly recommended that you promptly read the complete report. For information regarding the negotiability of any item in this report under the real estate purchase contract, contact your real estate agent or an attorney.

## Grounds

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- 1) Comment 1: Large trees very near home's footprint hanging over the roof lines. Noted at both sides of home. At the left side of home, the inspector noted improper clearance and earth to wood contact. It appears the roots from the trees could create future issues with the foundation. See comment 77 for more information. We recommend further study with an Arborist.
- 2) Comment 2: Yard steps unsafe. Noted at the left side yard. The current treads were slippery and they were no longer horizontal. Caution is advised. Corrections are advised by general contractor.
- 3) Comment 3: Fence / gate line loose in place. Noted at the left side of home. Correction is advised by a general contractor.
- 4) Comment 4: Walkway hole noted. Noted at the right side of home. This is a trip hazard. Correction is advised.

## Exterior

---

- 5) Comment 5: Damaged, flaking or missing exterior paint noted. Noted at the front steps. Due to age of home, possible lead paint may be noted (exterior & interior). This paint is very typical, but should be further examined. We recommend contacting The National Lead Information hotline at 1.800.424.LEAD, log on to [www.epa.gov/lead](http://www.epa.gov/lead) or we recommend further study by a qualified painting contractor.
- 6) Comment 7: Door jambs damaged. Noted at two doorways (one at rear and one at right side of home). Monitor over time, correct as needed by a general contractor.
- 7) Comment 8: Exterior steps handrail upgrade recommended. Noted at the exterior rear of home steps. Larger than 6" gaps were noted (at bottom of handrail and above treads). This type of handrail is very common for older homes, but upgrading for overall safety is advised. Caution is advised. Corrections/upgrades are advised by a general contractor.



(Report Summary continued)

8) Comment 9: Windows adjacent to the exterior steps do not appear to be tempered safety glass. Noted at the exterior rear of home. This scenario may have been common for the age of the building, but now it's considered very unsafe if someone trips. Caution is advised. Corrections/upgrades are advised by a window contractor.

9) Comment 10: Hardscape not sloped away from the structure. Noted at the right side of home. For better overall drainage results, this area should be lowered and re-sloped away from the structure. Corrections are advised by a pavement contractor.

10) Comment 11: Exterior step risers too high. Noted at the right side of home. Normally, exterior steps are no higher than 7 3/4" and you will not find more than a 3/8" variation of any steps (interior or exterior of home). These steps are considered a tripping hazard. Caution is advised. Corrections are advised by a general contractor.

11) Comment 12: What appears to be wood "surface fungus-like substance " was noted. Noted under the right side of home deck at several locations. Corrections are advised by a termite inspection company.

12) Comment 13: Deck ledger flashing missing. Metal hardware rusted. Noted under the right side of home deck. Normally, you will see flashing between the home's siding and the deck ledger, so that wood deterioration does not occur behind this ledger board and affect the integrity of the deck stabilization. Caution is advised. Corrections are advised by a general contractor.

13) Comment 14: Window sills damaged. Noted at two exterior locations. Corrections are advised by a general contractor, so water intrusion does not occur.

14) Comment 15: Earth to wood framing clearance inadequate. Noted under the front entry steps. Normally, you would find at least a 4" separation, so termite infestation does not occur and wood members do not deteriorate prematurely. Correction is advised.

15) Comment 17: Deck guardrail cap damaged. Noted at two locations at the right side of home deck. Corrections are advised by a general contractor.

16) Comment 18: Exterior door trims damaged. Noted at four locations at the right side of home deck. Corrections are advised by a general contractor.

(Report Summary continued)

### Roofing

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17) Comment 19: Moss noted at roof's surface. Noted at the front porch cover portion of roof. Correction is advised.

18) Comment 21: Debris noted at roof. Noted from the roof at several locations. Constant upkeep and cleaning is going to be needed, due to the large trees near by. Correction is advised.

19) Comment 22: Porch roof structure lacks proper ventilation. Noted at the front of home. During the last reroof process, they should have added the proper soffit and roof ridge vents. Corrections are advised by a roofing contractor.

### Plumbing

---

20) Comment 24: Tankless water heater issues noted. Noted at the exterior left side of home. Rust was noted at a few locations and T& P discharge pipe was missing. Corrections are advised by qualified licensed plumbing contractor.

21) Comment 25: Exterior water supply pipes rusted. Noted at the rear of home. Corrections are advised by a plumbing contractor.

22) Comment 26: Water pressure regulator installed at the wrong location. Noted at the water main under the exterior front of home steps. Normally, you will find the shut-off as the first component near the earth's surface, not vice versa. Correction is advised by a plumbing contractor.

### Laundry

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23) Comment 30: Laundry sink loose in place and/or not mounted to wall properly. Noted in the laundry room. Unsupervised kids have been known to hang on these type of sinks. Caution is advised. Correction is advised by a general contractor.



(Report Summary continued)

## Electrical

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- 24) Comment 31: What appears to be a Zinsco brand main electrical panel noted. The manufacturers' labeling has been removed. Noted at the exterior right side of home. These types of panels are very common for age of home. These Zinsco panels have been known to be problematic. We recommend a second opinion by an electrical contractor. An upgrade may be in order.
- 25) Comment 32: Main electrical panel circuit breakers are not clearly labeled. Noted at the exterior right side of home. Corrections are advised for overall electrical safety.
- 26) Comment 33: Exterior GFCI outlet would not reset. Noted at the exterior right side of home. Caution is advised. Correction is advised by an electrical contractor.
- 27) Comment 34: Exterior outlet upgrade recommended. Noted at the exterior upper right side of home. We recommend upgrading GFCI outlets with the proper weather doors. This current scenario is very common, due to age of home. Caution is advised. Corrections / upgrades are advised by an electrical contractor.
- 28) Comment 35: Receptacle outlet loose at backsplash. Noted in the kitchen, to the left of sink. Correction is advised.
- 29) Comment 36: Wiring not secured properly. Noted in a kitchen cabinet, above the exhaust hood or microwave. Normally, this type of wiring will be properly secured in armored cable or conduit. Caution is advised. Correction is advised by an electrical contractor.
- 30) Comment 37: Switch face plate damaged/cracked. Noted at the lowest level. Caution is advised. Correction is advised.
- 31) Comment 38: Electrical outlet face plate missing. Noted at the lowest level bedroom. Caution is advised. Correction is advised for overall safety.
- 32) Comment 39: Light fixture missing. Exposed wire ends noted. Noted in the front sub area/storage. Caution is advised. Correction is advised by an electrical contractor.

(Report Summary continued)

## HVAC

33) Comment 40: Furnace beyond it's life expectancy. It appears to be a 1988 furnace. Noted at the exterior left side of home closet. It was in average condition and it did perform just fine for the normal heating test. It lacks in overall energy efficiency, due to the age and the design. We recommend budgeting for an upgrade at this time. Monitor over time, correct as needed by an HVAC contractor.

34) Comment 41: Forced air ductwork plastic insulative wrap damaged. Noted in the exterior closet. It appears this is just an appearance issue. Monitor over time, correct as needed by an HVAC contractor.

35) Comment 42: Combustion vent pipe rust noted. Noted in the exterior closet. Corrections are advised by an HVAC contractor.

36) Comment 43: Return air filter misfitted and dirty. Noted in the base of the furnace in the exterior closet. Corrections are advised.

37) Comment 44: Minimal or no forced air registers noted. Noted at the lowest level and the living room areas. For a more balanced forced air system, there should be an even amount of registers spread out in the home. Further study is advised by an HVAC contractor.

## Bathrooms: Bathroom #1

38) Comment 45: Window panes damaged. Noted at two locations at the mid level bathroom. Caution is advised. Corrections/upgrades are advised by a window contractor.

39) Comment 47: Switch is sticky. Noted at the mid level bathroom. Correction is advised by an electrical contractor.

40) Comment 48: Shower wall better caulking/sealing needed. Noted at the mid level bathroom. Small holes and/or voids were noted (old screw holes for glass enclosure). Corrections are advised.

41) Comment 50: Shower fixture handle loose/comes off easily. Noted at the mid level bathroom. Correction is advised by a plumbing contractor.

42) Comment 51: Flooring tiles lifting. Noted in the mid level bathroom. Corrections are advised by a tile contractor.

47

(Report Summary continued)

43) Comment 52: Prior water damage at walls noted. Noted at the mid level bathroom. We recommend overall better sealing and cosmetic repairs.

Bathrooms: Bathroom #2

44) Comment 54: Shower window sill or frame seams better sealing needed. Noted at the top level bathroom. Small voids or cracks were noted at window sill seam where it meet the window frame. The proper sealing is especially important, due to the shower head being above the window sill. Correction is advised before any showering.

Interior

45) Comment 56: What may be old "asbestos flooring or floor tiles" noted or damage noted. Noted at several locations at the mid level. Due to the appearance of these tiles, size of tiles and the age of home, these may contain asbestos. Further study and/or corrections are advised by a flooring contractor.

46) Comment 57: Deadbolt keyed on inside. Noted at the front door. Normally, a deadbolt latch system is found in this location for fire safety reasons. When there is an emergency, people run for the front door and if it is key locked, this could be problematic. Caution is advised. Correction is advised.

47) Comment 58: Flooring "step up" noted. Noted in the kitchen, heading to the laundry room. It may be considered a trip hazard. Caution is advised.

48) Comment 59: Unsafe existing/non-conforming interior stairs noted. Noted leading down to the lowest level. This stairwell does not conform to the normal California building standards. An aggressive climb, too narrow, had an improper handrail and the stairwell ceiling was considered too low for overall safety. Caution is advised. Corrections are advised by a general contractor.

49) Comment 60: Door frame weather-stripping upgrade recommended. Sunlight noted. Noted at the rear laundry room door. Replacement is recommended at this time.

50) Comment 62: Smoke alarm missing or is considered outdated (10 year max on alarms). Noted at the top level rear bedroom and the top level hallway. Each bedroom, rooms deemed as being "sleeping areas", the bedroom hallway and one per floor (if applicable) are required to have proper/ functioning/updated smoke alarms. Caution is advised. Corrections / upgrades are required for overall safety, current CA law & the re-sale of a home.

(Report Summary continued)

51) Comment 64: Sloped interior floors noted. Noted at a few interior locations. Sometimes sloped floors are typical for an older home, but correction may be desired.

52) Comment 65: Unsafe existing/non-conforming interior stairs noted. Noted going up to the top level. This stairwell does not conform to the normal California building standards. An aggressive climb, too narrow, had an improper handrail and the stairwell ceiling was considered too low for overall safety. Caution is advised. Corrections are advised by a general contractor.

53) Comment 67: Windows inoperative. Noted at two bedroom windows at the top level. Corrections are advised by a window contractor.

54) Comment 68: Ceiling holed. Noted in the lowest level left rear room. Correction is advised by a general contractor.

### Kitchen

---

55) Comment 69: Burners did not readily ignite. Noted at three of four burners at the oven/range. The parts are on order. Further study is advised.

56) Comment 70: Cabinet doors hit ceiling light fixtures. Noted in the kitchen. Caution is advised. Correction is advised for overall safety by an electrical contractor.

57) Comment 71: Oven anti-tip bracket not installed. Noted in the kitchen. All manufacturers' require this bracket be installed upon original installation. Caution is advised. Correction is advised by a general contractor.

58) Comment 72: Exhaust hood ductwork damper improperly set. Noted in the kitchen above the range. Normally, the damper will be set properly, so all the air exhaust to the exterior, not back into the kitchen. Correction is advised by an HVAC contractor.

59) Comment 73: Disposal parts rusted. Noted under the kitchen sink. Monitor over time, correct as needed by a plumbing contractor.

60) Comment 74: Dishwasher drain line incorrectly installed. Noted in a cabinet, to the left of kitchen sink. See comment below for more information. The dishwasher was not tested, due to the improper drain line connection. See the manufacturers' install guide for more information. Corrections are advised by a plumbing contractor.



(Report Summary continued)

61) Comment 75: "Ribbed" drain pipe noted. Noted in a cabinet, to the left of the kitchen sink. These types of drain pipes are not allowed in residential plumbing. Correction is advised by a plumbing contractor.

62) Comment 76: Countertop backsplash seam needs to be sealed better. Noted in the kitchen. Proper caulking/ sealing is needed.

### Structure

63) Comment 77: Slab foundation cracks noted. Cosmetic patch repairs over the tops were noted. Noted at a few locations at the lowest level of home. These cracks are very common, due to age of home, typical for living in a seismic area or trees too close to home's footprint. Monitor over time for a white powder (efflorescence) and for excessive cracking or widening.

### Structure: Crawl Space

64) Comment 78: Sub-floor insulation installed upside down. Noted at the exterior left side of home closet. Corrections are advised by an insulation contractor.

65) Comment 79: Wall batt insulation installed backwards. Noted from the front portion of the sub area/storage area. Normally, you would never see the paper side exposed. The vapor barrier always goes against the living space. Corrections are advised.



# Grounds

A home inspection is primarily visible and done in a limited time. Not every defect will be discovered. For further clarification of the components, procedures and limitations of the home inspection consult the Standard of Practice the inspection was performed under.

Occupied:	No
Furnished:	Professionally Staged
Weather:	Sunny
Temperature:	Cool
Soil Condition:	Damp
Type of Structure :	Single Family Residence
Door Faces:	Northeast
People Present:	Listing Agent



## Comment 1:

Large trees very near home's footprint hanging over the roof lines. Noted at both sides of home. At the left side of home, the inspector noted improper clearance and earth to wood contact. It appears the roots from the trees could create future issues with the foundation. See comment 77 for more information. We recommend further study with an Arborist.



Figure 1-1



Figure 1-2

49

(Grounds continued)



Figure 1-3



Figure 1-4



**Comment 2:**

Yard steps unsafe. Noted at the left side yard. The current treads were slippery and they were no longer horizontal. Caution is advised. Corrections are advised by general contractor.



Figure 2-1

(Grounds continued)



**Comment 3:**

Fence / gate line loose in place. Noted at the left side of home. Correction is advised by a general contractor.



Figure 3-1



**Comment 4:**

Walkway hole noted. Noted at the right side of home. This is a trip hazard. Correction is advised.



Figure 4-1

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# Exterior

The visible condition of exterior coverings, trim, entrances and drainage are inspected with respect to their effect on the condition of the building.

Exterior Covering:	Lap Wood
Exterior Trim Material:	Wood
Walking Surface Types:	Walks, Steps, Decks, Patio
Walking Surface Materials:	Concrete, Brick, Wood, Earth



## Comment 5:

Damaged, flaking or missing exterior paint noted. Noted at the front steps. Due to age of home, possible lead paint may be noted (exterior & interior). This paint is very typical, but should be further examined. We recommend contacting The National Lead Information hotline at 1.800.424.LEAD, log on to [www.epa.gov/lead](http://www.epa.gov/lead) or we recommend further study by a qualified painting contractor.



Figure 5-1



## Comment 6:

Exterior perimeter yard drains noted. Noted at several locations around the home. It is very important to ascertain that all gutters, downspouts and yard drains are not damaged, clogged and/or working properly, going into the wet winter season, so surface water does not migrate under home or erosion around home does not occur. Further study is advised. We recommend periodic cleaning / flushing.

(Exterior continued)



Figure 6-1



**Comment 7:**

Door jambs damaged. Noted at two doorways (one at rear and one at right side of home). Monitor over time, correct as needed by a general contractor.



Figure 7-1



Figure 7-2

51

(Exterior continued)

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**Comment 8:**

Exterior steps handrail upgrade recommended. Noted at the exterior rear of home steps. Larger than 6" gaps were noted (at bottom of handrail and above treads). This type of handrail is very common for older homes, but upgrading for overall safety is advised. Caution is advised. Corrections/upgrades are advised by a general contractor.



Figure 8-1

---



**Comment 9:**

Windows adjacent to the exterior steps do not appear to be tempered safety glass. Noted at the exterior rear of home. This scenario may have been common for the age of the building, but now it's considered very unsafe if someone trips. Caution is advised. Corrections/upgrades are advised by a window contractor.

(Exterior continued)



Figure 9-1



**Comment 10:**

Hardscape not sloped away from the structure. Noted at the right side of home. For better overall drainage results, this area should be lowered and re-sloped away from the structure. Corrections are advised by a pavement contractor.



Figure 10-1

52

(Exterior continued)



**Comment 11:**

Exterior step risers too high. Noted at the right side of home. Normally, exterior steps are no higher than 7 3/4" and you will not find more than a 3/8" variation of any steps (interior or exterior of home). These steps are considered a tripping hazard. Caution is advised. Corrections are advised by a general contractor.



Figure 11-1



**Comment 12:**

What appears to be wood "surface fungus-like substance" was noted. Noted under the right side of home deck at several locations. Corrections are advised by a termite inspection company:



Figure 12-1



(Exterior continued)



**Comment 13:**

Deck ledger flashing missing. Metal hardware rusted. Noted under the right side of home deck. Normally, you will see flashing between the home's siding and the deck ledger, so that wood deterioration does not occur behind this ledger board and affect the integrity of the deck stabilization. Caution is advised. Corrections are advised by a general contractor.



Figure 13-1



**Comment 14:**

Window sills damaged. Noted at two exterior locations. Corrections are advised by a general contractor, so water intrusion does not occur.



Figure 14-1



Figure 14-2

53

(Exterior continued)



**Comment 15:**

Earth to wood framing clearance inadequate. Noted under the front entry steps. Normally, you would find at least a 4" separation, so termite infestation does not occur and wood members do not deteriorate prematurely. Correction is advised.



Figure 15-1



**Comment 16:**

Guardrails / handrails upgrade recommended for overall safety. Noted at the exterior front of home. This scenario is common for older homes. Caution is advised. Corrections / upgrades are advised by a general contractor.



Figure 16-1

(Exterior continued)



Comment 17:

Deck guardrail cap damaged. Noted at two locations at the right side of home deck. Corrections are advised by a general contractor.



Figure 17-1

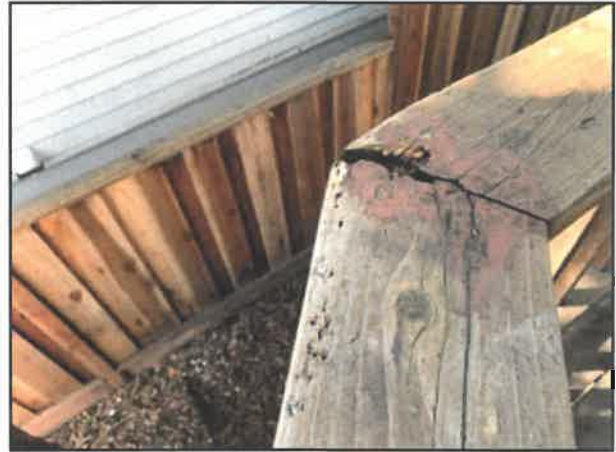


Figure 17-2



Comment 18:

Exterior door trims damaged. Noted at four locations at the right side of home deck. Corrections are advised by a general contractor.



Figure 18-1

54

## Roofing

The visible condition of the roof covering, flashings, skylights, chimneys and roof penetrations are inspected. The purpose of the inspection is to determine general condition, NOT to determine life expectancy.

Inspection Method:	Partial
Roofing Material:	Comp. Asphalt Shingle
Ventilation Present:	Gable Ends
Gutter Material:	Metal



### Comment 19:

Moss noted at roof's surface. Noted at the front porch cover portion of roof. Correction is advised.



Figure 19-1



### Comment 20:

Roof only partially reviewed. Noted from a ladder at a few perimeter locations and from second-story windows. Due to the steep overall pitches, it was deemed unsafe to fully traverse. Even though, the inspector did not see any deficiencies, we still recommend further study by a roofing contractor.

(Roofing continued)



Figure 20-1



Comment 21:

Debris noted at roof. Noted from the roof at several locations. Constant upkeep and cleaning is going to be needed, due to the large trees near by. Correction is advised.



Comment 22:

Porch roof structure lacks proper ventilation. Noted at the front of home. During the last reroof process, they should have added the proper soffit and roof ridge vents. Corrections are advised by a roofing contractor.



Figure 22-1

55

# Plumbing

The plumbing system is inspected visually and by operating a representative number of fixtures. Private water and waste systems are beyond the scope of a home inspection.

Waste Pipe Material:	Plastic
Supply Pipe Material:	Copper, Galvanized
Location of Water Shutoff:	Under front exterior steps
Location of Fuel Shutoff:	Exterior left side of home
Water Heater Fuel:	Gas
Water Heater Capacity:	Tankless System



## Comment 23:

Tankless water heater regular descale flush recommended. Noted at the exterior left side of home. This unit appears to be 9 years old, professionally installed and in good condition.

Due to no water softener or water treatment system noted and the "hard water" in this water district, it is important to do the regular descaling flush that is recommended by the manufacturer. We recommend a consultation with a qualified plumbing contractor.



Figure 23-1

(Plumbing continued)



**Comment 24:**

Tankless water heater issues noted. Noted at the exterior left side of home. Rust was noted at a few locations and T& P discharge pipe was missing. Corrections are advised by qualified licensed plumbing contractor.



Figure 24-1

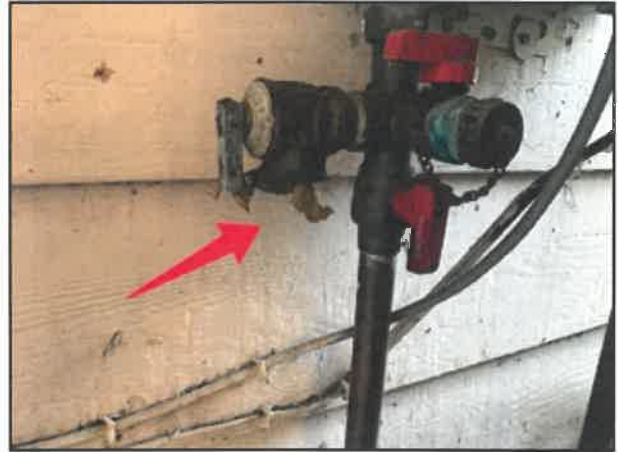


Figure 24-2



**Comment 25:**

Exterior water supply pipes rusted. Noted at the rear of home. Corrections are advised by a plumbing contractor.



Figure 25-1

56

(Plumbing continued)



**Comment 26:**

Water pressure regulator installed at the wrong location. Noted at the water main under the exterior front of home steps. Normally, you will find the shut-off as the first component near the earth's surface, not vice versa. Correction is advised by a plumbing contractor.

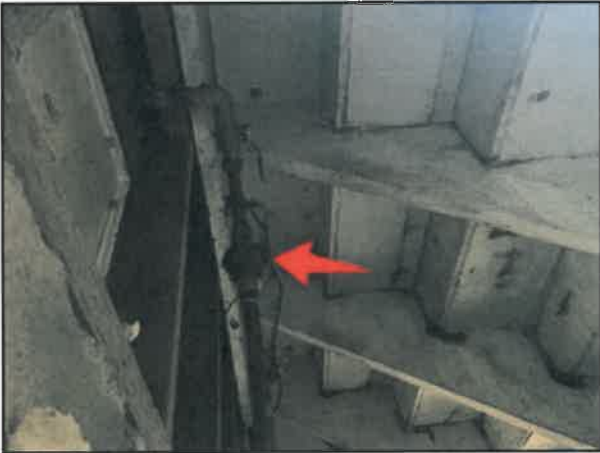


Figure 26-1



**Comment 27:**

Access to water supply main shut-off is located through pictured box at the interior front sub-area/storage area.



Figure 27-1



(Plumbing continued)



**Comment 28:**

Water treatment system not fully inspected. Noted in the front sub-area/storage area. The full inspection of this component is beyond the scope of this home inspection. Further study is advised.



Figure 28-1



**Comment 29:**

It appears that an old water heater tank was removed and some pipes or vent parts are still in place. Noted at the lowest level left rear portion of home.



Figure 29-1

57

## Laundry

Location:	Interior Room
Laundry Sink:	Yes
Washer Hookups:	Yes
Dryer Venting:	To The Exterior
Dryer Fuel:	Gas, 220v Electric
GFCI Protection:	Not Present



### Comment 30:

Laundry sink loose in place and/or not mounted to wall properly. Noted in the laundry room. Unsupervised kids have been known to hang on these type of sinks. Caution is advised. Correction is advised by a general contractor.



Figure 30-1

## Electrical

The inspector can not inspect hidden wiring or verify the type of wiring in hidden areas. A representative number of outlets, switches and fixtures are tested for operation.

Type of Service:	Overhead
Service Panel Location:	Exterior right side of home
Service Voltage:	240 volts
Service Amperage:	100 amps
Over Current Devices:	Breakers
Main Disconnect Location:	Service Panel
Sub Panel Locations:	Not Present

(Electrical continued)

Wiring Method: Copper  
Grounding Method: Rod At The Earth

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**Comment 31:**

What appears to be a Zinsco brand main electrical panel noted. The manufacturers' labeling has been removed. Noted at the exterior right side of home. These types of panels are very common for age of home. These Zinsco panels have been known to be problematic. We recommend a second opinion by an electrical contractor. An upgrade may be in order.



Figure 31-1

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**Comment 32:**

Main electrical panel circuit breakers are not clearly labeled. Noted at the exterior right side of home. Corrections are advised for overall electrical safety.

(Electrical continued)



Figure 32-1



**Comment 33:**

Exterior GFCI outlet would not reset. Noted at the exterior right side of home. Caution is advised. Correction is advised by an electrical contractor.



Figure 33-1

(Electrical continued)



**Comment 34:**

Exterior outlet upgrade recommended. Noted at the exterior upper right side of home. We recommend upgrading GFCI outlets with the proper weather doors. This current scenario is very common, due to age of home. Caution is advised. Corrections / upgrades are advised by an electrical contractor.

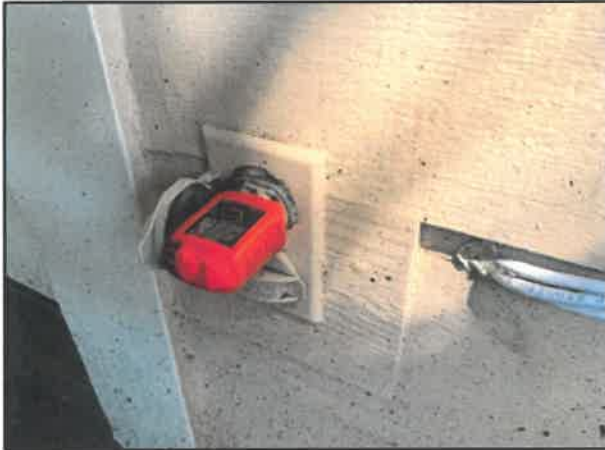


Figure 34-1



**Comment 35:**

Receptacle outlet loose at backsplash. Noted in the kitchen, to the left of sink. Correction is advised.



Figure 35-1

59

(Electrical continued)



**Comment 36:**

Wiring not secured properly. Noted in a kitchen cabinet, above the exhaust hood or microwave. Normally, this type of wiring will be properly secured in armored cable or conduit. Caution is advised. Correction is advised by an electrical contractor.



Figure 36-1



**Comment 37:**

Switch face plate damaged/cracked. Noted at the lowest level. Caution is advised. Correction is advised.



Figure 37-1

(Electrical continued)

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**Comment 38:**

Electrical outlet face plate missing. Noted at the lowest level bedroom. Caution is advised. Correction is advised for overall safety.



Figure 38-1

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**Comment 39:**

Light fixture missing. Exposed wire ends noted. Noted in the front sub area/storage. Caution is advised. Correction is advised by an electrical contractor.



Figure 39-1

# HVAC

The heating system is inspected visually and operated by normal controls to determine general condition NOT life expectancy. The capacity or adequacy of the heating system is beyond the scope of a home inspection. A licensed HVAC contractor should be consulted if in question.

Energy Source: Gas  
Type of Equipment: Forced Air  
Type of Distribution: Flexible Ducting



## Comment 40:

Furnace beyond it's life expectancy. It appears to be a 1988 furnace. Noted at the exterior left side of home closet. It was in average condition and it did perform just fine for the normal heating test. It lacks in overall energy efficiency, due to the age and the design. We recommend budgeting for an upgrade at this time. Monitor over time, correct as needed by an HVAC contractor.



Figure 40-1



(HVAC continued)



**Comment 41:**

Forced air ductwork plastic insulative wrap damaged. Noted in the exterior closet. It appears this is just an appearance issue. Monitor over time, correct as needed by an HVAC contractor.



Figure 41-1



**Comment 42:**

Combustion vent pipe rust noted. Noted in the exterior closet. Corrections are advised by an HVAC contractor.



Figure 42-1

41

(HVAC continued)



**Comment 43:**

Return air filter misfitted and dirty. Noted in the base of the furnace in the exterior closet. Corrections are advised.



Figure 43-1



**Comment 44:**

Minimal or no forced air registers noted. Noted at the lowest level and the living room areas. For a more balanced forced air system, there should be an even amount of registers spread out in the home. Further study is advised by an HVAC contractor.

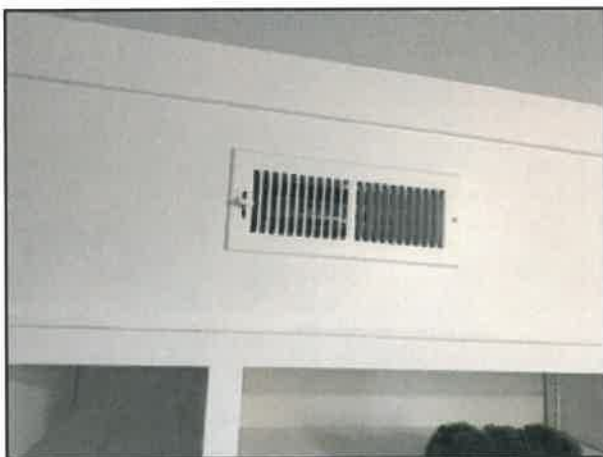


Figure 44-1



Figure 44-2

# Bathrooms

## Bathroom #1

Location:	Mid Level
Shower:	Free Standing
Shower Walls:	Tile
Sink(s):	Single Vanity
Toilet:	Standard Tank
Floor:	Synthetic
Ventilation Type:	Vent Fan, Window
GFCI Protection:	Outlets



### Comment 45:

Window panes damaged. Noted at two locations at the mid level bathroom. Caution is advised. Corrections/upgrades are advised by a window contractor.



Figure 45-1

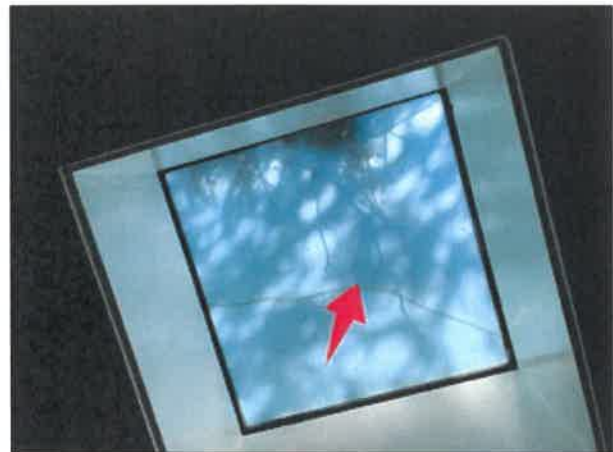


Figure 45-2

62

(Bathroom #1 continued)



Comment 46:

Low-flow toilets noted. Noted at all bathrooms. The toilets do comply with the local water district's current standards.



Figure 46-1



Comment 47:

Switch is sticky. Noted at the mid level bathroom. Correction is advised by an electrical contractor.



Figure 47-1

(Bathroom #1 continued)



**Comment 48:**

Shower wall better caulking/sealing needed. Noted at the mid level bathroom. Small holes and/or voids were noted (old screw holes for glass enclosure). Corrections are advised.



Figure 48-1

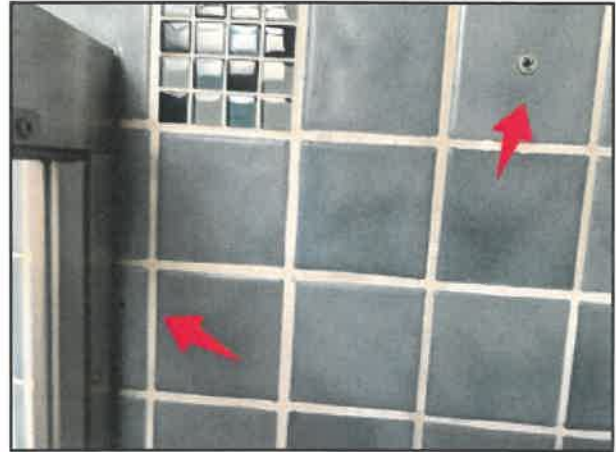


Figure 48-2



**Comment 49:**

Shower head does not appear to be a current low-flow model. Noted at the mid level bathroom. Most local water districts' now want to 2.0 GPM or less shower heads installed during an escrow.



Figure 49-1

63

(Bathroom #1 continued)

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**Comment 50:**

Shower fixture handle loose/comes off easily. Noted at the mid level bathroom. Correction is advised by a plumbing contractor.



Figure 50-1

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**Comment 51:**

Flooring tiles lifting. Noted in the mid level bathroom. Corrections are advised by a tile contractor.

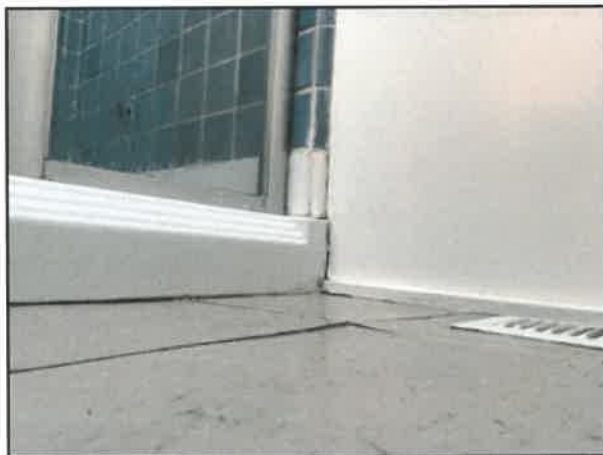


Figure 51-1

(Bathroom #1 continued)



**Comment 52:**

Prior water damage at walls noted. Noted at the mid level bathroom. We recommend overall better sealing and cosmetic repairs.



Figure 52-1



Figure 52-2

## Bathroom #2

Location:	Top Level Hallway
Bath Tub:	Recessed
Tub Surround:	Tile
Shower:	In Tub
Shower Walls:	Tile
Sink(s):	Single Vanity
Toilet:	Standard Tank
Floor:	Tile
Ventilation Type:	Window
GFCI Protection:	Outlets

64

(Bathroom #2 continued)



**Comment 53:**

Recessed tub location is concerning. Noted at the top level bathroom. It appears that if this floor is slippery or the bathroom is dark, a recessed tub of this nature could be a trip hazard. Caution is advised.



Figure 53-1



**Comment 54:**

Shower window sill or frame seams better sealing needed. Noted at the top level bathroom. Small voids or cracks were noted at window sill seam where it meet the window frame. The proper sealing is especially important, due to the shower head being above the window sill. Correction is advised before any showering.



Figure 54-1



# Interior

The interior inspection is limited to readily accessible areas that are not concealed by furnishings or stored items. A representative number of windows and doors.

Window Types:	Double Hung, Single Hung, Slide
Window Materials:	Wood
Entry Door Types:	Hinged
Entry Door Materials:	Wood
Smoke Alarms:	Yes & No
Carbon Monoxide Alarms:	Yes



## Comment 55:

Access impaired. Noted at certain portions of the interior (professionally staged home). Personal items blocked full visual access to all interior areas of home. We recommend further study once the personal items are moved.



Figure 55-1



## Comment 56:

What may be old "asbestos flooring or floor tiles" noted or damage noted. Noted at several locations at the mid level. Due to the appearance of these tiles, size of tiles and the age of home, these may contain asbestos. Further study and/or corrections are advised by a flooring contractor.

65

(Interior continued)



Figure 56-1

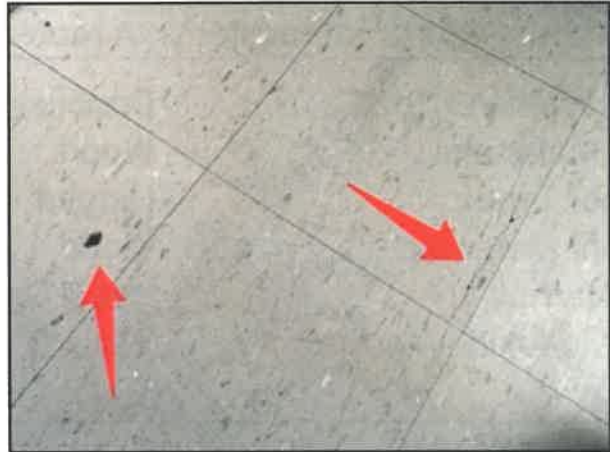


Figure 56-2



**Comment 57:**

Deadbolt keyed on inside. Noted at the front door. Normally, a deadbolt latch system is found in this location for fire safety reasons. When there is an emergency, people run for the front door and if it is key locked, this could be problematic. Caution is advised. Correction is advised.



Figure 57-1

(Interior continued)



**Comment 58:**

Flooring "step up" noted. Noted in the kitchen, heading to the laundry room. It may be considered a trip hazard. Caution is advised.



Figure 58-1



**Comment 59:**

Unsafe existing/non-conforming interior stairs noted. Noted leading down to the lowest level. This stairwell does not conform to the normal California building standards. An aggressive climb, too narrow, had an improper handrail and the stairwell ceiling was considered too low for overall safety. Caution is advised. Corrections are advised by a general contractor.



Figure 59-1

66

(Interior continued)



**Comment 60:**

Door frame weather-stripping upgrade recommended. Sunlight noted. Noted at the rear laundry room door. Replacement is recommended at this time.



Figure 60-1



**Comment 61:**

Proper, functioning, newer smoke alarms noted. Noted at the proper bedroom and hallway locations (except the top level, see comment below for more information). One per bedroom, one in the adjacent bedroom hallway and one per floor (if applicable) is required for overall safety and the sale of a residential property in this building jurisdiction.

\* Please keep in mind, these smoke alarm did react to the test buttons, but their functionality during a fire emergency is unknown. Also, all manufacturers' recommend upgrading at least every 10 years.

(Interior continued)



Figure 61-1



**Comment 62:**

Smoke alarm missing or is considered outdated (10 year max on alarms). Noted at the top level rear bedroom and the top level hallway. Each bedroom, rooms deemed as being "sleeping areas", the bedroom hallway and one per floor (if applicable) are required to have proper/ functioning/updated smoke alarms. Caution is advised. Corrections / upgrades are required for overall safety, current CA law & the re-sale of a home.



Figure 62-1



Figure 62-2

67

(Interior continued)



**Comment 63:**

Proper, functioning, newer carbon monoxide alarms noted. Noted at the proper bedroom hallway location or one per floor (if applicable). One per floor and/or within 10 ft. of all bedrooms is the California State Law (since July 1 2011). \* Please keep in mind, these CO alarms did react to the test buttons, but their functionality during a carbon monoxide emergency is unknown. Also, all manufacturers' recommend upgrading at least every 7 years.



Figure 63-1



**Comment 64:**

Sloped interior floors noted. Noted at a few interior locations. Sometimes sloped floors are typical for an older home, but correction may be desired.

(Interior continued)



Figure 64-1



**Comment 65:**

Unsafe existing/non-conforming interior stairs noted. Noted going up to the top level. This stairwell does not conform to the normal California building standards. An aggressive climb, too narrow, had an improper handrail and the stairwell ceiling was considered too low for overall safety. Caution is advised. Corrections are advised by a general contractor.



Figure 65-1



Figure 65-2

68

(Interior continued)



Figure 65-3



Comment 66:

Ceiling stain mark noted. Noted at the top level skylight. It is very hard to ascertain if these stains are from a prior leak issue or current leak issue, if it is not raining on the day of the inspection. Monitor over time, correct as needed, by a roofing contractor.



Figure 66-1



(Interior continued)



**Comment 67:**

Windows inoperative. Noted at two bedroom windows at the top level. Corrections are advised by a window contractor.



Figure 67-1



Figure 67-2



**Comment 68:**

Ceiling holed. Noted in the lowest level left rear room. Correction is advised by a general contractor.



Figure 68-1

69

## Kitchen

Cabinets:	Wood, Laminate
Countertops:	Wood
Sink:	Single



### Comment 69:

Burners did not readily ignite. Noted at three of four burners at the oven/range. The parts are on order. Further study is advised.



Figure 69-1



### Comment 70:

Cabinet doors hit ceiling light fixtures. Noted in the kitchen. Caution is advised. Correction is advised for overall safety by an electrical contractor.

(Kitchen continued)

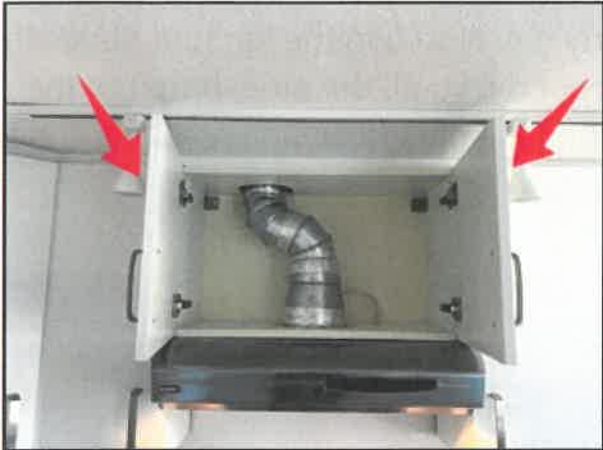


Figure 70-1



**Comment 71:**

Oven anti-tip bracket not installed. Noted in the kitchen. All manufacturers' require this bracket be installed upon original installation. Caution is advised. Correction is advised by a general contractor.



Figure 71-1

70

(Kitchen continued)



**Comment 72:**

Exhaust hood ductwork damper improperly set. Noted in the kitchen above the range. Normally, the damper will be set properly, so all the air exhaust to the exterior, not back into the kitchen. Correction is advised by an HVAC contractor.



Figure 72-1



**Comment 73:**

Disposal parts rusted. Noted under the kitchen sink. Monitor over time, correct as needed by a plumbing contractor.



Figure 73-1

(Kitchen continued)



**Comment 74:**

Dishwasher drain line incorrectly installed. Noted in a cabinet, to the left of kitchen sink. See comment below for more information. The dishwasher was not tested, due to the improper drain line connection. See the manufacturers' install guide for more information. Corrections are advised by a plumbing contractor.



Figure 74-1



**Comment 75:**

"Ribbed" drain pipe noted. Noted in a cabinet, to the left of the kitchen sink. These types of drain pipes are not allowed in residential plumbing. Correction is advised by a plumbing contractor.

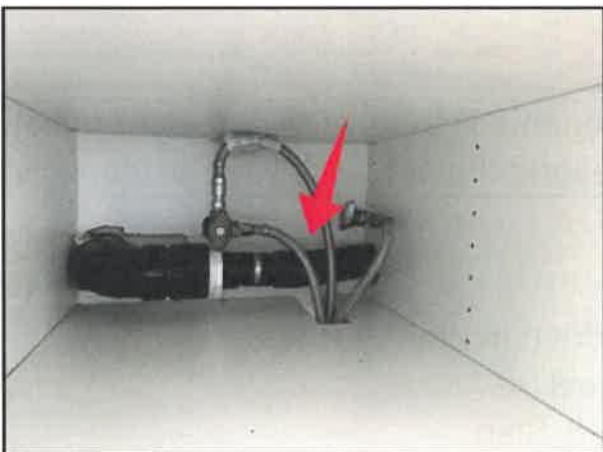


Figure 75-1

71

(Kitchen continued)



**Comment 76:**

Countertop backsplash seam needs to be sealed better. Noted in the kitchen. Proper caulking/ sealing is needed.



Figure 76-1

## Appliances

Types Installed:

Dishwasher, Food Disposer, Range, Range Vent, Others

Ventilation Type:

Mechanical Exhaust

Cooking Energy Type:

Gas

## Structure

The visible condition of the structural components is inspected. The determination of adequacy of structural components is beyond the scope of a home inspection.

Foundation Types:

Slab

Foundation Anchor Bolts:

Yes

Cripple Wall Shear Bracing:

Possibly, Hidden In Wall Cavities

Foundation Materials:

Concrete, Steel

Floor Structure:

Wood Framed, Slab

Wall Structure:

Wood Framed, Concrete

(Structure continued)



**Comment 77:**

Slab foundation cracks noted. Cosmetic patch repairs over the tops were noted. Noted at a few locations at the lowest level of home. These cracks are very common, due to age of home, typical for living in a seismic area or trees too close to home's footprint. Monitor over time for a white powder (efflorescence) and for excessive cracking or widening.



Figure 77-1

## Crawl Space

Inspection Method:	Fully Traversed
Underfloor Insulation:	Batts
Moisture Barrier:	Not Present



**Comment 78:**

Sub-floor insulation installed upside down. Noted at the exterior left side of home closet. Corrections are advised by an insulation contractor.

(Crawl Space continued)



Figure 78-1



Comment 79:

Wall batt insulation installed backwards. Noted from the front portion of the sub area/storage area. Normally, you would never see the paper side exposed. The vapor barrier always goes against the living space. Corrections are advised.



Figure 79-1

## Invoice

Payment Method-:

Check from Danny Alvarez



## Urgent Regarding Rescheduling of My Appeal and Hearing for Heritage Tree Removal at 233 Union Street

Elise Casby <casinberk@yahoo.com>

Thu 4/6/2023 15:08

To: Tremain Hedden-Jones <tjones@santacruzca.gov>

Cc: Elise Casby <casinberk@yahoo.com>; Marv Lewis <marvlewis@hotmail.com>; Parks & Recreation Commission <prcommission@santacruzca.gov>; Leslie Keedy <lkeedy@santacruzca.gov>

Re: My appeal and hearing regarding the heritage trees at 233 union Street needs to be rescheduled for a regular meeting of the Parks and Recreation Commission Meeting and not a separate, "special" meeting.

Thursday, April 6, 2023

3 pm

Dear Mr. Hedden-Jones,

Thank you for calling me and asking me about my preference for the date of the rescheduled hearing of my appeal with the City of Santa Cruz Parks and Recreation Department, which you did at about 11:55 am today.

I had been over the your office not more than half an hour or so before you reached my by phone this morning..

As I told you, just about three hours ago in our phone conversation, I said that I would prefer the date of Monday, April 24, 2023, to the other date that you offered me, which was Monday, April 17, 2023, for our appeal and hearing to be rescheduled on at what you seemed to me to be referring to as, a, "meeting of the Parks and Recreation Commission", to be rescheduled on.

However, if the meeting date that I made when I made that hasty agreement with you a few hours ago, for the date of our appeal and hearing to be changed to Monday, April 24, 2023, is not going to occur at a regularly scheduled meeting for the City of Santa Cruz Parks and Recreation Commission, than I must reschedule the appeal and hearing that I am making with my co-appellant, Mr. Marv Lewis, to another date to make the appeal at a **regularly scheduled meeting of that commission**.

If Monday, April 24, 2023, is not a regularly scheduled meeting of that Parks and Recreation Commission, than I need to rescind the agreement that I made with you in haste this morning, in order to have our appeal heard at a regular meeting of the Parks and Recreation Commission.

**Upon further thought not long after my phone conversation that I had with you at about eleven fifty five (11:55 am), this morning, Mr. Hedden-Jones, I realized that I want to make sure that my appeal and hearing happen at a regularly scheduled meeting of the Parks and Recreation Commission, and if that is not what is happening on Monday, April 24th, or Monday, April 17th, the two dates you offered to me to reschedule our appeal and hearing to, than I feel we need to reschedule again, and hold this appeal and hearing at a regularly scheduled meeting for the City of Santa Cruz Parks and Recreation Commission meeting in order to adequately include the public in the proceedings of this matter of great public interest.**

Therefore, I do have a question, Mr. Hedden-Jones, and this question regards the dates you offered to me to chose from when you called me this morning, and the procedure in which the public is best included in a regular meeting of the Parks and Recreation Commission for my appeal and the hearing regarding the city's request for the permit to be granted to remove the two heritage redwood trees.

**Will the entire regular meeting of the Parks and Recreation Commission also be rescheduled to April 24, 2023, or just the segment with my appeal and hearing before the Parks and Rec. Commission?**

Now that I have had just a few minutes to think about the postponement and rescheduling of my appeal and hearing which was to take place at a regularly scheduled meeting of the Parks and Recreation Commission on Monday, April 10, 2023, I would strongly prefer that my appeal be a part of a regularly scheduled Parks and Recreation Meeting, and not heard in a separate hearing, in which the public may not be included as it normally would by the normal noticing that happens for a regularly scheduled meeting of that Commission.



## Please Schedule Appeal for Next Regular Meeting of the Parks and Recreation Commission on June 12, 2023

Elise Casby <casinberk@yahoo.com>

Thu 4/13/2023 13:21

To: Tremain Hedden-Jones <tjones@santacruzca.gov>

Cc: Elise Casby <casinberk@yahoo.com>; Marv Lewis <marvlewis@hotmail.com>; Parks & Recreation Commission <prcommission@santacruzca.gov>

from: Elise Casby and Marv Lewis  
PO Box 671  
Santa Cruz, CA 95061

email: "Elise Casby" <casinberk@yahoo.com>

email: "Marv Lewis" <marvlewis@hotmail.com>

Dear Tremain Hedden-Jones, and Parks and Recreation Commissioners,

I am writing to confirm with you, again, that my appeal of the tree removal permit that the city is requesting be heard at the next regularly scheduled meeting of the Parks and Recreation Commission Meeting, which would be on Monday, June 12, 2023.

I did not agree to have the appeal heard at a "Special Meeting", of the Parks and Recreation Commission, and that is what the commission meeting on the 24th of April would be.

You spoke to me on the phone on Thursday, April 6, Tremain.

It was during that telephone conversation that you and I had on April 6, 2023, that you told me that the 24th of April Parks and Recreation meeting, if I were to agree to it, would be a "regular" meeting, however, it is not a "regular" meeting of the commission.

Monday, June 12, 2023 will be a regularly scheduled meeting of the Santa Cruz Parks and Recreation Commission and that is when we appellants, Marv Lewis and I want our appeal to be heard.

Both myself and Marv Lewis, as the appellants in the matter of the heritage tree removal that the Urban Forester/Arborist is seeking a permit for, on the property designated as 233 Union Street understand that as specified in the city code and laws about appeals in this matter of removal of heritage trees, are aware and understand, that we are entitled to have our appeal heard at a regularly scheduled meeting of the Parks and Recreation Commission according to the pertinent laws.

We do not want our appeal heard at a special meeting, that you directed me toward on April 24, 2023.

Furthermore, I sincerely request that you share this email and my other email which I sent to you, Mr. Hedden-Jones and which I copied to the Parks and Recreation Commissioners on Thursday, April 6, 2023, stating my explicit desire and request to not have this appeal heard on April 24, 2023, and to have my appeal with my co-appellant, Marv Lewis heard at the next regularly scheduled meeting of the Parks and Recreation Commission.

The next regularly scheduled meeting of the Santa Cruz Parks and Recreation Commission will be on Monday, June 12, 2023, and that is when Marv Lewis and I want our appeal to be heard by the Commission.

Thank you very much, Mr. Hedden-Jones, and I am also requesting that you make all replies to me by email, and not be telephone conversations, please.

Sincerely,

Elise Casby

Thursday, April 13, 2023

from: Elise Casby and Marv Lewis

PO Box 671

Santa Cruz, CA 95061

email: "Elise Casby" <casinberk@yahoo.com>

email: "Marv Lewis" <marvlewis@hotmail.com>

Dear Tremain Hedden-Jones, and Parks and Recreation Commissioners,

I am writing to confirm with you, again, that my appeal of the tree removal permit that the city is requesting be heard at the next regularly scheduled meeting of the Parks and Recreation Commission Meeting, which would be on Monday, June 12, 2023.

I did not agree to have the appeal heard at a "Special Meeting", of the Parks and Recreation Commission, and that is what the commission meeting on the 24th of April would be.

You spoke to me on the phone on Thursday, April 6, Tremain. It was during that telephone conversation that you and I had on April 6, 2023, that you told me that the 24th of April Parks and Recreation meeting, If I were to agree to it, would be a "regular" meeting, however, it is not a "regular" meeting of the commission.

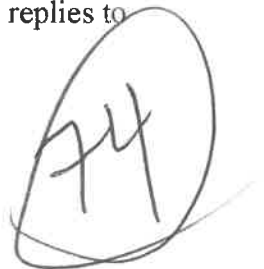
Monday, June 12, 2023 will be a regularly scheduled meeting of the Santa Cruz Parks and Recreation Commission and that is when we appellants, Marv Lewis and I want our appeal to be heard. Both myself and Marv Lewis, as the appellants in the matter of the heritage tree removal that the Urban Forester/Arborist is seeking a permit for, on the property designated as 233 Union Street understand that as specified in the city code and laws about appeals in this matter of removal of heritage trees, are aware and understand, that we are entitled to have our appeal heard at a regularly scheduled meeting of the Parks and Recreation Commission according to the pertinent laws. We do not want our appeal heard at a special meeting, that you directed me toward on April 24, 2023.

Furthermore, I sincerely request that you share this email and my other email which I sent to you, Mr. Hedden-Jones and which I copied to the Parks and Recreation Commissioners on Thursday, April 6, 2023, stating my explicit desire and request to not have this appeal heard on April 24, 2023, and to have my appeal with my co-appellant, Marv Lewis heard at the next regularly scheduled meeting of the Parks and Recreation Commission.

The next regularly scheduled meeting of the Santa Cruz Parks and Recreation Commission will be on Monday, June 12, 2023, and that is when Marv Lewis and I want our appeal to be heard by the Commission.

Thank you very much, Mr. Hedden-Jones, and I am also requesting that you make all replies to me by email, and not be telephone conversations, please.

Sincerely,  
Elise Casby

A handwritten signature in black ink, appearing to be the initials 'EC' or 'EL', enclosed within a large, hand-drawn oval.

**Re: Postponement of Commission Meeting Due to City's failure**

Elise Casby &lt;casinberk@yahoo.com&gt;

Tue 4/18/2023 12:42

To: Tony Condotti &lt;tcondotti@abc-law.com&gt;

Cc: Elise Casby &lt;casinberk@yahoo.com&gt;; Parks &amp; Recreation Commission &lt;prcommission@santacruzca.gov&gt;; Marv Lewis &lt;marvlewis@hotmail.com&gt;; Tremain Hedden-Jones &lt;tjones@santacruzca.gov&gt;; Parks and Rec &lt;parksandrec@santacruzca.gov&gt;; Tony Elliot &lt;telliott@santacruzca.gov&gt;; Leslie Keedy &lt;lkeedy@santacruzca.gov&gt;

Tuesday, April 18, 2023

12:24 pm

Dear Mr. Condotti,

In your reply to me, and my email of Thursday, April 13th, 2023, in which I made a request that my appeal hearing be heard (on June 12th) at a regularly scheduled meeting of the parks and recreation commission, you referred to the laws pertaining to my appeal, and you gave me your opinion, interpretation and the city's decision to my request.

My request was denied and I understand that clearly.

I do want to be very clear and ask you another question and I also want to ask this of the Parks and Recreation Commissioners, and I would like to receive replies from everyone that I am asking this question to, and the question is made toward the end of this email.

Mr. Condotti, you omitted from your explanation and your interpretation, in your email reply to me, and my email, to cite or admit in any way that it was the city's failure to abide by the laws requiring timely posting of notices before these hearings, that resulted in the need for the city to postpone the hearing date and the regularly scheduled meeting of April 10th, 2023.

It was the failure of the City of Santa Cruz, and the Parks and Recreation Department to abide by these laws that regulate the posting of notices about the forthcoming hearings, and that should have been posted on the property and that would thereby have given notice to the public as required by law, about the hearing date of the appeal that resulted in the need, the necessity of the postponement of the original hearing date which was scheduled for Monday, April 10, 2023.

Mr. Tremain Hedden-Jones had admitted to these failures in conversations to me and to my co-appellant, Marv Lewis.

On Thursday, April 6, Tremain Hedden-Jones called me while I stood in front of the property at 233 Union St. and took pictures to document the fact that no notices had been posted at that time, to the public as required by our laws, and it was then that

Mr. Tremain Hedden-Jones informed me in that conversation that he was going to need to reschedule the commission meeting of April 10th, 2023, and that he would indeed, "post the notices" himself that day and that he offered me two dates for the rescheduling of that regularly schedule commission meeting.

The dates Mr. Hedden-Jones offered me were, April 17th and April 24th, and he told me that many of the commissioners, "also preferred the dte of the 24th" when I said that I might prefer the 24th.

It was also then that he offered me two dates in order to reschedule the hearing because, "the notices had not been posted" in time for the hearing of my appeal on April 10th.

The city's failure to abide by the requisite laws were admitted to plainly in several conversations by Tremain, and that was plain.

It was quite plain and obvious to everyone involved, including the commissioners, (I believe, based on Tremain's admissions), that it was the city's failure and, the city's need to make up for that failure and give the public the proper notice that the, "special meeting" was scheduled (away from public view), and offered to me over the phone in a conversation with Tremain on Thursday, April 6th.

4/18/23, 4:01 PM

Mail - Tremain Hedden-Jones - Outlook

It was Mr. Marvin Lewis that met with Tremain that same week, and informed Mr. Hedden-Jones that the regularly scheduled commission meeting, which was supposed to have taken place on April 10th would not be legally viable, since the notices to the public that are required by law had not been posted.

In light of these facts, well documented, and supported by our laws, I would like to ask you and the Parks and Recreation Commissioners a question.

My question is, are you going to go forward and reschedule my appeal to be heard at a special meeting, to take place on the 24th of April, 2023, instead of a regularly scheduled Parks and Recreation Commission meeting, when it is due to the city's negligence to abide by the laws, and when it is the city that failed to take the actions necessary as the law prescribes, to give notice to the public, within in a requisite number of days before the hearing and the regularly scheduled meeting of April 10th, 2023 that caused the postponement and rescheduling of the regularly scheduled commission meeting and the hearing of my appeal at a special meeting?

You invited me to ask you any questions that I might have about your decision to refuse my request to reschedule with all other parties involved, as I understand we all would need to agree on a meeting date for the appeal to be heard.

I hope you will answer this question that I have about your omission to cite and admit the city's failure in the postponement of this regularly scheduled meeting and my hearing, and I would appreciate it if you would please send me your reply as soon as you are able to.

I want to be very sure that I am understanding you clearly and in accordance with the laws as they are specified.

Thank you very much for your time and attention to this legal question, Mr. Condotti.

I will be at work for the most of the rest of this afternoon and will not be able to read any emails from you until later tonight, after about 7 pm.

Sincerely,

Elise Casby

**RE: Please Schedule Appeal for Next Regular Meeting of the Parks and Recreation Commission on June 12, 2023**

Anthony Condotti <tcondotti@abc-law.com>

Sun 4/16/2023 12:59

To: Elise Casby <casinberk@yahoo.com>; Parks and Rec <parksandrec@santacruzca.gov>

Cc: Parks & Recreation Commission <prcommission@santacruzca.gov>; Tony Elliot <telliott@santacruzca.gov>

Dear Ms. Casby,

Thank you for your message. Unfortunately, the City will not be able to grant your request.

SCMC Section 9.56.070 subsection(3) controls the scheduling of heritage tree appeals. The first sentence of that provision states "Upon receipt of the appeal the secretary of the commission shall schedule the matter for a public hearing at the next regularly scheduled business meeting, but not sooner than ten business days after receipt." I understand that by scheduling this hearing for the Commission's April 10, 2023 meeting the Parks & Rec. Department timely complied with this scheduling obligation. The next, and last, sentence of this subsection states, "The commission shall complete its action within thirty days from the date the matter is first scheduled for public hearing [in this case no later than May 10, 2023], unless appellant and appellee mutually agree to extend said thirty-day period".

In summary this controlling subsection expressly contemplates that although a heritage tree appeal hearing may be scheduled for a regular Commission meeting, it might not be heard or completed at that meeting; if so it must be heard or completed within thirty days of that regular meeting. Since the Commission only conducts regular meetings on a bi-monthly basis, by definition it is required to complete the public hearing on the appeal at a special meeting if it does not do so at the regular meeting for which it was originally scheduled. This thirty day deadline for completing the hearing can only be waived if both the appellant and appellee mutually agree to a different date. An appellant does not have the right to unilaterally demand a date beyond the thirty day deadline for hearing the appeal once that appeal has been properly scheduled. And the Parks & Recreation Department is not authorized to schedule the appeal hearing for a later date absent the appellee's agreement.

I trust this is responsive to your inquiry. Please feel free to contact me if you have further questions or comments.

Best regards,

*Tony*

**Tony Condotti**  
City Attorney  
City of Santa Cruz  
(831) 420-6200  
[tcondotti@abc-law.com](mailto:tcondotti@abc-law.com)



**From:** Elise Casby <casinberk@yahoo.com>  
**Sent:** Thursday, April 13, 2023 3:17 PM  
**To:** City of Santa Cruz - Parks & Recreation <parksandrec@santacruzca.gov>  
**Cc:** Anthony Condotti <tcondotti@abc-law.com>; prcommission@santacruzca.gov  
**Subject:** Fw: Please Schedule Appeal for Next Regular Meeting of the Parks and Recreation Commission on June 12, 2023

Thursday, April 13, 2023

3:05 pm

Dear Mr. Elliot, and Mr. Condotti,

I am forwarding an email that I sent today to Tremain Hedden-Jones.

Please support my request to have the appeal that I am making with my co-appellant, Marv Lewis to be heard at a regularly scheduled meeting of the Parks and Recreation Commission.

The next regularly scheduled meeting of the Parks and Recreation Commission would be Monday, June 12, 2023.

Although I initially agreed, verbally, during a phone call with Tremain Hedden-Jones, to schedule our appeal on the date of April 24th, it is not a regularly scheduled meeting of the commission, and I was pressured into accepting the rescheduling of the meeting on April 24th.

During that phone call, on April 6, 2023, Tremain told me many times that it would be a "regular meeting" for certain reasons, even though he had to refer to it as a, "special meeting" for legal reasons, "only". This phone call conversation happened after I sent Tremain an email, on Thursday, April 6th informing him that I did not want to go ahead with the April 24th date as the date of the rescheduled April 10th meeting, and that I did want to schedule our hearing for the next, "regularly scheduled" meeting of the commission.

The reason that the meeting was rescheduled in the first place was that the city failed to post, in time, that is ten days before the hearing of the appeal would have taken place on Monday, April 10th.

Since it was the city's failure to post the proper notice in time, before the regularly scheduled meeting of April 10th, at the property of 233 Union Street where the city urban forester/arborist is seeking the removal of the two heritage redwood trees, I am asking that the hearing be rescheduled as the Heritage Tree Ordinance specifies, for our appeal to be heard at the next regularly scheduled meeting of the Santa Cruz Parks and Recreation Commission meeting, which would be held on Monday, June 12, 2023.

It was due to the failure of the Parks and Recreation Department to properly post the notices informing the public about the hearing that would have taken place on Monday, April 10, 2023, that our hearing needed to be rescheduled.

Mr. Marv Lewis, my co-appellant in this matter had met in person with Mr. Heddon-Jones previous to my phone calls on Thursday, April 6th. During that in person meeting, Mr. Marv Lewis informed Tremain of the failure of the City of Santa Cruz to post these notices in time, that is ten days before, the regularly scheduled meeting of Monday, April 10, 2023, and that is the reason that the hearing of our appeal had to be rescheduled.

During this second phone call with Tremain, on April 6th, after I sent him an email clearly stating that I wanted the appeal to be heard at a regularly scheduled meeting of the Parks and Recreation Commission,

he persuaded me that the meeting on April 24, 2023, would be "regular", but I felt pressured to accept this date Tremain wanted and persuaded me to accept.

My co-appellant want our appeal to be heard, as is our legal right at a regularly scheduled meeting of the Parks and Recreation Commission.

Monday, the 12th of June would be the next regularly scheduled meeting of the commission, and I hope to hear that our appeal will be heard at that meeting.

Please respond to this email, and the forwarded email to Tremain as soon as you are able to Mr. Elliot.

I am also going to send these emails to Mr. Condotti.

Thank you, sincerely,

Elise Casby

----- Forwarded Message -----

**From:** Elise Casby <[casinberk@yahoo.com](mailto:casinberk@yahoo.com)>  
**To:** Tremain Hedden-Jones <[tjones@santacruzca.gov](mailto:tjones@santacruzca.gov)>  
**Cc:** Elise Casby <[casinberk@yahoo.com](mailto:casinberk@yahoo.com)>; Marv Lewis <[marvlewis@hotmail.com](mailto:marvlewis@hotmail.com)>; Parks & Recreation Commission <[prcommission@santacruzca.gov](mailto:prcommission@santacruzca.gov)>  
**Sent:** Thursday, April 13, 2023 at 01:21:44 PM PDT  
**Subject:** Please Schedule Appeal for Next Regular Meeting of the Parks and Recreation Commission on June 12, 2023

from: Elise Casby and Marv Lewis  
PO Box 671  
Santa Cruz, CA 95061

email: "Elise Casby" <[casinberk@yahoo.com](mailto:casinberk@yahoo.com)>  
email: "Marv Lewis" <[marvlewis@hotmail.com](mailto:marvlewis@hotmail.com)>

Dear Tremain Hedden-Jones, and Parks and Recreation Commissioners,

I am writing to confirm with you, again, that my appeal of the tree removal permit that the city is requesting be heard at the next regularly scheduled meeting of the Parks and Recreation Commission Meeting, which would be on Monday, June 12, 2023.

I did not agree to have the appeal heard at a "Special Meeting", of the Parks and Recreation Commission, and that is what the commission meeting on the 24th of April would be.

You spoke to me on the phone on Thursday, April 6, Tremain.

It was during that telephone conversation that you and I had on April 6, 2023, that you told me that the 24th of April Parks and Recreation meeting, If I were to agree to it, would be a "regular" meeting, however, it is not a "regular" meeting of the commission.

Monday, June 12, 2023 will be a regularly scheduled meeting of the Santa Cruz Parks and Recreation Commission and that is when we appellants, Marv Lewis and I want our appeal to be heard.





Both myself and Marv Lewis, as the appellants in the matter of the heritage tree removal that the Urban Forester/Arborist is seeking a permit for, on the property designated as 233 Union Street understand that as specified in the city code and laws about appeals in this matter of removal of heritage trees, are aware and understand, that we are entitled to have our appeal heard at a regularly scheduled meeting of the Parks and Recreation Commission according to the pertinent laws.

We do not want our appeal heard at a special meeting, that you directed me toward on April 24, 2023.

Furthermore, I sincerely request that you share this email and my other email which I sent to you, Mr. Hedden-Jones and which I copied to the Parks and Recreation Commissioners on Thursday, April 6, 2023, stating my explicit desire and request to not have this appeal heard on April 24, 2023, and to have my appeal with my co-appellant, Marv Lewis heard at the next regularly scheduled meeting of the Parks and Recreation Commission.

The next regularly scheduled meeting of the Santa Cruz Parks and Recreation Commission will be on Monday, June 12, 2023, and that is when Marv Lewis and I want our appeal to be heard by the Commission.

Thank you very much, Mr. Hedden-Jones, and I am also requesting that you make all replies to me by email, and not be telephone conversations, please.

Sincerely,

Elise Casby

## Regularly Scheduled Meeting : 233 Union

Marv Lewis <marvlewis@hotmail.com>

Thu 4/13/2023 16:59

To: Tremain Hedden-Jones <tjones@santacruzca.gov>; Parks & Recreation Commission <prcommission@santacruzca.gov>

Cc: elise casby <casinberk@yahoo.com>; Parks and Rec <parksandrec@santacruzca.gov>

Dear Tremain Hedden-Jones, and  
Parks and Recreation Commissioners:

The Heritage Tree ordinance explicitly states that appeals will be heard at the next "regularly scheduled meeting" of the Park and Recreation Commission upon ten day public notice given in regard to the hearing of an appeal.

Due to the Commission lapse in posting signs notifying the public with a ten day notice to a regularly scheduled meeting for the date of April 10th the appeal to be heard in regard to 233 Union Street was unilaterally rescheduled for April 24th which is not a regularly scheduled meeting.

Given that the public relies upon the language of ordinances to both inform process as well calendars informing opportunities for participation then there raises the prospect of less than due process in this case.

Please schedule the appeal for 233 Union to be heard at the next regularly scheduled public meeting upon adequate posted notice given as informed by the ordinance to be June 12, 2023.

Thank you for your consideration in this matter.

Respectfully yours,  
Marv Lewis



## RE: Please Schedule Appeal for Next Regular Meeting of the Parks and Recreation Commission on June 12, 2023

Tremain Hedden-Jones <tjones@santacruzca.gov>

Thu 4/13/2023 16:25

To: 'Elise Casby' <casinberk@yahoo.com>

Cc: Marv Lewis <marvlewis@hotmail.com>; Parks & Recreation Commission <prcommission@santacruzca.gov>; Tony Elliot <telliott@santacruzca.gov>

Elise,

This message is to confirm receipt of your request to re-schedule an item to be heard by the parks and recreation commission (tree appeal - 233 Union St) to the next regular commission meeting scheduled for Monday, June 12, 2023. At issue is the timing of the hearing, which was originally published and scheduled for April 10, 2023.

[9.56.070\(a\)\(3\)](#) states that the "commission shall complete its action within thirty days from the date the matter is first scheduled for public hearing, unless appellant and appellee mutually agree to extend said thirty-day period." That would put the public hearing and commission action within a deadline of May 10, 2023. While I acknowledge that the public hearing was not noticed on site of the location of the trees in question (233 Union St), the meeting agenda was properly published and noticed. I have forwarded your request to the city attorney and city clerk for review and consideration, and I am awaiting their response.

I appreciate your diligence in the matter, and I hope to have a response to your request within a timely manner. If you have any questions, feel free to reply. Thanks.

Best regards,

**Tremain Hedden-Jones**  
Administrative Services Supervisor  
Santa Cruz Parks & Recreation Department  
323 Church Street Santa Cruz, CA 95060  
Office 831.420.5275  
Fax: 831.420.5271

**From:** Elise Casby <casinberk@yahoo.com>  
**Sent:** Thursday, April 13, 2023 1:22 PM  
**To:** Tremain Hedden-Jones <tjones@santacruzca.gov>  
**Cc:** Elise Casby <casinberk@yahoo.com>; Marv Lewis <marvlewis@hotmail.com>; Parks & Recreation Commission <prcommission@santacruzca.gov>  
**Subject:** Please Schedule Appeal for Next Regular Meeting of the Parks and Recreation Commission on June 12, 2023

from: Elise Casby and Marv Lewis  
PO Box 671  
Santa Cruz, CA 95061

email: "Elise Casby" <[casinberk@yahoo.com](mailto:casinberk@yahoo.com)>  
email: "Marv Lewis" <[marvlewis@hotmail.com](mailto:marvlewis@hotmail.com)>

## Fw: Please Schedule Appeal for Next Regular Meeting of the Parks and Recreation Commission on June 12, 2023

Elise Casby <casinberk@yahoo.com>

Thu 4/13/2023 15:17

To: Parks and Rec <parksandrec@santacruzca.gov>

Cc: Tony Condotti <tcondotti@abc-law.com>; Parks & Recreation Commission <prcommission@santacruzca.gov>

Thursday, April 13, 2023

3:05 pm

Dear Mr. Elliot, and Mr. Condotti,

I am forwarding an email that I sent today to Tremain Hedden-Jones.

Please support my request to have the appeal that I am making with my co-appellant, Marv Lewis to be heard at a regularly scheduled meeting of the Parks and Recreation Commission.

The next regularly scheduled meeting of the Parks and Recreation Commission would be Monday, June 12, 2023.

Although I initially agreed, verbally, during a phone call with Tremain Hedden-Jones, to schedule our appeal on the date of April 24th, it is not a regularly scheduled meeting of the commission, and I was pressured into accepting the rescheduling of the meeting on April 24th.

During that phone call, on April 6, 2023, Tremain told me many times that it would be a "regular meeting" for certain reasons, even though he had to refer to it as a, "special meeting" for legal reasons, "only". This phone call conversation happened after I sent Tremain an email, on Thursday, April 6th informing him that I did not want to go ahead with the April 24th date as the date of the rescheduled April 10th meeting, and that I did want to schedule our hearing for the next, "regularly scheduled" meeting of the commission.

The reason that the meeting was rescheduled in the first place was that the city failed to post, in time, that is ten days before the hearing of the appeal would have taken place on Monday, April 10th.

Since it was the city's failure to post the proper notice in time, before the regularly scheduled meeting of April 10th, at the property of 233 Union Street where the city urban forester/arborist is seeking the removal of the two heritage redwood trees, I am asking that the hearing be rescheduled as the Heritage Tree Ordinance specifies, for our appeal to be heard at the next regularly scheduled meeting of the Santa Cruz Parks and Recreation Commission meeting, which would be held on Monday, June 12, 2023.

It was due to the failure of the Parks and Recreation Department to properly post the notices informing the public about the hearing that would have taken place on Monday, April 10, 2023, that our hearing needed to be rescheduled.

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My co-appellant want our appeal to be heard, as is our legal right at a regularly scheduled meeting of the Parks and Recreation Commission.

Monday, the 12th of June would be the next regularly scheduled meeting of the commission, and I hope to hear that our appeal will be heard at that meeting.

Please respond to this email, and the forwarded email to Tremain as soon as you are able to Mr. Elliot.



Dear Tremain Hedden-Jones, and Parks and Recreation Commissioners,

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I did not agree to have the appeal heard at a "Special Meeting", of the Parks and Recreation Commission, and that is what the commission meeting on the 24th of April would be.

You spoke to me on the phone on Thursday, April 6, Tremain.

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Thank you very much, Mr. Hedden-Jones, and I am also requesting that you make all replies to me by email, and not be telephone conversations, please.

Sincerely,

Elise Casby

I am also going to send these emails to Mr. Condotti.

Thank you, sincerely,

Elise Casby

----- Forwarded Message -----

**From:** Elise Casby <casinberk@yahoo.com>

**To:** Tremain Hedden-Jones <tjones@santacruzca.gov>

**Cc:** Elise Casby <casinberk@yahoo.com>; Marv Lewis <marvlewis@hotmail.com>; Parks & Recreation Commission <prcommission@santacruzca.gov>

**Sent:** Thursday, April 13, 2023 at 01:21:44 PM PDT

**Subject:** Please Schedule Appeal for Next Regular Meeting of the Parks and Recreation Commission on June 12, 2023

from: Elise Casby and Marv Lewis  
PO Box 671  
Santa Cruz, CA 95061

email: "Elise Casby" <casinberk@yahoo.com>

email: "Marv Lewis" <marvlewis@hotmail.com>

Dear Tremain Hedden-Jones, and Parks and Recreation Commissioners,

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Thank you very much, Mr. Hedden-Jones, and I am also requesting that you make all replies to me by email, and not be telephone conversations, please.

Sincerely,



4/18/23, 4:05 PM

Mail - Tremain Hedden-Jones - Outlook

Elise Casby

A regular meeting of the City of Santa Cruz Parks and Recreation Commission meeting, is the type of meeting I want and feel that I and my co-appellant, Mr. Marv Lewis, are legally entitled to in order to have my appeal and hearing of this matter (of the heritage tree removal that the city of seeking a permit for, at 233 Union Street in Santa Cruz), be made at most appropriately according to the Heritage Tree Ordinance and the public interest in this matter.

This is written, I believe, also, into the city code and laws pertaining to the type of hearing that I am entitled to make my appeal at, that being a, **regularly scheduled meeting of the City of Santa Cruz Parks and Recreation Commission** and not a subsidiary type of meeting that would be irregular, and therefore, compromise my appeal and hearing.

I will plan, therefore, out of courtesy for you, Mr. Hedden-Jones, for the moment, to have my appeal document (also known as a rebuttal), ready and emailed to you, on that day of Tuesday, April 18th, 2023, because I want our reasons for our appeal to be included in the packet that goes to the commissioners before the Monday, April 24, 2023 hearing, if that is the date that the entire regular Parks and Recreation Commission Meeting will be taking place (and my appeal and hearing are for the moment, rescheduled for).

However, if we are not having a complete and regular meeting of the Parks and Recreation Commission Meeting for the city of Santa Cruz on that date of April 24, 2023, I strongly urge for our appeal to be held at the next regularly scheduled Parks and Recreation Commission Meeting.

As I told you on the phone this morning, and from what I heard in a phone conversation with my co-appellant, Marv Lewis, the original hearing date of Monday, April 10, 2023 will not work because the notice to the public (that is required by the city laws and codes), about the appeal and hearing was not ever posted on the property site at 233 Union Street up until today, at least up until I was there at the property until about 11:55 am this morning.

A ten day notice to the public of the appeal is required, by the law and the codes- is my understanding and this is what my co-appellant informed you of during your meeting with him this morning.

I was at the site of 233 Union Street, arriving there at no later than 11:35 am, having walked from the City of Santa Cruz Parks and Recreation office on Church Street where I had been at about 11:25 am attempting to speak to you.

At that time of 11:35 am, today, Thursday, April 6, 2023, I arrived at the site of 233 Union Street and I observed that no posting had been made, for the next meeting of the Parks and Recreation Commission when the hearing was scheduled for, on April 10, 2023 and I thereby verified what my co-appellant told you (that the required posting had not been made by the city).

I state this just to confirm what my co-appellant, Marv Lewis had already informed you about in his in person conversation with you this morning, and which he had observed himself.

Therefore, the legally required notice that would provide, or allow for the public to know about, and be informed of the hearing which had been scheduled on the date of April 10, 2023 would not have been given if my co-appellant, Marv Lewis, had not brought it to your attention when he met with you at your office this morning, Thursday, April 6, 2023.

I was at the property site and took pictures and thoroughly looked for and examined the fencing, and all around the front of the property, and the notice was not posted, I confirmed, and as you said you saw and confirmed yourself, so I am glad to hear that you are going to put the notice up today (as you told me in our phone conversation this morning, as I stood in front of the 233 Union Street property)- in order to give the public the required ten days, and for the public to have the opportunity to be informed about the city's intent to remove the two heritage redwood trees as well as the appeal and the hearing date. This pertains to the date I chose when you offered me the two dates of Monday, April 17th, or Monday, April 24th, 2023.

But I am dismayed and concerned that if my appeal is not heard at a regularly scheduled meeting of the Parks and Recreation Commission meeting, that the public's awareness, normal participation and informed expectation will be compromised, since the public will not be aware of this, "special meeting" that you are setting up for my appeal to be heard.

**Having had a few minutes to think about the implications of all this, first of all the failure and the lack of notice to the public that was not made ten days in advance of the regularly scheduled Parks and Rec. Commission, and the rescheduling of the hearing that you hastily directed me toward, I am extremely concerned about the appeal hearing be set on the 24th of April.**



**At I did not think to ask you that question when I spoke to you over the phone this morning, I regret.**

**You simply offered me two dates, and you did not tell me what kind of meeting of the Parks and Recreation Commission this would be.**

**I chose one of these dates that you offered, however, I think this is an important matter of public interest and it should take place at a regularly scheduled meeting of the Parks and Rec. Commission.**

**Please let me know the answer to this question as soon as you are able to, because I want to have my appeal and the city's plan for the heritage tree removal to be heard at a regular Parks and Recreation Meeting, as this would be the best way for the public to be able to be informed and also, to participate in the matter.**

From what you told me, other parties involved in the matter of the city's granting the permit for the removal of the two heritage redwood trees, also seem to prefer that date of April 24, 2023 to the Monday in April a week before that, on April 17, 2023 which were the only two dates that you offered to me.

However, you only offered those two dates, and you did not mention the kind of meeting that this rescheduled meeting would be.

But I was not thinking, during our phone conversation of about three hours ago that I would only want the appeal to be brought before the Parks and Recreation Commission during a regularly scheduled hearing, and too quickly jumped at the two dates you offered to me, and chose one, the 24th of April.

This is a matter of importance that my appeal be heard at a regularly scheduled meeting of the Parks and Recreation Commission.

**Please reply to my question about having the hearing of my appeal during a regularly scheduled meeting of the Parks and Rec. Commission, that I am sending to you in this email, just as soon as you are able to, Mr. Hedden-Jones.**

**I also really appreciate if you would call me this afternoon, as soon as possible, after you see and read this email, about this re-scheduled date of Monday, April 24, 2023 and whether that will be a regularly scheduled meeting of the Parks and Rec. Commission, or whether it is a, "special meeting" with only my appeal and hearing and this matter of the city's planned removal of the two heritage trees.**

**The rest of my concerns about dates and the packet that I discuss below essentially follow from the above most important question and point of concern.**

**These dates and agreements were made without me being adequately informed about the type of meeting that I would be agreeing to in my agreement to reschedule the appeal hearing for Monday, April 24, 2023.**

After you called me this morning and we discussed the postponement and rescheduling of my appeal and hearing, you told me that you were going to go post the ten day notice on the property at 233 Union Street, yourself.

Since we had that discussion and I am now realizing my concern about the appeal being heard at a regular meeting, I will, for now, plan to email my reasons for my appeal to be included in the packet by Tuesday, April 18, 2023 before 5 pm.

However, in good faith, Mr. Hedden-Jones, and with just a little time, which is very reasonable I think for my concern to be realized, about the dates that I was offered without any mention about the kind of meeting it will be, I am very worried that this rescheduled date, if it is not a regular Parks and Recreation Commission hearing will compromise my appeal.

This compromise of my appeal (which would have been made on April 10, 2023, before the commission and the public's view at a regularly scheduled hearing), should not happen as a result of a failure of the Santa Cruz Office of the Urban Forester to make the proper noticing, that is a ten day prior noticing of the hearing, which is exactly what happened in this case.

This failure to post the notice 10 days prior to the hearing date planned, which was a regular meeting of the City of Santa Cruz Parks and Recreation Meeting (scheduled for Monday, April 10, 2023), caused a hasty postponement of the hearing of my appeal and hearing, and the need for your office to reschedule a meeting for the appeal and hearing.

Yet, I was not informed by you, Mr. Hedden-Jones, as to whether or not the meeting dates that I was offered by you today, would, in fact, be regular meetings of the Parks and Recreation Commission, or not.

## from Elise Received Your Decision and Reply

Elise Casby <casinberk@yahoo.com>

Mon 4/17/2023 23:57

To: Tony Condotti <tcondotti@abc-law.com>

Cc: Elise Casby <casinberk@yahoo.com>; Parks & Recreation Commission <prcommission@santacruzca.gov>; Tremain Hedden-Jones <tjones@santacruzca.gov>; Parks and Rec <parksandrec@santacruzca.gov>; Tony Elliot <telliott@santacruzca.gov>; Marv Lewis <marvlewis@hotmail.com>

Monday, April 17, 2023

11:55 pm

Dear Mr. Condotti,

Thank you for your reply to my request.

I understand that you, as the City Attorney of Santa Cruz, and therefore, the City of Santa Cruz has denied my request.

Mr. Hedden-Jones has told me that I must submit any materials to him by 5 pm tomorrow night, Tuesday, April 18, 2023 if I want my rebuttal to the city's position about the trees at 233 Union Street to be included in the packet.

I hope to send some statements to him in time to be included in the packet.

I do have some statements that I would like to include in the packet, and will plan to send them to Mr. Hedden-Jones by tomorrow at 5 pm.

I opened your reply to my request and the city's position and read it in my email inbox tonight, although you sent it yesterday.

Thank you kindly for that timely response, Mr. Condotti.

I understand what you have written and I have a high regard for your professional expertise and your position as the City Attorney for the City of Santa Cruz.

Nevertheless, I have questions about your interpretation of the laws you quoted to me, in that email reply.

I must respect your decision as you have the power in this situation to deny my request and the City of Santa Cruz has denied my request for the hearing to take place for the first time at a regularly scheduled hearing of the Parks and Recreation Commission, on June 12, 2023.

We did not have any hearing on April 10, 2023.

There was no regularly scheduled meeting of the Parks and Recreation Commission that took place on that date of Monday, April 10, 2023.

We could not have that appeal heard (we could not have the hearing), because the notices that must be posted according to the pertinent laws by the city of Santa Cruz for the public were not posted on the property at 233 Union Street, ten days in advance of that hearing date, the regularly scheduled meeting of Monday, April 10, 2023.

I have questions about the nature of the decisions wherein that regular meeting was postponed and rescheduled and whether or not these proceedings which took place outside of a regular meeting, were in fact, in accordance with the pertinent laws.

I beg your pardon for my different and unprofessional opinion, Mr. Condotti.

At this time, I must consult with some other people who have expertise that I do not.

Thank you very much for your offer to answer any questions that I have, I sincerely appreciate that offer from you.



4/18/23, 4:03 PM

Mail - Tremain Hedden-Jones - Outlook

I will be doing my best to consult with another professional as soon as I am able to, and I would like to contact you after I have done that.

Therefore, although I must accept your decision at this time, I am not sure what course of action I will take.

However, I do want to submit materials and/or statements to be included to the packet that gets sent to the Parks and Recreation Commissioners by tomorrow evening at 5 pm.

Mr. Hedden-Jones has told me that I must submit any materials to him by 5 pm tomorrow night, Tuesday, April 18, 2023 if I want my rebuttal to the city's position about the trees at 233 Union Street to be included in the packet.

I do have some statements that I would like to include in the packet, and will plan to send them to Mr. Hedden-Jones by tomorrow at 5 pm.

Thank you, sincerely,

Elise Casby

1

From: Elise Casby

To: Santa Cruz City Council Members and the Santa Cruz Community

Regarding: Heritage Redwood Tree Permit Appeal Hearing for 233 Union Street, Santa Cruz, CA, on  
The Schedule for the Tuesday, June 13, 2023, Santa Cruz City Council Meeting

Date: Thursday, June 8, 2023

Dear City Council Members,

Today, Thursday, June 8, 2023, I submitted a full history of our tree appeal to the city clerk's office. I am requesting that you listen to the recordings of the original meetings with the Santa Cruz Parks and Recreation Commission meetings of Monday, April 24, 2023 and Monday, May 8, 2023 that documented and can be listened to from links to be found on the city's website.

Also, I am asking you all to review the history of our appeal which I submitted as 82 double sided pages to the Santa Cruz City Clerk's office today by 12:05 pm. This history documents our appeal, and all major basis, both legal and other reasons, sentiments and provisions upon which our appeal is based.

I am submitting more documents today, Thursday, June 8, 2023, that show our inability to have our structural engineer gain access to the property at 233 Union Street, which we were hoping to gain in order to further submit a report by the structural engineer that would have been a summary of our engineer's investigation and evaluation of the actual effects of the redwood trees, if any upon the house and the foundation of that house.

Please, also, council member, and members of the public review my document, entitled, "Summary of the Basis for the Appeal", which provides our legal analysis and basis for the legal justification of our appeal.

Lastly, in a few minutes, I will submit more information about Coastal Redwood Trees, forests, urban forests and other important information for your review and to spark and inspire you to assist us in preserving these Heritage Redwood Trees on the property at 233 Union Street.

In the future, I hope we will consider making an historical park from this property and these vital heritage redwood trees for our urban forest, to help us build resilience to climate change, and for our cultural history. This neighborhood is a gem for the commercial vitality of our city and downtown, for the way these heritage trees connect with the other sites of great unique value to our community. These mature, healthy redwood trees are integral to those benefits and we must preserve them.

I hope that you will also consider, Mr. George Henry Berkley's personal testimony about the drainage system that he installed which prevents and discourages the redwood tree roots from seeking water under the house.

Thank you all for your efforts in reviewing all these materials, are sustainable future and economic vitality are depending upon you all supporting my appeal and preserving these heritage trees.

Yours truly,

Elise Casby, Appellant

## Urgent Request for Permission to Access Property at 233 Union Street

From: Elise Casby (casinberk@yahoo.com)

To: lkeedy@santacruzca.gov; tjones@santacruzca.gov

Cc: telliot@santacruzca.gov; marvlewis@hotmail.com

Bcc: dogwoodoversnow@gmail.com

Date: Tuesday, June 6, 2023 at 01:46 PM PDT

To: Leslie Keedy, Tremain Hedden-Jones and Tony Elliot

From: Elise Casby, Appellant, with Marv Lewis, Co-Appellant, of The City of Santa Cruz Parks and Recreation Commission decision at the, May 8, 2023, Special Meeting of that commission to uphold staff's decision to approve a request for a Heritage Tree Removal Permit (Application #25-0005) to remove two Coast Redwood Trees located at 233 Union Street, in Santa Cruz.

From: "Elise Casby" [casinberk@yahoo.com](mailto:casinberk@yahoo.com) and "Marv Lewis" [marvlewis@hotmail.com](mailto:marvlewis@hotmail.com)

Re: This is a request to Leslie Keedy and the Parks and Recreation Department to facilitate permission and to also arrange a time for our structural engineer to access the property at 233 Union Street, in order for our engineer to investigate and write a report of that investigation, and submit it to the city council members in time for review and before the scheduled hearing of our appeal to those council members on, Tuesday, June 13, 2023.

Today's date: Tuesday, June 6, 2023 1:44 pm

Dear Ms. Keedy, and the City of Santa Cruz Parks and Recreation Commission,

We appellants have secured the services of a structural engineer to evaluate, investigate and write a report of any possible effects the heritage redwood trees may be having upon the house and the foundation on the property at 233 Union Street, in order to present a written report of this investigation to the city council members before the scheduled hearing of our appeal on, Tuesday, June 13, 2023.

We are writing to you today, Tuesday, June 6, 2023, to ask for the city and the city's urban forester/arborist, Leslie Keedy, to facilitate permission for our structural engineer to access the property at 233 Union Street in order to perform this investigation and evaluation of the situation there.

Secondly, we are requesting assistance in arranging for that access by our structural engineer to the property in a speedy way given that time is short before the upcoming public hearing of our appeal by the city council on Tuesday, June 13, 2023.

I was told, today, by Rosemary Balsley, Administrative Assistant in the City Clerk's Department that materials for the main agenda packet are best submitted, for optimum review by the council and the public by noon on June 8, 2023. Although materials may be included for the council members and the public for review in another publication (and file), after that time and date. The city council hearing of our appeal is only one week away.

Due to time being short we are also asking for a response from you as soon as possible. We are asking, please, for this speedy response in order that we may arrange for our structural engineer to perform the evaluation and investigation as well as write and submit the report to the city council members for review in time for the council meeting next week, as well as any potential inclusion of the structural engineer's report in the agenda packets and/or for the council members to be able to have some time to review this written report.

Thank you very much, Ms. Keedy and City of Santa Cruz Parks and Recreation for your quick and timely assistance and response to our request.

3

Yours truly,

Elise Casby <casinberk@yahoo.com>

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**Re: Urgent Request for Permission to Access Property at 233 Union Street**

From: Leslie Keedy (lkeedy@santacruzca.gov)

To: casinberk@yahoo.com

Cc: marvlewis@hotmail.com

Date: Tuesday, June 6, 2023 at 07:11 PM PDT

Hi I can request this of the owner but it would appear that as it's private property allowing this review to occur on their land would be completely up to them. They also would I'm sure appreciate knowing the name of the firm or individual that would be on their land, review proof of their credentials representing themselves as certified structural engineer as well have prior to entry a hold harmless waiver and/or proof they are duly insured as a viable company or consultant. I will need that information to share with them to accompany your request.

Regards  
Lkeedy

Sent from my iPhone

On Jun 6, 2023, at 1:46 PM, Elise Casby <casinberk@yahoo.com> wrote:

To: Leslie Keedy, Tremain Hedden-Jones and Tony Elliot

From: Elise Casby, Appellant, with Marv Lewis, Co-Appellant, of The City of Santa Cruz Parks and Recreation Commission decision at the, May 8, 2023, Special Meeting of that commission to uphold staff's decision to approve a request for a Heritage Tree Removal Permit (Application #25-0005) to remove two Coast Redwood Trees located at 233 Union Street, in Santa Cruz.

From: "Elise Casby" [casinberk@yahoo.com](mailto:casinberk@yahoo.com) and "Marv Lewis" [marvlewis@hotmail.com](mailto:marvlewis@hotmail.com)

Re: This is a request to Leslie Keedy and the Parks and Recreation Department to facilitate permission and to also arrange a time for our structural engineer to access the property at 233 Union Street, in order for our engineer to investigate and write a report of that investigation, and submit it to the city council members in time for review and before the scheduled hearing of our appeal to those council members on, Tuesday, June 13, 2023.

Today's date: Tuesday, June 6, 2023 1:44 pm

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We are writing to you today, Tuesday, June 6, 2023, to ask for the city and the city's urban forester/arborist, Leslie Keedy, to facilitate permission for our structural engineer to access the property at 233 Union Street in order to perform this investigation and evaluation of the situation there.

Secondly, we are requesting assistance in arranging for that access by our structural engineer to the property in a speedy way given that time is short before the upcoming public hearing of our appeal by the city council on Tuesday, June 13, 2023.

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## Access to property for inspection

From: Leslie Keedy (lkeedy@santacruzca.gov)

To: casinberk@yahoo.com

Date: Wednesday, June 7, 2023 at 08:31 AM PDT

Please see owner response below regarding access

Hi Leslie,

I forwarded the email (see attached below) you sent me this evening to the owners, Dorth Raphaely and Sarah Moore. They have demanded no such permission will be granted to the plaintiffs. They are not allowed on the property, if they trespass they will be prosecuted.

The City Council Members are permitted to enter the property to preview the trees.



### **DANIEL A. ALVAREZ**

Broker Associate | DRE 01237892

831.818.4181

danny@maverickgroupe.com

maverickgroupe.com

129 Water St, Santa Cruz, Ca 95060



Sent from my iPhone



6

## Thanks and Reasonable Accommodation to 233 Union Street

From: Elise Casby (casinberk@yahoo.com)

To: lkeedy@santacruzca.gov

Cc: casinberk@yahoo.com; telliot@santacruzca.gov; tjones@santacruzca.gov

Bcc: marvlewis@hotmail.com

Date: Wednesday, June 7, 2023 at 04:13 PM PDT

Wednesday, June 7, 2023

4:12 pm

Hi Leslie!

Thank you for the timely and speedy response to our request to attain access to the property at 233 Union Street.

We sought permission, in order for our structural engineer to evaluate and investigate the property there.

We wanted to do this before the hearing of our appeal that is scheduled for this coming Tuesday, June 13, 2023 (of our appeal to keep the heritage redwood trees there from being, "removed").

We will not trespass onto their property.

In fact, that is the number one reason that we, necessarily, are seeking permission for access.

I would like to remind the owners that this is a civic matter involving an ordinance that gives some protection to the heritage redwood trees in our city.

It seems to me that seeking permission to investigate and evaluate the situation by a professional structural engineer seems to be a matter of reasonable accommodation in this case.

The owners response here (giving us a kind of a warning seems unwarranted and hostile) given that we are working within the framework of a legal situation.

Nevertheless, we respect their right to deny us permission to have access to their property.

Thank you again for your helpful assistance with this request, Leslie.

Yours truly,

Elise Casby

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## Thanks and Reasonable Accommodation to 233 Union Street

From: Elise Casby (casinberk@yahoo.com)  
To: lkeedy@santacruzca.gov  
Cc: casinberk@yahoo.com; telliot@santacruzca.gov; tjones@santacruzca.gov  
Bcc: marvlewis@hotmail.com  
Date: Wednesday, June 7, 2023 at 04:13 PM PDT

Wednesday, June 7, 2023

4:12 pm

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We wanted to do this before the hearing of our appeal that is scheduled for this coming Tuesday, June 13, 2023 (of our appeal to keep the heritage redwood trees there from being, "removed").

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In fact, that is the number one reason that we, necessarily, are seeking permission for access.

I would like to remind the owners that this is a civic matter involving an ordinance that gives some protection to the heritage redwood trees in our city.

It seems to me that seeking permission to investigate and evaluate the situation by a professional structural engineer seems to be a matter of reasonable accommodation in this case.

The owners response here (giving us a kind of a warning seems unwarranted and hostile) given that we are working within the framework of a legal situation.

Nevertheless, we respect their right to deny us permission to have access to their property.

Thank you again for your helpful assistance with this request, Leslie.

Yours truly,

Elise Casby

## Rosemary Balsley

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**From:** A Webb <aw.info.sub@gmail.com>  
**Sent:** Sunday, June 11, 2023 7:32 PM  
**To:** City Council; Fred Keeley  
**Subject:** 6/13/23 Agenda Item #26 - Heritage Trees appeal

Please uphold the Appeal.

The main purpose of a Heritage Tree ordinance is to protect and preserve this fastly disappearing asset for all residents of the city in their unique air scrubbing canopies and carbon sink contributing to healthy air quality for all, and provide climate change mitigation with shade on buildings, roads, and to rest under, and provide homes for wildlife that are critical part of a healthy ecosystem. A new young tree, or no tree replacement, simply cannot compare.

As I understand it, the City's policy includes a fund program to assist with heritage tree maintenance for property owners - that should've been sought out long ago for ongoing management of tree root growth in the face of any concerns, wouldn't you agree?

Thank you for upholding important local laws that we entrust you to steward and enforce.

These sentinel trees MATTER, for present and future generations.

Sincerely,

Anita Webb

Santa Cruz resident

## Rosemary Balsley

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**From:** Lira Filippini <lirafilippini@gmail.com>  
**Sent:** Monday, June 12, 2023 2:53 PM  
**To:** City Council  
**Subject:** Agenda Item 26; 6/13/23

Dear Mayor Keeley and Council Elect,

Please review the report on the house and trees closely. These substantial community trees are not found to be a threat to the house on the property they have historically shared space with.

The previous owner's testimony shows that great care and funds have gone into a drainage system that should be properly maintained (as with any useful system). These 2-3 trees are beautiful, a symbol of our special habitat where redwoods meet the coast, and are of a size and age that deems them worthy of preservation.

Thank you for your thoughtful consideration,  
Lira Filippini

## Rosemary Balsley

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**From:** Elise Casby <casinberk@yahoo.com>  
**Sent:** Monday, June 12, 2023 5:00 PM  
**To:** City Council  
**Cc:** Elise Casby; Marv Lewis  
**Subject:** Fw: Commercial Value of Trees at 233 Union Street Tree Appeal Letter from Appellant  
**Attachments:** Letter to City Council for Tree Appeal Monday, June 12, 2023.docx

And I'm sending this to your collective new email.

Thanks again,

Elise Casby

----- Forwarded Message -----

**From:** Elise Casby <casinberk@yahoo.com>  
**To:** citycouncil@cityofsantacruz.com <citycouncil@cityofsantacruz.com>  
**Cc:** Elise Casby <casinberk@yahoo.com>; Marv Lewis <marvlewis@hotmail.com>  
**Sent:** Monday, June 12, 2023 at 04:58:15 PM PDT  
**Subject:** Fw: Commercial Value of Trees at 233 Union Street Tree Appeal Letter from Appellant

Dear Council Members, Mayor and Vice Mayor,

I just want to be sure you all are receiving this letter from the about the heritage redwood tree appeal.

I already sent it to your individual emails.

Thank you,

Elise Casby

----- Forwarded Message -----

**From:** Elise Casby <casinberk@yahoo.com>  
**To:** Fred Keeley <fkeeley@santacruzca.gov>; rgolder@santacruzca.gov <rgolder@santacruzca.gov>; Sandy Brown <sbrown@santacruzca.gov>; sbrunner@santacruzca.gov <sbrunner@santacruzca.gov>; mwatkins@santacruzca.gov <mwatkins@santacruzca.gov>; snewsome@santacruzca.gov <snewsome@santacruzca.gov>; skalantari-johnson@santacruzca.gov <skalantari-johnson@santacruzca.gov>  
**Cc:** Elise Casby <casinberk@yahoo.com>; Marv Lewis <marvlewis@hotmail.com>  
**Sent:** Monday, June 12, 2023 at 04:53:48 PM PDT  
**Subject:** Commercial Value of Trees at 233 Union Street Tree Appeal Letter from Appellant

To: Santa Cruz City Council Members, Mayor Keeley, and Vice Mayor Golder

From: Elise Casby, Appellant

Re: Tree Appeal 233 Union Street on tomorrow's city council agenda, June 13, 2023

Date: Monday, June 12, 2023

Dear Council Members, Mayor Keeley and Vice Mayor Golder,

I am looking forward to presenting our tree appeal tomorrow, in order to ask you all to please vote to support our appeal of the city's decision to approve the permit to allow the removal of the two heritage coastal redwood trees on the property at

233 Union Street. The following paragraph is from our City of Santa Cruz website and this page is about the, "Downtown Neighborhood Historic District"

The 52-acre Downtown Neighborhood Historic District was established in 1979 by the City Council and placed on the National Register in 1989. The district is the oldest residential area in the City and contains an exceptional concentration of older homes that typify the City's social and architectural diversity over the period of its early growth, from the 1860's to the early 20th century. All major architectural styles that were adopted locally during these years can be found in the area. The area began to develop in the 1850's when Santa Cruz was profiting from the gold rush. The neighborhood was also home to many of the community's commercial and cultural leaders. Much of the area was laid out by businessman and developer Frederick A. Hihn and many of the elegant homes were built for his family members.

These coastal redwood trees are on this property, with the house that is listed in the, "Historical Building Survey", the APN number is, 005-032-30, and I believe it is located in the Downtown Neighborhood Historic District. These trees and the neighborhood hold tremendous potential for enhanced commercial value, through There is great potential commercial value to be developed through tourism and visits by local history buffs and geology aficionados in this somewhat hidden and neglected neighborhood of downtown Santa Cruz. Please consider my appeal, not only on the legal and technical basis that I will present to you and which is summarized in the, "Summary for the Basis of The Appeal", which was included in the agenda packet for tomorrow's, June 13<sup>th</sup>, 2023, meeting and begins on page 376 and finishes on page 377 of the meeting's agenda packet. Also, for legal justifications and summaries of my appeal, please also read and review my argument that is also included in the agenda packet for tomorrow's meeting and is entitled, "Letter of Appeal to the City Council" and begins on page 371 of the agenda packet and concludes on page, 375 of the agenda packet. But now I am asking you all to consider the commercial, historic and future tourist and visitor values embedded in this property, the heritage trees, the house, and in the neighborhood in which they are situated.

This neighborhood, has tremendous historic value of interest to visitors and tourists, as well as geological value for natural history buffs, and is in very close proximity to the downtown shops, restaurants and of course, a little further away, the beach. Furthermore, these coastal redwood trees are endangered. These heritage trees are also very historical, and also hold great potential commercial value as they are some of the very few coastal redwood trees left on the alluvial plane of the San Lorenzo River and are fine, healthy specimens. They are very near one of the most stately, breathtaking trees which towers over the property next door to 233 Union Street. The alluvial plane is in fact, the downtown area of Santa Cruz, as we move forward these heritage trees and the home will become of greater and greater interest to people as these cultural and natural artifacts will become rare and therefore, interesting.

The closeness of this property to many walking paths, such as; the big scenic ramp that climbs up on the natural historical cliffs goes from Rincon Park (behind city hall) to the upper west side of Laurel Street, behind city hall, the walking street, Green Street which goes up to Mission Street very close to Mission Plaza Park, the steep walking stairs that lead from River Street behind the town clock up to school street adjacent to the Santa Cruz Mission Historic State Park, and which is just down the block from the Holy Cross remodeled Mission Chapel. There is also Mission Street itself, which people can walk up to the Santa Cruz Mission State Historic Park where some of the most breathtaking views of downtown Santa Cruz and beyond to the Monterey Bay are only know to a few people.

If the city were to remodel the house on the property as is possible conclusion to the matter of saving the trees and which is cited, also in the agenda report (see page...370 of Jennifer Bennet's report), by the engineer's report second recommendation, which is entitled, "Protect the Existing Trees", a site could be established wherein the remodeled house on the property could be shown as a model of environmental design, and the altered, historic home would highlight the kind of alteration that accommodates for such important artifacts as these fine coastal redwood trees.

This, admittedly would be extremely innovative, however, it could be done and could draw travelers, tourists of the new era in the age of climate change. It could also draw more traditional kinds of tourists who enjoy beautiful, engaging historic neighborhoods that feature fascinating stories near delightful shops and restaurants.

Please consider this novel idea and let's think in a visionary way to enhance this gem of a neighborhood by purchasing the property with the historic house and preserve the amazing coastal redwood trees.

Thank you for reading this letter.

Sincerely,

Elise Casby

To: Santa Cruz City Council Members, Mayor Keeley, and Vice Mayor Golder

From: Elise Casby, Appellant

Re: Tree Appeal 233 Union Street on tomorrow's city council agenda, June 13, 2023

Date: Monday, June 12, 2023

Dear Council Members, Mayor Keeley and Vice Mayor Golder,

I am looking forward to presenting our tree appeal tomorrow, in order to ask you all to please vote to support our appeal of the city's decision to approve the permit to allow the removal of the two heritage coastal redwood trees on the property at 233 Union Street. The following paragraph is from our City of Santa Cruz website and this page is about the, "Downtown Neighborhood Historic District"

The 52-acre Downtown Neighborhood Historic District was established in 1979 by the City Council and placed on the National Register in 1989. The district is the oldest residential area in the City and contains an exceptional concentration of older homes that typify the City's social and architectural diversity over the period of its early growth, from the 1860's to the early 20th century. All major architectural styles that were adopted locally during these years can be found in the area. The area began to develop in the 1850's when Santa Cruz was profiting from the gold rush. The neighborhood was also home to many of the community's commercial and cultural leaders. Much of the area was laid out by businessman and developer Frederick A. Hihn and many of the elegant homes were built for his family members.

These coastal redwood trees are on this property, with the house that is listed in the, "Historical Building Survey", the APN number is, 005-032-30, and I believe it is located in the Downtown Neighborhood Historic District. These trees and the neighborhood hold tremendous potential for enhanced commercial value, through There is great potential commercial value to be developed through tourism and visits by local history buffs and geology aficionados in this somewhat hidden and neglected neighborhood of downtown Santa Cruz. Please consider my appeal, not only on the legal and technical basis that I will present to you and which is summarized in the, "Summary for the Basis of The Appeal", which was included in the agenda packet for tomorrow's, June 13<sup>th</sup>, 2023, meeting and begins on page 376 and finishes on page 377 of the meeting's agenda packet. Also, for legal justifications and summaries of my appeal, please also read and review my argument that is also included in the agenda packet for tomorrow's meeting and is entitled, "Letter of Appeal to the City Council" and begins on page 371 of the agenda packet and concludes on page, 375 of the agenda packet. But now I am asking you all to consider the commercial, historic and future tourist and visitor values embedded in this property, the heritage trees, the house, and in the neighborhood in which they are situated.

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Sincerely,

Elise Casby

<https://www.cityofsantacruz.com/government/city-departments/planning-and-community-development/programs/historic-preservation-in-santa-cruz/historic-districts/downtown-neighborhood-historic-district>



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# **Parks and Recreation Department**

# **233 Union Street**

**Appeal of Parks and  
Recreation Commission  
Approval of application**

**#23-0005 to remove two (2)  
Coast Redwood Trees**



26.289

# **Staff Findings #1:**

- **The Redwood tree is healthy, vigorous, and of normal size and color.**
- **The trunk is sound and solid.**
- **No insects or disease are present.**

# **Staff Findings #1:**

- **The tree is causing damage drainage problems & flooding in the basement.**
- **Roots are under the structure.**
- **A biobarrier was installed in the past in an effort to retain the tree & the barrier has been breached & roots are damaging the home.**



26.292





26.293



26.294



26.295

# **Staff Findings #2:**

- **The Redwood tree is healthy, vigorous, and of normal size and color.**
- **The trunk is sound and solid and codominant at approximately 10 feet above grade.**
- **No insects or disease are present.**

# **Staff Findings #2:**

- **The tree is in contact with the house.**
- **The tree has eliminated access to the utility closet & the door cannot be opened for necessary access.**
- **The tree is in contact with the gas supply line & could represent a hazard.**
- **The tree has impacted the site drainage system for the home.**
- **The tree has cracked interior sheetrock which has been repaired.**
- **The tree is putting pressure on the exterior siding of the home.**



26.298



26.299



26.300



# **Staff Findings #1&2:**

- **There are no reasonable mitigation options to save the 2 trees.**
- **Mitigation – a root containment barrier system has been used in the past (tree #1) & has failed.**
- **The trees are too close to the home to be root pruned without potentially destabilizing the tree or causing tree health consequence.**
- **The trees are relatively young & will continue to cause structural damage as they increase in girth.**

# Recommendation

- **That the City Council upholds the Parks and Recreation Commission decision to approve Heritage Tree removal permit application #23-0005 to remove two (2) Redwoods as required by City Council Resolution.**

# **Chapter 9.56 City of Santa Cruz Municipal Code**

- **The Heritage Tree has, or is likely to have, an adverse effect upon the structural integrity of a building, utility, or public or private right of way;**
- **The physical condition or health of the tree, such as disease or infestation, warrants alteration or removal;**
- **A construction project design cannot be altered to accommodate existing Heritage trees.**



## City Council AGENDA REPORT

**DATE:** 06/01/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Planning and Community Development

**SUBJECT:** Ordinance Amending Select Portions of Chapter 10.40 of the Santa Cruz Municipal Code, Along with Santa Cruz Municipal Code Section 10.41.060, Pertaining to the Parking of Oversized Vehicles (PL/CA)

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**RECOMMENDATION:** Introduce for publication an ordinance amending select portions of Chapter 10.40 of the Santa Cruz Municipal Code pertaining to the parking of oversized vehicles.

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**BACKGROUND:** In 2021, the Council adopted Ordinance No. 2021-20, which addressed the parking of Oversized Vehicles on public rights-of way. After Ordinance No. 2021-20 was adopted, the City engaged in a process with the California Coastal Commission (Coastal Commission or CCC), with the goal of obtaining a Coastal Development Permit (“CDP”), to authorize the City to implement Ordinance No. 2021-20 in the Coastal Zone.

The City’s initial approval of the CDP by the Zoning Administrator was appealed to the Planning Commission. The Planning Commission’s approval was appealed to the City Council, and the City Council’s approval was eventually appealed to the Coastal Commission. On May 11, 2023, the Coastal Commission approved the City’s CDP (Application No. A-3-STC-22-0018), authorizing the City to enforce Ordinance No. 2021-20 in the Coastal Zone, subject to various conditions.

During the City’s CDP process with the Coastal Commission, it became apparent that small revisions to Santa Cruz Municipal Code section 10.40.120 are appropriate in order to effectuate the intent of the Council and comply with all Coastal Commission direction.

**DISCUSSION:** Coastal Commission staff expressed disapproval of Santa Cruz Municipal Code section 10.40.120(f), which prohibited parking oversized vehicles within 100 feet of intersections. This section is, therefore, not included in the City’s CDP. In order to avoid confusion and potentially inappropriate enforcement of the referenced 100-foot rule, staff recommends that the language contained in Section 10.40.120(f) be stricken from the City’s Municipal Code, as provided in the attached draft ordinance.

Additionally, Santa Cruz Municipal Code section 10.40.120(g)(6) exempted enforcement of the 12 a.m. -5 a.m. oversized vehicle prohibition (contained in Section 10.40.120(a)) during “a non-pandemic-related state of emergency”[.] Given that, primarily for Federal Emergency Management Agency (FEMA) funding reasons, a state of emergency can last for months or years after the actual emergency circumstances have ended, the Council may wish to modify Section

10.40.120(g)(6) to clarify its intent as to when enforcement should cease during a declared state of emergency. The amendment prepared by staff would prohibit enforcement of Santa Cruz Municipal Code section 10.40.120(a) (the 12 a.m. - 5 a.m. oversized vehicle prohibition) during the first 10 days of a declared state of emergency. Thereafter, the Council could adopt a resolution or the City Manager could issue a directive continuing non-enforcement due to the emergency's significant impact on the need for oversized vehicles to park from 12:00 a.m. – 5:00 a.m. on city streets.

Lastly, Santa Cruz Municipal Code section 10.41.060 currently prohibits the City from issuing daytime residential parking permits to Oversized Vehicles. Staff does not believe that this was the intent of Council, given that Council also authorized a variety of nighttime parking permit programs, including for residents, guests of residents, and contractors. Therefore, staff has proposed a minor amendment to this section to effectuate what staff believes was the true intent of Council.

Health in All Policies: The proposed changes further Health in All Policies (HiAP) principles in that they support the implementation of the Oversized Vehicle Ordinance, which has been found consistent with the HiAP pillars.

Environmental Review: This project is found to not be considered a project under the California Environmental Quality Act (CEQA), and if it were considered a project, it would be found exempt from environmental review pursuant to Sections 15301, 15305, 15307, 15308, and 15321 of the Guidelines for Implementation of the California Environmental Quality Act (CEQA), as further detailed in the attached ordinance.

**FISCAL IMPACT:** None.

**Prepared By:**  
Lee Butler  
Director of Planning and  
Community Development

**Approved By:**  
Matt Huffaker  
City Manager

Cassie Bronson  
Assistant City Attorney

**ATTACHMENTS:**

1. DRAFT ORDINANCE - CLEAN
2. DRAFT ORDINANCE – TRACK CHANGES

ORDINANCE NO. 2023-XX

AN ORDINANCE OF THE CITY OF SANTA CRUZ AMENDING SELECT PORTIONS OF CHAPTER 10.40 OF THE SANTA CRUZ MUNICIPAL CODE, ALONG WITH SANTA CRUZ MUNICIPAL CODE SECTION 10.41.060, PERTAINING TO THE PARKING OF OVERSIZED VEHICLES

WHEREAS, in 2021, the Council adopted Ordinance No. 2021-20, which addressed the parking of Oversized Vehicles on public rights-of way;

WHEREAS, after Ordinance 2021-20 was adopted, the City engaged in a process with the California Coastal Commission, with the goal of obtaining a Coastal Development Permit (“CDP”), to authorize the City to implement Ordinance No. 2021-20 in the Coastal Zone;

WHEREAS, the City’s initial approval of the CDP was appealed to the Planning Commission. The Planning Commission’s approval was appealed to the City Council, and the City Council’s approval was eventually appealed to the Coastal Commission. On May 11, 2023, the Coastal Commission approved the City’s CDP (Application No. A-3-STC-22-0018), authorizing the City to enforce Ordinance No. 2021-20 in the Coastal Zone, subject to various conditions;

WHEREAS, during the City’s CDP process with the Coastal Commission, it became apparent that small revisions to Santa Cruz Municipal Code section 10.40.120 are appropriate in order to effectuate the intent of the Council and comply with all Coastal Commission direction;

WHEREAS, specifically, Coastal Commission staff expressed disapproval of Santa Cruz Municipal Code section 10.40.120(f) which prohibited parking oversized vehicles within 100 feet of intersections. This section is, therefore, not included in the City’s CDP. In order to avoid confusion and potentially inappropriate enforcement of the referenced 100-foot rule, the language contained in Section 10.40.120(f) should be stricken from the City’s Municipal Code;

WHEREAS, Santa Cruz Municipal Code section 10.40.120(g)(6) exempted enforcement of the 12AM-5AM oversized vehicle prohibition (contained in Section 10.40.120(a)) during “a nonpandemic-related state of emergency”[.] Given that, primarily for Federal Emergency Management Agency (FEMA) funding reasons, a state of emergency can last for months or years after the actual emergency circumstances have ended, the Council wishes to modify Section 10.40.120(g)(6) to clarify its intent as to when enforcement should cease during a declared state of emergency;

WHEREAS, Santa Cruz Municipal Code section 10.41.060 currently prohibits the City from issuing any daytime residential parking permits to Oversized Vehicles. This was not the intent of Council at the time Ordinance No. 2021-20 passed, given that Council also authorized a variety of nighttime parking permit programs, including for residents, guests of residents, and contractors. The Council desires to amend this section to effectuate its true intent.

BE IT ORDAINED by the City Council of the City of Santa Cruz as follows:

**SECTION 1.** Section 10.40.120(f) of the Santa Cruz Municipal Code is amended as follows:

“(f) [Intentionally omitted.]”

**SECTION 2.** Section 10.40.120(g)(6) of the Santa Cruz Municipal Code is amended as follows:

“(6) Parking of any oversized vehicle during the first ten (10) days of a state of emergency declared to exist within the city of Santa Cruz by the city council, city manager or governor. Thereafter, enforcement of section 10.40.120(a) shall re-commence, except if the council adopts a resolution or the city manager issues a directive continuing non-enforcement of section 10.40.120(a) for all or part of the state of emergency due to the emergency’s significant impact on the need for oversized vehicles to park from 12:00 a.m. – 5:00 a.m. on city streets.”

**SECTION 3.** Section 10.41.060 of the Santa Cruz Municipal Code is amended as follows:

“The local authority shall be authorized to issue parking permits for the city’s permit parking programs, pursuant to the requirements of this chapter. An oversized vehicle (OV), as defined by Section 10.04.106, is eligible for a permit pursuant to the requirements of this chapter. However, any such permit issued to an OV shall not entitle the OV to, without an OV overnight permit issued pursuant to SCMC 10.40.120, park between the hours of 12 a.m. – 5 a.m. in violation of SCMC section 10.40.120(a).”

**SECTION 4.** Environmental Review. The City Council finds and determines that the adoption of this ordinance is not considered a “project” under the CEQA guidelines (Cal. Code Regs. title 14 § 15378(a)). Further, even if the adoption of this ordinance were deemed a CEQA “project”, it would be categorically exempt from CEQA under Cal. Code Regs. title 14:

- 1) Section 15301 (“the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use[.]”);
- 2) Section 15305 (“minor alterations in land use limitations . . . which do not result in any changes in land use or density”);
- 3) Section 15307 (“actions taken by regulatory agencies as authorized by state law or local ordinance to assure the maintenance, restoration, or enhancement of a natural resource”);
- 4) Section 15308 (“actions taken by regulatory agencies, as authorized by state or local ordinance, to assure the maintenance, restoration, enhancement, or protection of the environment”); and
- 5) Section 15321 (“Actions by regulatory agencies to enforce or revoke a lease, permit, license, certificate, or other entitlement for use issued, adopted, or prescribed by the regulatory agency or enforcement of a law, general rule, standard, or objective, administered or adopted by the regulatory agency”).

ORDINANCE NO. 2023-XX

Further, none of the categorical exemptions listed above are barred by any of the exceptions listed in Cal. Code Regs. title 14 § 15300.2.

**SECTION 5.** Severability. If any section or portion of this ordinance is found to be invalid by a court of competent jurisdiction, such finding shall not affect the validity of the remainder of the ordinance, which shall continue in full force and effect.

**SECTION 6.** This ordinance shall take effect and be in force thirty (30) days after final adoption.

PASSED FOR PUBLICATION this #<sup>th</sup> day of [Month], 2023, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Fred Keeley, Mayor

ATTEST: \_\_\_\_\_  
Bonnie Bush, City Clerk Administrator

PASSED FOR FINAL ADOPTION this #<sup>th</sup> day of [Month], 2023, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Fred Keeley, Mayor

ATTEST: \_\_\_\_\_  
Bonnie Bush, City Clerk Administrator



ORDINANCE NO. 2023-XX

This is to certify that the above and foregoing document is the original of Ordinance No. 202x-xx and that it has been published or posted in accordance with the Charter of the City of Santa Cruz.

---

Bonnie Bush, City Clerk Administrator

ORDINANCE NO. 2023-XX

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BE IT ORDAINED by the City Council of the City of Santa Cruz as follows:

**SECTION 1.** Section 10.40.120(f) of the Santa Cruz Municipal Code is amended as follows:

~~“(f) Oversized vehicles shall not be parked at any place within one hundred feet of a crosswalk, intersection, boulevard, stop sign, official electric flashing device or approach to any traffic signal. [Intentionally omitted.]”~~

**SECTION 2.** Section 10.40.120(g)(6) of the Santa Cruz Municipal Code is amended as follows:

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ORDINANCE NO. 2023-XX

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Fred Keeley, Mayor

ATTEST: \_\_\_\_\_  
Bonnie Bush, City Clerk Administrator

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Fred Keeley, Mayor

ATTEST: \_\_\_\_\_  
Bonnie Bush, City Clerk Administrator

ORDINANCE NO. 2023-XX

This is to certify that the above and foregoing document is the original of Ordinance No. 202x-xx and that it has been published or posted in accordance with the Charter of the City of Santa Cruz.

---

Bonnie Bush, City Clerk Administrator

**From:** [Karen PORET](#)  
**To:** [City Council](#)  
**Subject:** Why is this being considered?  
**Date:** Sunday, June 11, 2023 2:41:06 PM

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In all honesty, why is this being considered from the very real safety ( not!) standpoint! These behemoths are a hazard enough as they are huge, with their “ trappings” too close behind for any sense of purpose.

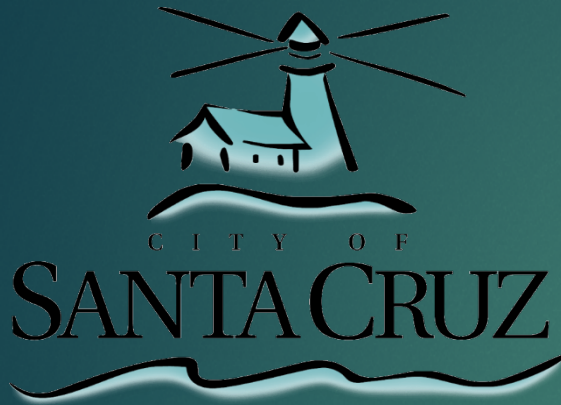
Please don't allow this to happen! No one pays attention to their surroundings in a vehicle, and this additional corner sight blockage would be disastrous at best.

Thank you!

Karen Poret  
Eastside homeowner

- “Allow RV parking within 100 feet of an intersection or traffic signal anywhere in the city. Currently, the rule only applies to part of the city.”

Sent from Karen's



# Oversized Vehicle Ordinance Updates

**CITY COUNCIL**  
JUNE 13, 2023



100' from intersections

Emergency declarations

Residential parking permits



# 100' from intersections

## 10.40.120(f)

~~“(f) Oversized vehicles shall not be parked at any place within one hundred feet of a crosswalk, intersection, boulevard, stop sign, official electric flashing device or approach to any traffic signal. Intentionally omitted.”~~

# Emergency declarations

## 10.40.120(g)(6)

“(6) Parking of any oversized vehicle during the first ten (10) days pendency of a ~~nonpandemic-related~~ state of emergency declared to exist within the city of Santa Cruz by the city council, city manager or governor. Thereafter, enforcement of section 10.40.120(a) shall recommence, except if the council adopts a resolution or the city manager issues a directive continuing non-enforcement of section 10.40.120(a) for all or part of the state of emergency due to the emergency’s significant impact on the need for oversized vehicles to park from 12:00 a.m. – 5:00 a.m. on city streets.”

# Residential parking permits

## 10.41.060

“The local authority shall be authorized to issue parking permits for the city’s permit parking programs, pursuant to the requirements of this chapter. An, for vehicles that do not fall within the definition of “oversized vehicle (OV),s” as defined by Section 10.04.106, is eligible for a permit pursuant to the requirements of this chapter. However, any such permit issued to an OV shall not entitle the OV to, without an OV overnight permit issued pursuant to SCMC 10.40.120, park between the hours of 12 a.m. – 5 a.m. in violation of SCMC section 10.40.120(a).”



## City Council AGENDA REPORT

**DATE:** 06/01/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Economic Development and Housing

**SUBJECT:** Cooperative Retail Management Business Real Property Improvement District Assessments for FY 2024 (ED)

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**RECOMMENDATION:** Motion to:

- 1) Approve the FY 2023 Annual Report and FY 2024 Plan prepared by the Downtown Management Corporation;
  - 2) Adopt the Resolution of Intention to levy a Cooperative Retail Management Business Real Property Improvement District Assessment for FY 2024 and schedule a public hearing for June 27, 2023, after the hour of 1pm, on the levy of the assessments for FY 2024; and
  - 3) Introduce for publication an ordinance confirming that Chapter 5.06 of the Santa Cruz Municipal Code shall apply to the Cooperative Retail Management Business Real Property Improvement District within the District's modified boundaries and to the increased assessments approved and levied by the City Council for the District's 2023-2024 Fiscal Year.
- 

**BACKGROUND:** On February 8, 1994 the City Council adopted Ordinance No. 94-06 adding Chapter 5.06 to the Santa Cruz Municipal Code establishing the Cooperative Retail Management (CRM) Business Real Property Improvement District (District) and levying assessments on the properties along Pacific Avenue pursuant to the Parking and Business Improvement Area Law of 1989 for the purpose of establishing a Downtown Hospitality Program. In 1996, the area was expanded to include side streets between Cedar and Front Streets and some downtown alleyways including Plaza, Locust, Commerce, Elm Lane, Birch Lanes, Pearl Alley, Lincoln-Cathcart and Pacific-Front alleyways.

The CRM District is managed by the Downtown Management Corporation (DMC) Board of Directors which includes three property owner representatives, three business owner representatives, two City Councilmembers, and the Economic Development and Housing Director as Chief Financial Officer.

In accordance with State law, the DMC is required to submit an Annual Report/Plan for each year in which assessments are to be levied in the District. The attached FY 2023 Annual Report and FY 2024 Plan prepared by the DMC is provided for Council consideration.

**DISCUSSION:** The FY 2023 Annual Report and FY 2024 Plan proposes the following changes to the CRM District assessment: an increase in the assessment rates and formula and an expansion of the district boundaries.

The current District includes properties used for commercial or business purposes with frontage on Pacific Avenue between Water Street and Laurel Street and those with frontage on the side streets and alleyways between Cedar and Front Street. The assessments are based upon the linear foot frontage and lot size and building size of the real property used for commercial or business purposes within the CRM District. For property fronting Pacific Avenue, the rates are \$6.35 per linear foot, \$.07 per lot square foot and \$.05 per building square foot. The rate per linear foot is \$4.75, \$.07 per lot square foot and \$.05 per building square feet for property with frontage on side streets and alleys as follows: between Cedar and Front Streets and located on Soquel Avenue; Locust, Cooper, Church, Walnut, Lincoln, Cathcart, Elm and Maple Streets; Plaza, Locust, Commerce, Elm and Birch Lanes; Pearl Alley; Lincoln-Cathcart and Pacific-Front alley ways. Rental residential property is assessed at a discounted rate of \$.025 per building square foot. If a property borders Pacific Avenue, a side street and an alley in the CRM District, the alley side will not be assessed (in other words, no more than two sides will be used in the assessment methodology).

**Proposed Changes to Assessment Methodology and District Boundaries:**

The Board recommends increasing the assessment rates and expanding the District boundaries. The current CRM District includes all real property used for commercial or business purposes on parcels with street frontage on Pacific Avenue between Laurel and Water Streets and located on Soquel Avenue; Locust, Cooper, Church, Walnut, Lincoln, Cathcart, Elm and Maple Streets; Plaza, Locust, Commerce, Elm and Birch Lanes; Pearl Alley; and Lincoln-Cathcart and Pacific-Front alley ways. The DMC recommends that all real property used for commercial or business purposes on parcels with street frontage on Cedar Street, Front Street, the south side of Mission Street and Water Street, and the north side of Laurel Street be annexed into the District. For property fronting Pacific Avenue, the proposed increased rates and expanded district would be the rates are \$7.0393 per linear foot on Pacific Avenue, \$5.2795 per linear foot for all other linear frontage, \$.0811 per lot square foot and \$.0718 per building square foot. The rate per linear foot is \$5.2795, \$.0608 per lot square foot and \$.0538 per building square feet for all other property with frontage on side streets and alleys.

Each parcel's assessment is calculated as follows:

Linear Feet Frontage x Linear Feet Frontage Rate = Linear Footage Assessment  
Lot Area Square Footage x Lot Area Square Footage Rate = Lot Assessment  
Building Square Footage x Building Square Footage Rate = Building Assessment

Linear Footage Assessment + Lot Assessment + Building Assessment = the annual assessment

As Downtown Santa Cruz has grown over the past decade and future downtown development projects planned, the need to expand the existing District boundary and review the assessment methodology is paramount to the success of a safe, clean, and vital downtown. The proposal is to expand the district boundary to include parcels on Front Street as well as Cedar Street. In addition, the methodology is to assess all parcels equally (churches are still exempt) given the fact that the services are delivered to all sidewalk frontages regardless of land use.

A financial consultant with experience in assessment districts provided assessment methodology options to DMC and provided an analysis to determine if assessed parcels benefit from these services. After carefully considering the options, the Board recommends the proposed expanded district boundaries, increased assessment rates and an annual adjustment based on the Consumer Price Index or 5%, whichever is greater. The full Methodology Summary Report from the financial consultant is included as an attachment to the FY 23/24 Annual Report/Workplan.

**FY 2024 Planned Activities:**

The Annual Report/Plan outlines the DMC's FY 2024 planned activities, budgeted expenses and revenues and contributions from sources other than the assessments levied. Under the proposed changes to the assessment methodology and expanded district, the City will contribute \$80,381.85 to the District for City-owned properties, an increase from \$44,522.99 under the prior rates. The City provides an additional revenue contribution of \$16,500 received by the City from kiosk rentals and extension area licenses. The City also contributes \$10,000 toward the downtown cleaning contract and provides funds for County mental health/social outreach services in the downtown. Under the expanded district the contribution to the downtown cleaning contract would increase to \$13,500.

The DMC Board of Directors recommends continuing the Downtown Ambassador Program contract with the Downtown Association with the goals of encouraging a positive experience on the street; providing proactive assistance to visitors; providing eyes on the street to report disruptive or criminal behavior; and reporting and resolving vandalism, graffiti, waste, and cleanliness issues. The program will provide one Operations Director and sufficient Ambassador hours to walk the DMC district 10am - 6pm, 7 days per week and staff the Information Kiosk during peak hours.

The DMC's plan has been approved by the DMC Board with the proposed changes in the assessment for FY 2024. Following approval of the DMC Annual Report/Plan, a resolution declaring the intention of the City to levy and collect assessments within the District must be adopted. The resolution will also set a public hearing to be held on June 27, 2023. Notice of the public hearing will be given by publishing the Resolution of Intention in a newspaper of general circulation in the City once at least seven days prior to the public hearing. The law also requires that no sooner than 10 days after adoption of the resolution of intention, the City Council must hold a public hearing at which time it is required to take public testimony and receive protests pertaining to the proposed assessment. Written and oral protests, if any, may be made in accordance with Sections 36524 and 36525 of the Law. City Council may then adopt a resolution levying the assessment only if there is not a majority of the property owners opposed to the levy.

**FISCAL IMPACT:** The City owns property within the boundaries of the District. The assessment for City properties under the current assessment is \$44,522.99. The assess for City properties under the increased rates and expanded district is \$80,381.85. As mentioned above, the City also contributes \$16,500 from kiosk rentals and sidewalk license areas and \$13,500 from Economic Development and Housing Department towards the downtown cleaning contract. Staff believes that the benefit provided by the assessment district justifies the expenditure of City funds.

**Prepared By:**  
Rebecca Unitt  
Economic Development  
Manager

**Submitted By:**  
Bonnie Lipscomb  
Director of Economic  
Development and Housing

**Approved By:**  
Matt Huffaker  
City Manager

**ATTACHMENTS:**

1. DMC ANNUAL REPORT PLAN.PDF
2. RESOLUTION.DOCX
3. ORDINANCE.DOCX



DOWNTOWN MANAGEMENT CORPORATION

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# Downtown Management Corporation

## FY 2023 Annual Report

## FY 2024 Plan

Approved May 18, 2024





## **Introduction**

The Downtown Management Corporation (DMC) oversees the Cooperative Retail Management District (CRM), covering Pacific Avenue from Water Street to Laurel Street, and the side streets off of Pacific Avenue. The CRM District is an improvement district funded by an assessment levied on property owners in this geographic boundary to fund enhanced programs and services focused on a clean, safe and welcoming Downtown.

The objectives of the DMC, as stated in the bylaws, are:

- To improve public perception of downtown Santa Cruz by enhancing safety and security;
- To provide information and direction to shoppers and visitors in downtown Santa Cruz;
- To provide a visible presence in downtown Santa Cruz to observe and report street disorder.

The DMC is governed by a volunteer board of directors that includes two City of Santa Cruz Councilmembers, the City's Economic Development Director, three business owner representatives, and three property owner representatives. This work plan has been developed by the Board and staff to serve as a roadmap to guide the activities and resource allocations of the Downtown Management Corporation for fiscal year 2023-2024.

**Downtown Management Corporation  
FY 2023 Annual Report and FY 2024 Plan**

**1. Are there any proposed changes to the Cooperative Retail Management Business Real Property Improvement District (CRM)?**

The Board recommends increasing the assessment rates and expanding the District boundaries. The current CRM District includes all real property used for commercial or business purposes on parcels with street frontage on Pacific Avenue between Laurel and Water Streets and located on Soquel Avenue; Locust, Cooper, Church, Walnut, Lincoln, Cathcart, Elm and Maple Streets; Plaza, Locust, Commerce, Elm and Birch Lanes; Pearl Alley; and Lincoln-Cathcart and Pacific-Front alley ways. The DMC is recommending that all real property used for commercial or business purposes on parcels with street frontage on Cedar Street, Front Street, the south side of Mission Street and Water Street, and the north side of Laurel Street be annexed into the District.

The proposed increased rates and expanded district would be:

<b>Expanded District: Existing + Front + Cedar</b>	<b>Comm Bldg SF Assmt</b>	<b>Res Bldg SF Assmt</b>	<b>Lot SF Assmt</b>	<b>Pacific Ave Linear Frontage Assmt</b>	<b>All Other Linear Frontage Assmt</b>
Pacific Ave Parcels	\$0.0718	\$0.0718	\$0.0811	\$7.0393	\$5.2795
All Other Parcels	\$0.0538	\$0.0538	\$0.0608	\$0.0000	\$5.2795

Each parcel’s assessment is calculated as follows:

Linear Feet Frontage x Linear Feet Frontage Rate = Linear Footage Assessment

Lot Area Square Footage x Lot Area Square Footage Rate = Lot Assessment

Building Square Footage x Building Square Footage Rate = Building Assessment

Linear Footage Assessment + Lot Assessment + Building Assessment = the annual assessment

As downtown Santa Cruz has grown over the past decade and future downtown development projects planned, the need to expand the existing District boundary and review the assessment methodology is paramount to the success of a safe, clean, and vital downtown. The proposal is to expand the district boundary to include parcels on Front Street as well as Cedar Street. In addition, the methodology is to assess all parcels equally (churches are still exempt) given the fact that the services are delivered to all sidewalk frontages regardless of land use.

DMC hired a financial consultant to provide assessment methodology options and to determine if assessed parcels benefit from these services. After carefully considering the options, the Board recommends the proposed expanded district boundaries, increased assessment rates and an annual adjustment based on the Consumer Price Index or 5%,

whichever is greater. The full Methodology Summary Report from the financial consultant is included as Attachment No. 3.

**2. Describe the improvement activities that were provided for the year.**

Please see Attachment No. 1.

**3. Describe the budget for the improvements and activities.**

Please see Attachment No. 2.

**4. Describe the method used to levy assessments for FY 23.**

Under the current CRM District assessment methodology, the assessments are based upon the linear foot frontage, lot size and building size of the real property used for commercial or business purposes within the CRM District. The individuals or entities subject to the proposed assessment shall be those persons or entities who own commercial or business real property within the assessment district which have frontage on Pacific Avenue, downtown side streets and downtown alleyways. The proposed assessment shall be payable in two equal installments due on or before July 1<sup>st</sup> and January 1<sup>st</sup>. New property owners shall not be exempt from levy of the assessment.

For property fronting Pacific Avenue, the rates are \$6.35 per linear foot, \$.07 per lot square foot and \$.05 per building square foot.

For property fronting side streets and alleys, the rates are \$4.75 per linear foot, \$.05 per lot square feet and \$.04 per building square foot. Frontage on side streets and alleys include properties located: on Cedar and Front Streets and located on Soquel Avenue; on Center Street between Cedar and Mission, Mission, Locust, Cooper, Church, Walnut, Lincoln, Cathcart, Elm and Maple Streets; Plaza, Locust, Commerce, Elm and Birch Lanes; in Pearl Alley; in Lincoln-Cathcart and Pacific-Front alley ways. If a property borders Pacific Avenue and a side street and alley in the CRM District, the alley side will not be assessed.

Rental residential property is assessed at a discounted rate of \$.025 per building square foot for buildings located on Pacific Avenue and \$.02 for buildings located on side streets or alleys. Owner-occupied residential properties in the district are exempt from the assessment.

Each parcel's assessment is calculated as follows:

Linear Feet Frontage x Linear Feet Frontage Rate = Linear Footage Assessment

Lot Area Square Footage x Lot Area Square Footage Rate = Lot Assessment

Building Square Footage x Building Square Footage Rate = Building Assessment.

Linear Footage Assessment + Lot Assessment + Building Assessment = the annual assessment

<b>Assessment Rate</b>	<b>Linear Feet Frontage</b>	<b>Lot Area Square Footage</b>	<b>Building Area Square Footage</b>
Pacific Avenue	\$6.35	\$0.07	\$0.050
Side Street and Alley	\$4.75	\$0.05	\$0.040
Rental residential square footage is assessed at 50% rate of building square feet rate			

**5. Show the amount or any surplus or deficit revenues carried over from the prior year.**

The FY 2023 Operating Budget is estimated to have a fund balance of thirty-one thousand five hundred fifteen dollars and fifty-one cents (\$31,515.51).

**6. The amount of contributions from other sources, if any.**

The Economic Development Department provided administrative support in the form of membership mailings and the coordination of regular meetings of the DMC Board of Directors.

In addition to the proceeds by the CRM Assessment District in FY 2023, the DMC received \$16,500 collected by the City for cafe extension license fees and kiosk rent. The City also contributed \$10,000 to the Uncle Poop’s Pet Waste Removal contract.

**7. The proposed work plan for the next fiscal year.**

The following proposed activities were approved by the Board of Directors at the May 18, 2023 Board Meeting for Fiscal Year 2024 based on the estimated revenue generated from the proposed expanded district and increase rates. The Board voted to allow the activities and reserve funding to be revisited throughout the year for reallocation as needed as conditions change and based on actual costs for services. See Attachment 2 for the proposed work plan budgets based on the recommended changes to the assessment and district boundaries.

**Downtown Ambassador Program**

The DMC Board of Directors recommends continuing to contract with Block By Block Inc., through the Downtown Association of Santa Cruz (DTA) to provide Downtown Ambassador Services within the CRM district for FY 2024. DMC will allocate three hundred thirty-nine thousand dollars (\$339,000) for the 12-month contract.

The Ambassador Program provides one Operations Director and sufficient Ambassador hours to walk the DMC district 10am - 6pm, 7 days per week and staff the Information Kiosk during peak hours.

The Ambassadors will provide the following services:

- a. Offer and provide assistance, information and directions to visitors of the downtown.
- b. Provide a uniformed ambassador presence by walking the service area.
- c. Inform persons as to Santa Cruz Municipal Codes on standards of conduct with the goal of achieving compliance.
- d. Promptly report disruptive or criminal behavior to the appropriate public agency and cooperate as necessary for enforcement.
- e. Notify appropriate authorities to respond to medical or mental health emergencies.
- f. Pick up trash such as newspapers and small debris.
- g. Address light litter and graffiti and report large graffiti, spills on sidewalk, and other conditions that may impact public safety to the appropriate department if unable to remediate.

### **Downtown-Beach Shuttle**

The Beach-Downtown shuttle replaces the Santa Cruz Trolley program and will provide transportation for thousands of visitors between the beach and downtown during the summer months. The program has restarted in 2023 after pausing following the 2019 season due to the pandemic. Shuttle operations are funded through a combination of sponsorships, advertising revenue, fares and grants. DMC Board of Directors believes that the number of visitors that the shuttle brings to the CRM district is beneficial and warrants a contribution of \$6,500 to shuttle operation costs.

### **Uncle Poop's Pet Waste Removal**

The work plan includes the continuation of the maintenance contract with Uncle Poop's Pet Waste Removal for seventy-nine thousand dollars (\$79,000) to provide animal and human waste cleanup services for public and private property in the CRM District.

### **Pet Waste Bag Dispensers**

The work plan includes a continuation of maintenance for the five pet waste bag dispensers in the district and purchase of at least 2,000 bags for an estimated cost of two hundred dollars (\$200). The waste bags were installed as a pilot program to monitor any changes in behavior from conveniently located bags in high traffic areas in an effort to reduce after-hour calls for pet waste pick up and reduction in daily collection numbers. The bags have been utilized by the community and minimal vandalism has occurred to the dispensers.

## Attachment No. 1

### DMC FY 2023 Work Program

The objectives of the DMC, as stated in the bylaws, are:

- To improve public perception of downtown Santa Cruz by enhancing safety and security;
- To provide information and direction to shoppers and visitors in downtown Santa Cruz;
- To provide a visible presence in downtown Santa Cruz to observe and report street disorder.

The DMC Board of Directors, pursuant to its bylaws, consists of nine members, including:

- Three representatives of the City: Mayor and Vice Mayor (or their designees) and Director of Economic Development Department.
- Three downtown property owners or designated agents.
- Three downtown business owners or designated agents selected by the DMC Board of Directors.

#### **Downtown Management Corporation Board of Directors FY 2023**

Chris Murphy, Business Representative

Larry Pearson, Business Representative

Ian McRae, Business Representative

Kris Reyes, Property Owner Representative

Ryan Coonerty, Property Owner Representative

Renee Culver, Property Owner Representative

Bonnie Lipscomb, Director, Economic Development

Scott Newsome, Councilmember

Shebreh Kalantari-Johnson, Councilmember

Kamala Allison, Business Representative (resigned fall 2022)

Donna Meyers, Councilmember (Term Expired January 2023)

Justin Cummings, Councilmember (Term Expired January 2023)

#### **Downtown Ambassador Program**

In the FY 2023 workplan the DMC Board of Directors continued the contract with the Downtown Association of Santa Cruz to provide hospitality services in the district for a second year of service.

The Ambassador program has been designed based on best practices of Downtown Management Organizations, with the specific and unique needs of Downtown Santa Cruz in mind. The primary objective of the program is to foster a welcoming and friendly environment in the Downtown and to provide support to the business community. The program provides one Operations Director and sufficient Ambassador hours to walk the DMC district 10am - 6pm, 7 days per week and staff the Information Kiosk during peak hours. The Ambassadors are tasked with offering assistance and directions to visitors, providing eyes on the street to report disruptive or criminal behavior, picking up trash and debris to promote cleanliness downtown, and reporting graffiti, sidewalk



spills, and other conditions to the proper departments or agencies. The Ambassadors also maintain close relationships with the merchants in the district to provide information and address concerns to support their success downtown.

### **Uncle Poops Pet Waste Removal**

Uncle Poop's Pet Waste Removal provides daily animal and human waste removal services in the CRM District. The contractor travels the entire CRM District every morning looking for waste on public and private property and removing it. The contractor also responds on-call to promptly clean up messes. This service has resulted in cleaner sidewalks and has relieved business owners of the burden to pick up waste in their alcoves and entry ways.

## **Related Services That Enhance the Downtown Ambassador Program**

### **City Services**

The Downtown Police Patrol enhances the efforts of the ambassadors. The Downtown Police Officers are in communication with the Ambassadors daily to monitor issues impacting the downtown and maintain communication between the businesses.

### **Homeward Bound Program**

The City's Homeward Bound Program provides funding for Greyhound tickets to people in need after verifying that they are returning to family, medical services or employment.

### **Downtown Outreach Worker**

The Downtown Outreach Workers (DOW), a social worker funded equally by County Mental Health and the City of Santa Cruz, has been extremely effective in identifying and assisting people with social and mental health problems and in referring them to needed services. The DOW works closely with the ambassadors, police and downtown businesses to increase the awareness of the position and to provide assistance to the business owners with social problems occurring in their premises and in the downtown generally. The DOWs work seven days a week and serves as a case manager to provide ongoing support to individuals to assist them with medical services, transportation and housing.

### **Downtown Association**

The DMC continues to collaborate with the Downtown Association of Santa Cruz (DTA) on creating a clean, safe and friendly downtown. The DTA sponsors orientation workshops for new downtown employees and invites the police and the downtown outreach workers to attend and to provide information on services.

The DTA also operates the Downtown Information Kiosk which is located at 1130 K2 Pacific Avenue. The professional, friendly staff provides information to thousands of visitors and locals on area services, events, downtown opportunities and directions. They answer numerous questions including information about the public property ordinances in the downtown. Staff keeps a watchful eye on the area surrounding the kiosk and works cooperatively with police and downtown outreach workers.

**Attachment No. 2**

**Downtown Management Corporation**

**Estimated Operating Budget FY 2023 and Proposed Budget for FY 2024**

	<b>FY 23 Estimated Actual</b>	<b>FY 24 Proposed No Assessment Change</b>	<b>FY 24 Proposed Assessment Increase Expanded District</b>
<b>Revenue</b>			
Assessment	215,207.75	219,041.88	397,260.00
City Contribution	10,000.00	10,000.00	13,500.00
Kiosk Rent	6,500.00	6,500.00	6,500.00
Café Extension	10,000.00	10,000.00	10,000.00
Interest	82.76	80.00	80.00
Beginning Reserve	40,878.38	31,515.51	31,515.51
<b>Total Revenue</b>	<b>282,668.89</b>	<b>277,137.39</b>	<b>458,855.51</b>
<b>Expenses</b>			
Ambassador Program	213,783.96	213,783.96	339,000.00
Insurance	1,303.00	1,303.00	1,300.00
Tax Preparation	1,533.15	1,533.15	1,200.00
Taxes	100.00	100.00	60.00
Downtown-Beach Shuttle	-	-	6,500.00
Pet Waste Bag Dispensers	268.27	200.00	200.00
Maintenance (Uncle Poop's)	34,165.00	30,000.00	79,000.00
<b>Total Expenses</b>	<b>251,153.38</b>	<b>246,920.11</b>	<b>427,260.00</b>
<b>Net Income (Loss)</b>	<b>(9,362.87)</b>	<b>(1,298.23)</b>	<b>80.00</b>
<b>Accumulated Reserve</b>	<b>31,515.51</b>	<b>30,217.28</b>	<b>31,595.51</b>



**Attachment No. 3**  
**Methodology Summary Report**

# Cooperative Retail Management District Downtown Santa Cruz

## Methodology Summary Report



Santa Cruz, California  
May 2023

Prepared by:  
Kristin Lowell, Inc.

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## **SECTION A: INTRODUCTION**

In 2014, the Cooperative Retail Management District (District) amended its financing district in downtown Santa Cruz to assess all downtown parcels except for single family owner-occupied and church parcels. The District assesses each parcel to fund a hospitality ambassador program, maintenance services, sidewalk cleaning, and shuttle services between downtown and the beach. The current assessments are based on each parcels' linear street frontage (including side streets and alleys), lot square footage, and building square footage.

As downtown Santa Cruz has grown over the past decade and future downtown development projects planned, the need to expand the existing District boundary and review the assessment methodology is paramount to the success of a safe, clean, and vital downtown. The proposal is to expand the district boundary to include parcels on Front Street as well as Cedar Street. In addition, the methodology is to assess all parcels equally (churches are still exempt) given the fact that the services are delivered to all sidewalk frontages regardless of land use.

This report reviews the provided services, estimated budget and the assessment rates for the expanded district.

## **SECTION B: DESCRIPTION OF SERVICES**

The work plan consists of the Downtown Ambassador Program administered by the Downtown Association through a contract with Block by Block, Inc. The Ambassadors make regular and continuous patrols of each parcel that is subject to the assessment within the District. These patrols are made along the frontage, side streets, and alleyways of each parcel. They provide assistance to businesses occupying the assessed parcels and provide information to shoppers, tourists and local residents while on patrol. The Ambassadors act as additional eyes and ears for the police, advising them of any suspicious activities and requesting their response if needed. They serve as goodwill ambassadors for the benefit of the property owners and their tenants. The Ambassadors are in touch with all of the merchants occupying the assessed parcels on a regular basis. Each Ambassador maintains records of their contacts with the public during their patrol and these records are submitted to the Board of Directors on a bi-monthly basis.

For the past 12 months, the Downtown Ambassador Program has been comprised of one Operations Director and sufficient Ambassador hours to walk the DMC district 10am - 6pm, 7 days per week and staff the Information Kiosk during peak hours. Staffing is adjusted according to demand, with hours decreasing during the late fall and winter, while increasing during the late spring and summer.

The work plan also includes a contribution for the operation of the Downtown-Beach Shuttles. The two electric vehicles shuttle thousands of visitors between the beach and downtown during the summer months. Shuttle operations are funded through a combination of sponsorships, advertising revenue, fares and grants. DMC Board of Directors believes that the number of visitors that the shuttles bring to the CRM district is beneficial and warrants a contribution to shuttle operation costs.

Additionally, the work plan includes funds to hire a maintenance contractor to remove animal and human excreta from public and private property.

## **SECTION C: DISTRICT BOUNDARY and EXPANSION AREA**

### ***Existing Boundary***

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The current District boundary includes all parcels with street frontage on Pacific Avenue between Mission Street and Laurel Street and all side streets off of Pacific Avenue between Front Street and Cedar Street including, Soquel Avenue, Locust, Cooper, Church, Walnut, Lincoln, Cathcart, Elm and Maple Streets; Plaza, Locust, Commerce, Elm and Birch Lanes; Pearl Alley; Lincoln-Cathcart and Pacific-Front alley ways.

### ***Expansion Area***

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The proposed expansion area will now include all parcels with frontage on either Front Street or Cedar Street from Mission Street to Laurel Street. The proposed budget and assessment rates reflect expanding into these areas.

### ***Service Zones***

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The District is allocated into two service zones; those with frontage on Pacific Avenue, and those that do not. The parcels with Pacific Avenue frontage have the highest concentration of commercial use and pedestrian traffic, and thus will receive the highest level and frequency of the District services. All other parcels in the District will receive the same services but less frequently. These parcels will be assessed at 75% of the Pacific Avenue parcels.

See the District boundary map on the following page.



## SECTION D: PROPOSED BUDGET

The following table outlines the assessment budget for 2024.

<b>EXPENDITURES</b>	<b>TOTAL</b>
Ambassador Program - Block by Block	\$339,000
Maintenance - Uncle Poop's	\$79,000
Insurance	\$1,300
Tax Preparation	\$1,200
Taxes	\$60
Downtown-Beach Shuttle	\$6,500
Pet Waste Bag Dispensers	\$200
<b>Total Expenditures</b>	<b>\$427,260</b>
<b>REVENUES</b>	<b>TOTAL</b>
City Contribution	\$30,000
Assessment Revenues	\$397,260
<b>Total Revenues</b>	<b>\$427,260</b>



## SECTION E: ASSESSMENT METHODOLOGY

### *Methodology*

Determining the proportionate benefit among the parcels of real property within the proposed assessment district is the result of a four-step process:

1. Defining the proposed services,
2. Determining which parcels benefit from the proposed services,
3. Determining how the proposed services benefit parcels,
4. Determining the proportional special benefit each parcel receives in relation to all other parcels in the District receive (see below).

Each parcel within the District will be assessed based upon each parcel's unique characteristics in relationship to all other parcels' characteristics. Due to the proportionate benefits received by each parcel from the District services, each parcel will be assessed a rate which is commensurate with the amount of benefits received.

Each parcel's proportional special benefit from the services is determined by analyzing three parcel characteristics: Building Square Footage, Lot Square Footage, and Linear Street Frontage. These parcel characteristics are an equitable way to identify the proportional special benefit that each of the assessed parcels receive. Building square footage is relevant to the current use of a property and is also closely correlated to the potential pedestrian traffic from each parcel and the demand for the District services. The lot square footage reflects the long-term value implications of the District. A parcel's linear street frontage is relevant to the street level usage of a parcel and the demand for the District services. Together, these parcel characteristics serve as the basic unit of measure to calculate how much each parcel's characteristics are relative to all other parcels in the District.

**Building square footage** is defined as the total building square footage as determined by the outside measurements of a building. The gross building square footage is taken from the County Assessor's records. Building square footage is used as the characteristic to assess 1/3 of the budget. All building square footage that is not on Pacific Avenue will be assessed at 75% of the Pacific Avenue assessment rate.

**Lot square footage** is defined as the total amount of area within the boundaries of the parcel. The boundaries of a parcel are defined on the County Assessor parcel maps. Lot square footage is used to assess 1/3 of the budget. All lot square footage that is not on Pacific Avenue will be assessed at 75% of the Pacific Avenue assessment rate.

**Linear street frontage** is defined as the number of linear feet of each parcel that directly fronts a street or alley that will receive the District services. Corner lots or whole block parcels will be assessed for each side of the parcels' street frontage. Linear street frontage is used to assess 1/3 of the budget. Linear street frontage is then weighted based on the location of each side of the parcel's frontage. All frontage that is not on Pacific Avenue will be assessed at 75% of the Pacific Avenue assessment rate.

The table below illustrates the number of linear feet, lot square feet and building square feet for the both the existing district boundary plus the expansion areas.

Service Zone	Bldg SF	Lot SF	Pacific Ave Frontage	Other Frontage
Existing District - Pacific Ave Parcels	1,206,402	701,774	4,553	4,179
Existing District - Other Parcels	319,438	344,802	0	5,620
Cedar Street Expansion	45,740	111,453	0	1,390
Front Street Expansion	273,869	474,531	261	2,809
<b>TOTALS:</b>	<b>1,845,450</b>	<b>1,632,560</b>	<b>4,813</b>	<b>13,998</b>

### Assessment Calculation

The assessment methodology acknowledges that the parcels with Pacific Avenue frontage receive the highest level of District services. Therefore, these parcels are assessed at a higher rate than all other parcels within the District boundary. Parcels that do not have Pacific Avenue frontage are assessed at 75% of the rate of parcels with Pacific Avenue frontage.

As previously discussed, the budget is allocated 1/3 each to building square footage, lot square footage, and linear street frontage. Using the footages from the table above, below are the assessment rates per foot for both Pacific Avenue parcels and all other parcels.

SERVICE ZONE	Bldg SF Assmt	Parcel SF Assmt	Pacific Ave Frontage Assmt	All Other Frontage Assmt
Pacific Ave Parcels	\$0.0718	\$0.0811	\$7.0393	\$5.2795
All Other Parcels	\$0.0538	\$0.0608	\$0.0000	\$5.2795

To calculate each parcel's assessment is as follows, respective of each parcel's location:

Building square footage x building square footage assessment rate  
 Linear frontage x linear frontage rate  
 Lot square footage x lot square footage assessment rate

### Sample Parcel Assessments

A parcel's assessment on Pacific Avenue with 50 linear feet on Pacific Avenue, 5,000 parcel square feet, and 10,000 building square feet is calculated as follows:

Bldg square footage x the assessment rate (10,000 x \$0.0718) = \$718.00  
 Lot square footage x the assessment rate (5,000 x \$0.0811) = \$405.50  
 Linear street frontage x the assessment rate (50 x \$7.0393) = \$351.97  
 Initial annual parcel assessment = \$1,475.47

A parcel that is on the corner of Pacific Avenue with 50 linear feet on Pacific Avenue, 50 other linear frontage, 5,000 parcel square feet, and 10,000 building square feet is calculated as follows:

Bldg square footage x the assessment rate (10,000 x \$0.0718) =	\$718.00
Lot square footage x the assessment rate (5,000 x \$0.0811) =	\$405.50
Pacific street frontage x the assessment rate (50 x \$7.0393) =	\$351.97
Other frontage x the assessment rate (50 x \$5.2795) =	<u>\$263.98</u>
Initial annual parcel assessment	\$1,739.45

All parcel assessments are calculated in the same manner.

## SECTION F: PARCEL ASSESSMENTS

APN	OWNER	Parcel Address	2024 Parcel Assmt
005-152-35	1010 Pacific Investors Attn: Donna Rivera	1010-1014 Pacific Avenue	\$11,899.79
005-081-61	1200 Pacific LLC c/o Redtree Properties	1218 Pacific Avenue	\$9,196.89
005-951-04	207 CHURCH STREET LLC	877 Cedar St	\$293.38
005-047-09	AKIN GERMAINE GRANGER TRUSTEE	200 Locust St	\$1,085.80
005-081-19	Allen Property Goup	1308 Pacific Avenue	\$694.92
005-042-35	Allen Property Group	1537 Pacific Avenue	\$1,512.85
005-142-07	Alyssa Pullen	112 Elm Street	\$897.76
005-145-10	Andrea Jamie Tischler	15 Birch Lane	\$409.97
005-153-25	Anton & Joyce Wolf, Trustees	1100 Pacific Avenue	\$2,853.53
005-152-36	Anton Development Company		\$8,312.45
005-043-02	Awe Sum Organics	121-123 Locust Street	\$679.41
005-041-14	Bank of the West	1551 Pacific Avenue	\$2,488.48
005-041-12	BANK OF THE WEST	110 Mission St	\$106.00
005-143-10	BAVA VERNON A & JOANNE MARIE CO-TRS	412 Cedar St	\$0.00
005-043-17	Bay Properties Inc.	1411-1415 Pacific Avenue	\$2,329.38
005-151-33/32	BIERMAN JAMES	408 Front St	\$1,545.02
005-053-27	C W SWENSON INC	740 Front St	\$6,594.51
005-148-17	CALVARY CHURCH RECTOR CHW & VEST OF	532 Center St	\$2,632.56
005-148-21	CALVARY CHURCH RECTOR CHW & VEST OF	524 Center St	\$0.00
005-148-22	CALVARY CHURCH RECTOR CHW & VEST OF		\$0.00
005-148-12	CALVARY EPISCOPAL CHURCH	532 Center St	\$0.00
005-148-18	CALVARY EPISCOPAL CHURCH	538 Center St	\$0.00
005-153-16	Canfield Laurel & Pacific Ltd.	1128-1132 Pacific Avenue	\$1,158.62
005-153-23	Canfield Laurel & Pacific Ltd.	1134 Pacific Avenue	\$6,445.03
005-141-20	Canfield Laurel & Pacific Limited Parnership	1101 Pacific Avenue	\$7,368.32
005-048-07	CEDAR CHURCH PROPERTY, LLC	903 Cedar St	\$978.86
005-141-11	Christophe & Cecile Bellito	113 Lincoln Street	\$1,620.17
005-152-17	City of Santa Cruz	818 Pacific Avenue	\$409.18
005-152-18	City of Santa Cruz	820 Pacific Avenue	\$409.18
005-152-33	City of Santa Cruz	Lot 12, Maple Alley	\$2,431.95
005-152-34	City of Santa Cruz	822 Pacific Avenue	\$1,397.46
005-153-10	City of Santa Cruz	1124 Pacific Avenue	\$4,662.74
005-041-16	City of Santa Cruz	Parkling Lot 2	\$1,802.11
005-042-12	City of Santa Cruz	118 Locust Street, Locust Garage	\$861.96

APN	OWNER	Parcel Address	2024 Parcel Assmt
005-042-13	City of Santa Cruz	120 Locust Street, Locust Garage	\$861.96
005-042-14	City of Santa Cruz	122 Locust Street, Locust Garage	\$1,614.33
005-042-36	City of Santa Cruz	Surface Lot, Locust Garage	\$3,867.99
005-075-12	City of Santa Cruz	Lot 8, Pearl Alley	\$2,704.19
005-076-06	City of Santa Cruz	Lot 3, Cedar/Church Garage)	\$11,379.60
005-081-51	City of Santa Cruz	Lot 1, Soquel Garage	\$12,496.59
005-141-21	City of Santa Cruz	Lot 4, Cedar/Cathcart	\$7,126.21
005-142-09	City of Santa Cruz	Lot 9, Cedar/Elm	\$2,707.38
005-144-14	City of Santa Cruz	114 Birch Lane	\$462.53
005-153-17	City of Santa Cruz	Lot 7, Cathcart/Front	\$1,808.75
005-081-08	City of Santa Cruz	Soquel	\$1,954.32
005-152-22	City of Santa Cruz	329 Front St	\$1,136.20
005-152-32	City of Santa Cruz	333 Front St	\$3,040.62
005-153-02	City of Santa Cruz	523 Front St	\$113.75
005-153-03	City of Santa Cruz	521 Front St	\$702.57
005-153-28	City of Santa Cruz	515 Front St	\$870.47
005-153-29	City of Santa Cruz		\$256.83
005-153-05	City of Santa Cruz	511 Front St	\$476.98
005-152-08	City of Santa Cruz	325 Front St	\$263.97
005-151-48	City of Santa Cruz	310 Front St	\$1,276.01
005-151-35	City of Santa Cruz		\$531.64
005-151-34	City of Santa Cruz	328 Front St	\$507.08
005-048-10	City of Santa Cruz	915 Cedar St	\$822.35
005-148-24	City of Santa Cruz	Cathcart Paseo	\$0.00
005-148-25	City of Santa Cruz	Cathcart Paseo	\$250.29
005-053-25	City of Santa Cruz	24 River St	\$11,174.66
005-052-26	COMERICA BANK CALIF	25 River St	\$4,507.33
005-081-55	Cooper House LLC Jay Paul Company	1374 Pacific Avenue, 100-110 Cooper Street	\$10,899.26
005-052-25	COUNTY OF SANTA CRUZ	842 Front St	\$2,144.27
005-043-16	Daly John C. Trustee	124 Church Street	\$1,333.32
005-145-09	David Boxer	310 Cedar St	\$1,414.17
005-051-12	David Lyng Real Estate Attn: Gail Mayo	113 Cooper Street	\$1,480.11
005-048-06	DAVIS JOHN R	911 Cedar St	\$626.33
005-081-20	Dell Williams Inc.	1320 Pacific Avenue	\$684.21
005-081-21	Dell Williams Inc.	1320 Pacific Avenue	\$684.21
005-051-13	Dennis Wagstaffe	111 Cooper Street	\$333.08
005-147-05	DEWITT ROBERT L & JANIS F	403 Cedar St	\$706.04
005-141-01	Dong Ventures LLC	1129 Pacific Avenue	\$2,881.22

APN	OWNER	Parcel Address	2024 Parcel Assmt
005-153-31	El Centro/Mercy Services Corporation	1106-1110 Pacific Avenue	\$4,540.70
005-075-07/08	Eulensen Family LLC	120 Pearl Alley	\$3,215.22
005-047-06	EVERETT RICHARD E & LAURA MAY	1013 Cedar St	\$407.84
005-082-18	FFF-SANTA CRUZ LLC	600 Front St	\$5,903.68
005-082-14	FFF-SANTA CRUZ LLC	698 Front St	\$9,688.48
005-082-22	FFF-SANTA CRUZ LLC		\$394.36
005-082-19	FFF-SANTA CRUZ LLC	720 Front St	\$2,018.22
005-141-02	Francis Alexander Prandi Trustee Etal	1121-1125 Pacific Avenue	\$1,593.92
005-146-04	GAO XIANGJIAN	313 Cedar St	\$537.72
005-148-03	Germaine Akin	515 Cedar St	\$830.18
005-148-05	GLASS JONATHAN LAWRENCE & TATIANA DAHER	501 Cedar St	\$962.27
005-046-02	GOLDSTEIN ALAN TRUSTEE ETAL	1109 Cedar St	\$390.48
005-051-10	Green Valley Corporation	1520-1532 Pacific Avenue	\$9,818.59
005-151-37	Green Valley Corporation	514-518 Front St	\$2,479.50
005-151-44	Green Valley Corporation	524 Front St	\$939.48
005-151-46	Green Valley Corporation	530 Front St	\$1,996.02
005-051-11	Green Valley-Ross Partnership	1502-1510 Pacific Avenue	\$4,541.69
005-042-29	Green Valley-Ross Partnership	1529-1531 Pacific Avenue	\$1,194.74
005-147-01	GRUBER DONNA A U/W	419 Cedar St	\$0.00
005-145-11	Gutierrez Family Trust	803 Pacific Avenue	\$984.45
005-151-49	HANDLOFF DAVID U/M TC ETAL	512 Front St	\$626.88
005-146-06	HARRIS STEPHEN	302 Laurel St	\$201.25
005-041-09	Huffman John S. & Karen B.	1541 Pacific Avenue	\$2,640.29
005-146-03	HUGHES WILLIAM D	315 Cedar St	\$0.00
005-074-27	HUTCHINSON CONSTANCE A	202 Lincoln St	\$875.76
005-144-15	Jack Cross Properties LLC	811 Pacific Avenue	\$2,003.78
005-043-07	Jack L. Gachesa	120 Church Street	\$463.03
005-075-15	Jeffie Feakins, Welsh Trustee	1213 Pacific Avenue	\$2,518.74
005-075-17	Jeffie Feakins, Welsh Trustee	1201-1208 Pacific Avenue	\$3,198.18
005-145-01	Jeffie Feakins, Welsh Trustee	809 Pacific Avenue	\$1,501.06
005-075-14	Jeffie Feakins, Welsh Trustee	114 Pearl Alley	\$1,200.60
005-075-04	Jerry Vellutini	1207 Pacific Avenue	\$618.06
005-042-15	Joslin Kim C. Trustee	1533 Pacific Avenue	\$747.87
005-142-04	Kane Randall P. Trustee	1009 Pacific Avenue	\$1,181.75
005-142-11	Kane Randall P. Trustees	1011 Pacific Avenue	\$2,946.24
005-143-02	L M Properties, LLC	923 Pacific Avenue	\$1,514.77
005-142-01	Lam Robert F Trustee	1017 Pacific Avenue	\$1,306.01
005-147-02	LE VAN DAVID TRUSTEE	417 Cedar St	\$767.42
005-081-30	Leroy V Pera & Helen N Co-Trustees	1220 Pacific Avenue	\$1,447.74
005-144-01	Lido J & Marie R Marietti Trustees Etal	817 Pacific Avenue	\$3,107.54

APN	OWNER	Parcel Address	2024 Parcel Assmt
005-144-08	Lido J & Marie R Marietti Trustees Etal	115 Maple Street	\$483.53
005-144-09	Lido J & Marie R Marietti Trustees Etal	111 Maple Street	\$330.65
005-144-10	Lido J & Marie R Marietti Trustees Etal	109 Maple Street	\$410.00
005-144-13	Lissner Properties Inc.	320 Cedar Street	\$4,732.19
005-141-13	Livingston John Trustee	1117 Pacific Avenue	\$2,965.94
005-145-12	Locatelli Properties III LLC	801 Pacific Avenue	\$1,493.06
005-042-31	Louis Emmet Rittenhouse	1523 Pacific Avenue	\$774.35
005-042-33	Louis Emmet Rittenhouse U/M	1527 Pacific Avenue	\$473.34
005-047-07	MACKAY JESSICA	1011 Cedar St	\$646.88
005-047-08	MACKAY JESSICA	1005 Cedar St	\$653.52
005-046-05	MARIDON BRIAN TRUSTEE ETAL	118 Union St	\$1,224.63
005-142-14	Mariolo Robert S. & Harlene Trustees	221 Cathcart Street	\$1,146.78
005-146-01	MASHIAN EMANUEL & CORNELIA H/W CP RS	201 Maple St	\$714.02
005-081-59	McPherson Center	725 Front Street	\$3,139.63
005-081-60	McPherson Center	725 Front St	\$315.29
005-043-15	Mehdi and Debra Shahmirza	912 Cedar	\$1,392.94
005-142-13	Miller Investors LLC	1013-1015 Pacific Avenue	\$1,519.88
005-143-04	MoBo Sushi, Inc.	901 Pacific Avenue	\$1,340.25
005-076-18	Mondo Family	102 Walnut Avenue	\$3,622.74
005-147-04	NEKLASON CHRISTOPHER C TRUSTEE ETAL	407 Cedar St	\$0.00
005-081-43	P Neary LLC	1360-1368 Pacific Avenue	\$1,913.68
005-076-21	Pacific Ave - Church St LLC	101 Church Street	\$9,835.33
005-143-03	Pacific Avenue Land, LLC	903 Pacific Avenue	\$2,626.46
005-076-07	Pacific Commerce Properties LLC	1325-1329 Pacific Avenue	\$1,882.86
005-043-11	Pacific Square Limited Partnership	1407-1409 Pacific Avenue	\$1,570.18
005-043-21	Pacific Square Limited Partnership	1401-1405 Pacific Avenue	\$8,102.10
005-043-19	Pacific Square Limited Partnership	103-109 Locust Street	\$1,189.30
005-081-35	Palomar Associates	1330 Pacific Avenue	\$6,067.71
005-081-37	Palomar Associates	701 Front St	\$1,989.88
005-041-19	Penjak LLC	1543 Pacific Avenue	\$2,541.78
005-146-02	PERERA NIRSHAN	317 Cedar St	\$0.00
005-047-05	PERIE CELESTE FARAOLA & DAVID MICHAEL	1015 Cedar St	\$465.90
005-042-10	Prindle Building LLC	1515 Pacific Avenue	\$2,129.44
005-075-03	Rader Robert P. & Nancy G. Co-Trustees Etal..	1209 Pacific Avenue	\$732.25
005-041-11	Rees Burton S. & Cynthia C.	1545 Pacific Avenue	\$538.40
005-076-14	Rees Burton S. & Cynthia C. Trustees	1315 Pacific Avenue	\$458.68
005-146-05	RIBEIRO CAROLE EBERHARDT TRUSTEE	309 Cedar St	\$0.00
005-076-08	Rick Melrose	1345 Pacific Avenue	\$608.00
005-076-19	Rick Melrose	1349 Pacific Avenue	\$1,416.41
005-051-01	Rittenhouse Building and Investment	1536-1550 Pacific Avenue	\$3,103.23
005-041-20	Roaring Park Pacific LLC	1547-1549 Pacific Avenue	\$7,296.24

APN	OWNER	Parcel Address	2024 Parcel Assmt
005-143-01	Robert D. Fallon U/M	939 Pacific Avenue	\$1,869.67
005-143-14	Robert D. Fallon U/M	107 Elm Street	\$1,009.47
005-148-04	Robert Lam	507 Cedar Sr	\$857.79
005-153-22	Roger Crissman, Successor Trustee	1114 Pacific Avenue	\$1,963.51
005-147-03	SALSABILIAN MAHMOOD	411 Cedar St	\$712.57
005-076-13	Santa Cruz Beach, LLC c/o Allen Property Group, Inc	1319 Pacific Avenue	\$560.14
005-152-05	Santa Cruz Metropolitan Transit District	912 Pacific Avenue	\$1,660.82
005-152-30	Santa Cruz Metropolitan Transit District	1004 Pacific Avenue	\$2,651.77
005-152-31	Santa Cruz Metropolitan Transit District	920 Pacific Avenue	\$5,301.24
005-151-39	SC RIVERFRONT LLC	418 Front	\$896.77
005-151-22	SC RIVERFRONT LLC	428 Front St	\$2,122.76
005-151-30	SC RIVERFRONT LLC	440 Front St	\$1,344.59
005-151-31	SC RIVERFRONT LLC	504 Front St	\$1,292.86
005-151-50	SC RIVERFRONT LLC	508 Front St	\$505.24
005-151-43	SCFS VENTURE LLC	316 Front St	\$931.64
005-151-29	SCFS VENTURE LLC	320 Front St	\$500.02
005-151-51	SCFS VENTURE LLC	322 Front St	\$1,395.82
005-042-09	Scott Pinheiro	1517-1519 Pacific Avenue	\$919.69
005-075-01	Sharkey Properties LLC	1221-1233 Pacific Avenue	\$2,315.47
005-072-46	SHUMATE, MICHAEL & GAIL	130 Walnut Ave	\$1,235.39
005-142-10	Spodick Cathcart Street, LLC	231-235 Cathcart	\$2,251.28
005-142-05	Spodick Pacific Avenue LLC	1003 Pacific Avenue	\$902.47
005-142-06	Spodick Pacific Avenue LLC	1001 Pacific Avenue	\$1,324.99
005-151-38	STAGNARO COTTARDO & CLAUDINE TRUSTEES ETAL	412 Front St	\$598.12
005-143-11	Stanley & Sandra Mock	418 Cedar	\$1,256.03
005-041-01	TARANTINO MARK A	109 Mission St	\$1,746.80
005-052-35	United States of America	850 Front St	\$6,233.46
005-076-10	Ursula Scholz Gross	1335 Pacific Avenue	\$449.39
005-081-31	Vellutini Fred G & Evalyn L Trustees	1224 Pacific Avenue	\$1,968.39
005-076-09	Vellutini Fred G. & Evalyn L., Trustees	1339 Pacific Avenue	\$675.02
005-074-23	WALNUT AVENUE PROPERTIES LLC	155 Walnut Ave	\$1,260.19
005-042-22	Wenzel Robert L. and Jacqueline L. Trustees	1521 Pacific Avenue	\$903.96
005-145-04	Willard Kent & Marlyene Schwartz	212 Laurel St #201	\$1,310.15
005-153-26	WOLF-PACIFIC LLC	1100 Pacific Avenue	\$291.05
005-152-01	Zoccoli's Delicatessen	429-435 Front Street	\$2,937.61
005-051-02	Zoccoli's Delicatessen	1534 Pacific Avenue	\$627.51
005-051-09	Zoccoli's Delicatessen	1534 Pacific Avenue	\$31.00
<b>TOTAL ASSESSMENT:</b>			<b>\$397,260.00</b>



RESOLUTION NO. NS-XX,XXX

RESOLUTION OF INTENTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ TO: 1) LEVY INCREASED ASSESSMENTS FOR THE COOPERATIVE RETAIL MANAGEMENT BUSINESS REAL PROPERTY IMPROVEMENT DISTRICT FISCAL YEAR 2023/2024; 2) LEVY CURRENT ASSESSMENTS FOR THE FISCAL YEAR 2023/2024 IF THERE IS A MAJORITY PROTEST TO THE INCREASED ASSESSMENTS; 3) MODIFY THE BOUNDARIES OF THE BUSINESS REAL PROPERTY IMPROVEMENT DISTRICT TO INCLUDE BUSINESSES IN ADDITION TO THOSE BUSINESSES CURRENTLY IN THE DISTRICT

WHEREAS, in accordance with California Streets & Highways Code §36533, the Downtown Management Corporation has prepared an annual report/plan (“Plan”) to the City of Santa Cruz for the fiscal year (FY) 2023/2024 pertaining to the Cooperative Retail Management Business Real Property Improvement District (“District”); and

WHEREAS, the Plan recommends a FY 2023/2024 increase in the annual assessment to be levied illustrated by Exhibit “A” hereto which sets forth the current assessment and Exhibit “B” which sets forth the recommended increased FY 2023/2024 assessment; and

WHEREAS, the Plan recommends a levy in the amount of the current assessment should there be a majority protest in opposition to the recommended increased assessment;

WHEREAS, the Plan recommends a modification of the District’s boundaries to include businesses in addition to those businesses already in the District illustrated by Exhibit “C” which depicts the current District boundaries and Exhibit “D” which depicts the boundaries of the recommended expanded District;

WHEREAS, pursuant to California Streets & Highways Code §36533, the City Council has heretofore considered the Plan and by motion approved the Plan’s report; and

WHEREAS, California Streets & Highways Code §36541 authorizes the City Council to implement increased assessments and District boundary modifications, as recommended in the Plan, by following the procedures set forth in said statute; and

WHEREAS, Santa Cruz Municipal Code §5.06.030 provides for the levy of semiannual assessments within the District pursuant to the formulas set forth in this resolution at Exhibits “A” and “B”.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz as follows:

1. The City Council hereby declares its intention to levy and collect, on a semiannual basis, increased assessments within the District for the FY 2023/2024 as set forth in Exhibit “B”.

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2. The City Council hereby declares and finds that the proposed increased assessment is based upon a proportionate degree of special benefit derived by each owner and tenant of business real property in the District. In particular, the proceeds of the proposed increased assessment will be used to continue to operate and expand coverage of the Downtown Ambassador Program, contract for and expand coverage for daily and on-call pet and human waste removal and contribute funding to the Downtown-Beach Shuttle program.
3. Alternatively, the City Council hereby declares its intention to levy and collect, on a semiannual basis, current assessments as set forth in Exhibit “A” within the District for the FY 2023/2024 should a majority protest be lodged in opposition to the proposed increased assessment referenced at paragraph 1 of this Resolution.
4. The City Council hereby declares and finds that the current assessment is based upon a proportionate degree of special benefit derived by each owner and tenant of business real property in the District. In particular, the proceeds of the assessment will be used to operate the Downtown Ambassador Program and a contract for daily and on-call pet and human waste removal services.
5. The City Council hereby declares its intention to modify the District boundaries as recommended in the report and delineated in Exhibit “D”.
6. The City Council hereby alternatively declares its intention to levy assessments within the current District boundaries, delineated in Exhibit “C”, should those businesses which are recommended to be added to the District by way of the recommended District boundary modification oppose their addition to the District by a majority protest lodged in accordance with paragraph 11 of this Resolution.
7. The FY 2023/2024 Plan filed with the City Clerk by the Downtown Management Corporation of Santa Cruz contains a full and detailed description of the improvements and activities provided to the District in FY 2022/2023. In addition, the report specifically identifies the current boundaries of the District, the recommended expanded District boundaries, and the proposed increased or current assessments to be levied upon the businesses within the District for FY 2023/2024.
8. The proposed increased assessments for FY 2023/2024 are based upon the linear foot frontage, lot size and building size of the real property used for commercial or business purposes within the District. The methodology for the proposed increased assessment is revised to assess rental residential at the full rate per building square feet and if a property borders Pacific Avenue, a side street and an alley in the District, the alley side will be assessed. If the District boundaries are modified as recommended in the Plan, the increased assessments to all businesses in the District would be as set forth in Exhibit “B”.
9. The current assessments for FY 2023/2024 are based upon the linear foot frontage, lot size and building size of the real property used for commercial or business purposes

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within the District. Rental residential property is assessed at a discounted rate of \$.025 per building square foot for buildings located on Pacific Avenue and \$.02 for buildings located on side streets or alleys. If a property borders Pacific Avenue, a side street and an alley in the District, the alley side will not be assessed. Proposed current assessment rates are set forth in Exhibit "A".

10. The public interest and convenience will be served by initiating these assessment district proceedings to levy increased assessments, alternatively to levy current assessments, and to modify District boundaries in that the activities and improvements to be financed through assessments derived from the assessment district will generally result in the continued and increased revitalization of the downtown business, shopping and tourism district, thereby, in turn, resulting in a stronger tax base for the City of Santa Cruz. The assessee-business real property owners will be particularly benefitted inasmuch as the improvements and activities to be financed through the assessments will serve to sustain and enhance the market value and rental value of the business real property owned by the assessee through: hospitality services to businesses and visitors in the District; maintenance of privatized sections of property in the District; and enhanced District property security against graffiti and other forms of vandalism for the various benefitted business property storefronts, thereby enhancing the appearance of said properties.
11. Notice is hereby given that on Tuesday, June 27, 2023, at the hour of one p.m. or as soon thereafter as the matter may be heard, at the meeting place of the City Council, City of Santa Cruz, 809 Center Street, Santa Cruz, California, a public hearing will be conducted on the proposed levy of increased assessments and the alternatively proposed levy of current assessments and on the District's boundaries including the proposed modification to those boundaries. At the June 27, 2023 City Council meeting the ballots will be tabulated as follows:
  - i. Proposed increased assessment. If ballots opposing the increased assessment are received from the owners of businesses in the District who will pay fifty percent (50%) or more of the increased assessments to be levied<sup>1</sup> (and are not withdrawn so as to reduce ballots opposed to less than fifty percent (50%)), no further proceedings to levy the increased assessment as set forth in the Resolution of Intention, shall be taken for a period of one (1) year from the date of the finding of a majority protest by the City Council.
  - ii. Alternative current assessment. If ballots opposed to the alternative current assessment are received from the owners of businesses in the District who will pay fifty percent (50%) or more of the current assessments to be levied (and are not withdrawn so as to reduce the ballots opposed to less than fifty percent (50%)), no further proceedings to operate the District, as set forth in the

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<sup>1</sup> Ballots shall be weighted according to the proportional financial obligation of the affected property.

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Resolution of Intention, shall be taken for a period of one (1) year from the date of the finding of a majority protest by the City Council.

If both the proposed increased assessment and the alternative proposed current assessment receive the requisite minimum fifty percent (50%) approval, the proposed increased assessment shall be levied whether or not its approval is by a greater percentage than the proposed current assessment's approval.

- iii. Modification of District boundaries. If ballots opposed to the modification of District boundaries are received from businesses proposed to be added to the District from the owners of said businesses who will pay fifty percent (50%) or more of the assessments to be levied upon the added businesses (and are not withdrawn so as to reduce the protests to less than fifty percent (50%)), no further proceedings to modify the District boundaries, as set forth in the Resolution of Intention, shall be taken for a period of one year from the date of the finding of a majority protest by the City Council.

The City Council shall consider all qualified written ballots in favor and opposed that are filed with the City Clerk prior to the City Council meeting at which the public hearing is conducted and prior to the closure of the public hearing itself. Each protest to be considered shall contain a description of the business real property in which the person subscribing the protest has an ownership interest sufficient to identify the business real property and, if the subscribing person is not shown on the official records of the City as the owner of the business real property, written evidence that the subscribing person is the owner of the business real property.

Any protest objecting to the regularity or sufficiency of the proceedings to levy increased or current assessments or to modify the District's boundaries shall clearly set forth the irregularity or defect to which the objection is made. All protests shall conform to the requirements set forth therefor in California Streets and Highways Code Sections 36524 and 36525.

12. New businesses in the District will not be exempt from the levy of assessment.

13. The City Clerk is hereby directed to give further notice of the public hearing referenced in paragraph 11 by publishing this Resolution of Intention once in a newspaper of general circulation in the City of Santa Cruz at least seven (7) days prior to the public hearing.

RESOLUTION NO. NS-XX,XXX

PASSED AND ADOPTED this 13<sup>th</sup> day of June, 2023 by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Fred Keeley, Mayor

ATTEST: \_\_\_\_\_  
Bonnie Bush, City Clerk Administrator

**Exhibit A:  
Current 2022/2023 CRM District Assessment**

Under the current CRM District assessment methodology, the assessments are based upon the linear foot frontage, lot size and building size of the real property used for commercial or business purposes within the CRM District. The individuals or entities subject to the proposed assessment shall be those persons or entities who own commercial or business real property within the assessment district which have frontage on Pacific Avenue, downtown side streets and downtown alleyways. The proposed assessment shall be payable in two equal installments due on or before July 1<sup>st</sup> and January 1<sup>st</sup>. New property owners shall not be exempt from levy of the assessment.

For property fronting Pacific Avenue, the rates are \$6.35 per linear foot, \$.07 per lot square foot and \$.05 per building square foot.

For property fronting side streets and alleys, the rates are \$4.75 per linear foot, \$.05 per lot square feet and \$.04 per building square foot. Frontage on side streets and alleys include properties located: on Cedar and Front Streets and located on Soquel Avenue; on Center Street between Cedar and Mission, Mission, Locust, Cooper, Church, Walnut, Lincoln, Cathcart, Elm and Maple Streets; Plaza, Locust, Commerce, Elm and Birch Lanes; in Pearl Alley; in Lincoln-Cathcart and Pacific-Front alley ways. If a property borders Pacific Avenue and a side street and alley in the CRM District, the alley side will not be assessed.

Rental residential property is assessed at a discounted rate of \$.025 per building square foot for buildings located on Pacific Avenue and \$.02 for buildings located on side streets or alleys. Owner-occupied residential properties in the district are exempt from the assessment.

Each parcel’s assessment is calculated as follows:

Linear Feet Frontage x Linear Feet Frontage Rate = Linear Footage Assessment  
Lot Area Square Footage x Lot Area Square Footage Rate = Lot Assessment  
Building Square Footage x Building Square Footage Rate = Building Assessment  
Linear Footage Assessment + Lot Assessment + Building Assessment = the annual assessment

<b>Assessment Rate</b>	<b>Linear Feet Frontage</b>	<b>Lot Area Square Footage</b>	<b>Building Area Square Footage</b>
<b>Current District</b>			
Pacific Avenue	\$6.35	\$0.07	\$0.050
Side Street and Alley	\$4.75	\$0.05	\$0.040
Rental residential square footage is assessed at 50% rate of building square feet rate. Owner-occupied residential properties in the district are exempt from the assessment.			

**Exhibit B:  
Proposed 2023/2024 CRM Expanded District & Increased Assessments**

Under the proposed expanded CRM District, the following methodology would be used to levy assessment for Fiscal Year 2023/2024:

The assessments are based upon the linear foot frontage, lot size and building size of the real property used for commercial or business purposes within the CRM District. The individuals or entities subject to the proposed assessment shall be those persons or entities who own commercial or business real property within the assessment district which have frontage on Pacific Avenue, Front Street, and Cedar Street between Water and Laurel Streets including the south side of Mission Street and Water Street, and the north side of Laurel Street; and located on Soquel Avenue; Locust, Cooper, Church, Walnut, Lincoln, Cathcart, Elm and Maple Streets; Plaza, Locust, Commerce, Elm and Birch Lanes; Pearl Alley; Lincoln-Cathcart and Pacific-Front alley ways. The proposed assessment shall be payable in two equal installments due on or before July 1<sup>st</sup> and January 1<sup>st</sup>. New property owners shall not be exempt from levy of the assessment.

For property fronting Pacific Avenue, the rates are \$7.0393 per linear foot of Pacific Avenue frontage, \$5.2795 per linear foot for all other frontage, \$.0811 per lot square foot, \$.0718 per commercial building square foot, and \$.0718 per residential building square foot.

For property fronting all other streets and alleys, the rates are \$5.2795 per linear foot, \$.0608 per lot square feet, \$.0538 per commercial building square, and \$.0538 per residential building square foot. Frontage on side streets and alleys include properties located: on Cedar and Front Streets between Water and Laurel Streets including the south side of Mission Street and Water Street, and the north side of Laurel Street; and located on Soquel Avenue; on Center Street between Cedar and Mission, Mission, Locust, Cooper, Church, Walnut, Lincoln, Cathcart, Elm and Maple Streets; Plaza, Locust, Commerce, Elm and Birch Lanes; in Pearl Alley; in Lincoln-Cathcart and Pacific-Front alley ways.

Each parcel’s assessment is calculated as follows:

Linear Feet Frontage x Linear Feet Frontage Rate = Linear Footage Assessment  
Lot Area Square Footage x Lot Area Square Footage Rate = Lot Assessment  
Building Square Footage x Building Square Footage Rate = Building Assessment  
Linear Footage Assessment + Lot Assessment + Building Assessment = the annual assessment

<b>Expanded District: Existing + Front + Cedar</b>	<b>Comm Bldg SF Assmt</b>	<b>Res Bldg SF Assmt</b>	<b>Lot SF Assmt</b>	<b>Pacific Ave Linear Frontage Assmt</b>	<b>All Other Linear Frontage Assmt</b>
Pacific Ave Parcels	\$0.0718	\$0.0718	\$0.0811	\$7.0393	\$5.2795
All Other Parcels	\$0.0538	\$0.0538	\$0.0608	\$0.0000	\$5.2795

The methodology includes an annual adjustment based on the Consumer Price Index or 5%, whichever is greater. Owner-occupied residential properties and churches in the district are exempt from the assessment.

### Exhibit C: Current CRM District Boundaries Map





**Exhibit D:  
Proposed Expanded CRM District Boundaries Map**



ORDINANCE NO. 202X-XX

AN ORDINANCE OF THE CITY OF SANTA CRUZ CONFIRMING THAT CHAPTER 5.06 OF THE SANTA CRUZ MUNICIPAL CODE SHALL APPLY TO THE COOPERATIVE RETAIL MANAGEMENT BUSINESS REAL PROPERTY IMPROVEMENT DISTRICT WITHIN THE DISTRICT'S MODIFIED BOUNDARIES AND TO THE INCREASED ASSESSMENTS APPROVED AND LEVIED BY THE CITY COUNCIL FOR THE DISTRICT'S 2023-2024 FISCAL YEAR

BE IT ORDAINED by the City Council of the City of Santa Cruz as follows:

Section 1. Section 5.06.120 is hereby added to the Santa Cruz Municipal Code to read as follows: "5.06.120 Continued Application. The provisions of this Chapter shall continue to apply to the Cooperative Retail Management Business Real Property Improvement District with the modified boundaries and increased assessments approved and levied by the City Council for the District's 2023-2024 fiscal year."

PASSED FOR PUBLICATION this 13<sup>th</sup> day of June, 2023 by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Fred Keeley, Mayor

ATTEST: \_\_\_\_\_  
Bonnie Bush, City Clerk Administrator

PASSED FOR FINAL ADOPTION this 27<sup>th</sup> day of June, 2023, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Fred Keeley, Mayor

ORDINANCE NO. 202X-XX

ATTEST: \_\_\_\_\_  
Bonnie Bush, City Clerk Administrator

This is to certify that the above and foregoing document is the original of Ordinance No. 202x-xx and that it has been published or posted in accordance with the Charter of the City of Santa Cruz.

\_\_\_\_\_  
Bonnie Bush, City Clerk Administrator

# Cooperative Retail Management Assessment

Business Real Property Improvement  
District Assessments for FY 2024

June 13, 2023



# Agenda

- 1 CRM Annual Renewal Process
- 2 DMC FY 2023/24 Annual Plan
- 3 DMC District Expansion



# Assessment Renewal Process

May 12, 2023

45 Day Public Notice

Public Notice and Official Ballots mailed to all existing CRM district property owners and those in proposed expansion area

June 13, 2023

Resolution of Intention to Levy Assessment

First Council action to approved DMC work plan and adopt resolution of intention to levy assessment

June 27, 2023

Notice of Public Hearing

Public Notice published and mailed to all property owners notifying of public hearing

June 27, 2023

Public Hearing Adopting Resolution Levying Assessment

Public Hearing to tabulate ballots and if there is not a majority of property owners opposed, adopt the resolution levying the assessment



DOWNTOWN MANAGEMENT CORPORATION

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- Established in 1994 as property improvement district
- CRM District is managed by the Downtown Management Corporation (DMC) Board of Directors:
  - 3 property owner representatives
  - 3 business owner representatives
  - 2 City Councilmembers
  - Economic Development and Housing Director as Chief Financial Officer



DOWNTOWN MANAGEMENT CORPORATION



CLEANING



HOSPITALITY



OUTREACH



SAFETY







DOWNTOWN MANAGEMENT CORPORATION

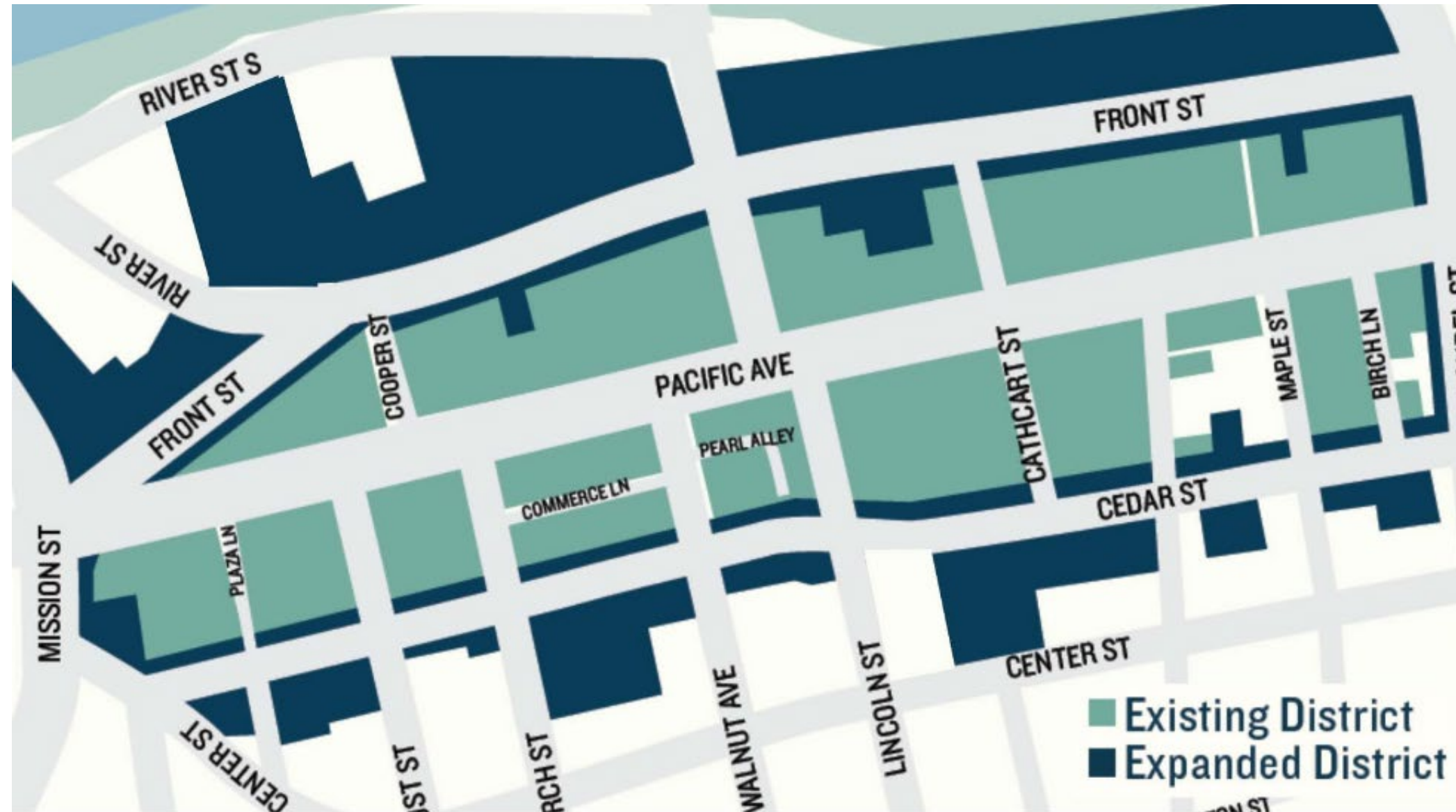
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# Proposed Changes to the Assessment

Increased Assessment Rates for current and expanded district properties

Expanded District Boundaries to include properties with frontage on Front and Cedar Streets

# DMC EXPANSION



Rates Have Remained Flat for Over a Decade

Increased Rates Cover Cost of Services & Increased Service

Expanded District to Include Development on Front & Cedar

# Recommendation

1

Approve the FY 2023 Annual Report and FY 2024 Plan prepared by the Downtown Management Corporation.

2

Adopt the Resolution of Intention to levy a Cooperative Retail Management Business Real Property Improvement District Assessment for FY 2024 and schedule a public hearing for June 27, 2023, after the hour of 1pm, on the levy of the assessments for FY 2024.

3

Adopt the first reading of an ordinance of the City of Santa Cruz confirming that Chapter 5.06 of the Santa Cruz Municipal Code shall apply to the Cooperative Retail Management Business Real Property Improvement District within the District's modified boundaries and to the increased assessments approved and levied by the City Council for the District's 2023-2024 Fiscal Year.



# Questions?



## City Council AGENDA REPORT

**DATE:** 06/01/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Finance

**SUBJECT:** Fiscal Year 2024 Proposed Budget Adoption (FN)

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**RECOMMENDATION:** Motion to:

1) Adopt a resolution adopting the Fiscal Year (FY) 2024 Budget including the Capital Investment Program (CIP), effective July 1, 2023; authorize the City Manager to allocate within the applicable funds the FY 2024 Schedule of Administrative Budget Changes to the appropriate accounting classifications and to approve related and applicable transfer in/out between funds; and authorize the Finance Director to create additional appropriations to provide for commitments carried over from the prior fiscal year, including contract and purchase order encumbrances and unexpended project balances, so long as there is a sufficient fund balance to finance these commitments; and

2) Accept the Water Commission's recommendations regarding the Water Department's FY 2024 Operating and Capital Investment Program (CIP).

---

**BACKGROUND:** The City Charter requires the City Manager to annually prepare the proposed budget for the start of the new fiscal year and transmit it to the Council at or before the first Council meeting of June. The FY 2024 Proposed Operating Budget and Capital Investment Program were posted to the City's website on May 10, 2022. Both documents can be accessed online at [www.cityofsantacruz.com](http://www.cityofsantacruz.com), or at the City Clerk's Office at 809 Center Street, Room 9, and at the Downtown Library. The Final Adopted Budget and CIP will be published online on the City's Budget webpage, after all the approved changes have been made.

The Water Commission annually reviews the budget for the City of Santa Cruz Water Department and makes recommendations to the City Council. The Commission met on June 5, 2023, at a publicly noticed meeting and performed a detailed review of the Water Department's budget. Attached are the Commission's recommendations and details of the Operating and CIP budget.

**DISCUSSION:** On May 23 and May 24, 2023, City Council was presented with a FY 2024 Proposed Budget totaling \$394,259,977, including \$133,563,344 in the General Fund, and \$132,172,865 in the Capital Investment Program (CIP). Earlier today, departments provided more detail about their CIP projects.

The City's focuses for the FY 2024 budget are fiscal sustainability, downtown business revitalization, and infrastructure. Fiscal sustainability, in part, means developing an efficient service delivery and adding new and improved funding sources (revenues). As the City moves on from the pandemic, a focus has been placed on our downtown and business revitalization plan. The City is actively reinvesting in the downtown area. New construction is underway, adding affordable and market rate housing as well as new retail and restaurant spaces. The City is also focusing on infrastructure: creating a green economy and workforce. Planning for more parks and open spaces and improvements to existing structures are integral to this focus area.

The City will maintain this focused approach while continuing to address major fiscal concerns. Rising liability insurance costs, an aging Enterprise Resource Planning (ERP) system that nears end-of-life, rising employee benefit costs, and the threat of another recession loom large. Increased demand for City services and the implementation of important, but costly, Council priorities have strained the City's fiscal capacity. To aid in ensuring a sustainable financial outlook, the City is currently working on a Long-Range Financial Plan with the help of consulting firm, Baker Tilly.

Given this financial backdrop, General Fund departments were directed to maintain a status quo operating budget and absorb any increased operating costs. General Fund departments were not required to absorb increases to salaries from negotiated memorandum of understanding (MOU) increases or non-operating expenditures, such as liability insurance and internal cost allocation plan charges. These were absorbed by the General Fund.

Throughout the two-day budget hearings, departments shared with Council their FY 2024 budgets, achievements from FY 2023, goals for FY 2024, and position requests, if any. The proposed budget document, "Personnel Profile – Overview of Changes" articulated how these position requests would increase operational efficiency and provide departments with improved capacity to implement new programs. Not included in that overview is the addition of a Senior Professional Engineer position for the Water Department: this was inadvertently left out. The proposed personnel requests would have a net increase of 8.0 full-time equivalent (FTE) positions to the General Fund and 5.0 FTE net increase within the Enterprise and other funds, for a total increase of 13.0 FTE. Additional information on these personnel changes will be presented by the Human Resources Department in the item following this agenda report.

Earlier today, Council was presented with a CIP budget proposal, which followed the theme for the General Fund CIP: to pause, prioritize and plan. The General Fund has paused any new funding for projects. Departments were asked to review all active projects and prioritize reaching milestones and completing these projects before considering new ones. Finally, departments were tasked with determining if current, active projects were moving forward or not. If not moving forward, the funding for these projects were reallocated to new projects. As a result of this analysis, the total amount being reallocated to new projects is \$310,000. The plan is to come back to Council at mid-year with a new CIP funding proposal if additional project funding is needed.

Finally, attached is a list of minor adjustments and administrative budget corrections (Exhibit A). Edits to the budget book will be reflected in the published adopted budget book, though they are not outlined here as they are non-substantive in nature. Attached are updated General Fund tax revenue graphs (Exhibit B) as the ones included in the proposed document were inaccurately represented. Also attached is an updated Capital Outlay section with FY 2024 amounts. Prior

year details were mistakenly left in the FY 2024 document, however, department budgets and all financial reports reflected accurate FY 2024 amounts.

**FISCAL IMPACT:** The FY 2024 Adopted Budget includes \$395,881,203 of total appropriations. Included in the operating budget is the City's primary General Fund of \$135,098,592 which supports our day-to-day operations, including public safety, roads, traffic, and parks.

**Prepared By:**  
Tracy Cole  
Budget Manager

**Submitted By:**  
Elizabeth Cabell  
Finance Director

**Approved By:**  
Matt Huffaker  
City Manager

**ATTACHMENTS:**

1. RESOLUTION.DOCX
2. EXHIBIT A - FY 2024 SCHEDULE OF ADMINISTRATIVE BUDGET CORRECTIONS.PDF
3. EXHIBIT B - UPDATED GENERAL FUND TAX REVENUE GRAPHS.PDF
4. EXHIBIT C - CAPITAL OUTLAY- CORRECTED.PDF
5. WATER COMMISSION RECOMMENDATION TO COUNCIL INCLUDING PROPOSED BUDGET & CIP.PDF

RESOLUTION NO. NS-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ  
ADOPTING A BUDGET FOR FISCAL YEAR 2024

BE IT RESOLVED, by the City Council of the City of Santa Cruz, that the budget of the City of Santa Cruz for Fiscal Year (FY) 2024, including the Capital Investment Program (CIP), as proposed in that certain document entitled “City of Santa Cruz Proposed Annual Budget Fiscal Year 2024,” on file with the City Clerk, is hereby adopted for FY 2024, effective July 1, 2023, with the addenda thereto as determined by the City Council and detailed in the attached Exhibits:

- Exhibit A: Schedule of Administrative Budget Corrections
- Exhibit B: Updated General Fund Tax Revenue Graphs
- Exhibit C: Capital Outlay - Corrected

BE IT FURTHER RESOLVED that the Finance Director is authorized to create additional appropriations in order to provide for necessary commitments carried over from the prior fiscal year, including contract and purchase order encumbrances and unexpended project balances, so long as there is a sufficient fund balance to finance these commitments.

PASSED AND ADOPTED this 13<sup>th</sup> day of June, 2023, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Fred Keeley, Mayor

ATTEST: \_\_\_\_\_  
Bonnie Bush, City Clerk Administrator



# Schedule of Budget Changes FY 2024 Proposed to Adopted

## Revenue

Dept	Fund	Add/Reduce /New	Project #	Project Name	GL Account String	Account Description	Amount inc/(dec)	One- time	Annual	Justification
ED	130	Add			130-00-00-0000-49790	Other loan principal receipts	300,000	x		
	311	Reduce	h512302	CFSC - SCAP Housing Renovation	311-00-00-0000-49126	From CDBG Fund	(93,411)	x		Project completed in FY 2023 and should not have been budgeted in FY 2024
	311	Reduce	g301201	Teen Center - CDBG	311-00-00-0000-49126	From CDBG Fund	(35,000)	x		Project completed in FY 2023 and should not have been budgeted in FY 2024
FR	101	Add				Public safety impact fee - Fire	80,000	x		Increase budget based on actuals in FY 2023
PD	101	Add				Public safety impact fee - Police	100,000	x		Increase budget based on actuals in FY 2023
	101	Add			101-00-00-0000-41111	Property Tax	1,177,028	x		Updated Property Tax estimate based on updated projection from HdL
<b>Total</b>							<b>1,528,617</b>			
<b>Proposed General Fund at Budget Hearings</b>							<b>132,086,098</b>			
<b>Updated Proposed General Fund</b>							<b>133,443,126</b>			
<b>Total GF change</b>							<b>1,357,028</b>			
<b>Proposed Total Funds at Budget Hearings</b>							<b>363,499,174</b>			
<b>Updated Proposed Total Funds</b>							<b>365,027,791</b>			
<b>Total change</b>							<b>1,528,617</b>			

## Expenditures

Dept	Fund	Add/Reduce /New/Move	Project #	Project Name	GL Account String	Account Description	Amount inc/(dec)	One- time	Annual	Justification
CMO	101	Add	p102213	Grant Writing Services	101-10-03-1210-54990	Miscellaneous supplies and services	20,000	x		The addition of \$20K was missed to bring this program to its full funding of \$50K
CMO	101	Move		Communication Team	101-10-03-1210-51xxx	misc salary accounts	(869,380)	x		Move the Communication Team to its own activity for better tracking
CMO	101	Move		Communication Team	101-10-03-1218-51xxx	misc salary accounts	869,380	x		Move the Communication Team to its own activity for better tracking
ED	261	Reduce	h512302	CFSC - SCAP Housing Renovation	261-00-00-0000-59103	To General CIP	(93,411)	x		Project completed in FY 2023 and should not have been budgeted in FY 2024

ED	261 Reduce	g301201	Teen Center - CDBG	261-00-00-0000-59103	To General CIP	(35,000)	x	Project completed in FY 2023 and should not have been budgeted in FY 2024
PR	101 Reduce			101-30-43-3211-52119	Group health admin	(7,424)	x	Budgeted in wrong fund
PR	104 Add			104-30-43-3211-52119	Group health admin	7,424	x	Budgeted in wrong fund
WT	711 Add			711-XX-XX-XXXX-51XXX	misc salary accounts	206,965	x	Adding a Senior Professional Engineer to the Water Department
PW	731 Reduce			731-XX-XX-XXXX-51XXX	misc salary accounts	(7,602)	x	Reallocation of position 106-058 from Refuse Fund to Equipment Operations
PW	811 Add			811-XX-XX-XXXX-51XXX	misc salary accounts	7,602	x	Reallocation of position 106-058 from Refuse Fund to Equipment Operations
PR	101 Add	m301902	Arana Gulch Restoration Wharf Storm Damage	101-30-41-3114-54990	Supplies and services Maintenance- other	15,000	x	New operating project
PR	101 Add	m301901	Repairs Project PUGONIP LOWER MEADOW	104-30-43-3211-54390	infrastructure maintenance- park	36,810	x	New operating project
PR	101 Add	m302001	Site Remediation	101-30-40-3101-54312	improvements	69,862	x	New operating project
PR	101 Add	o300801	Ocean Villa Cleanups	101-30-41-3106-54990	Supplies and services	1,000	x	New operating project
<b>Total</b>						<b>221,226</b>		
<b>Proposed General Fund at Budget Hearings</b>						<b>133,563,344</b>		
<b>Updated Proposed General Fund</b>						<b>133,698,592</b>		
<b>Total GF change</b>						<b>135,248</b>		
<b>Proposed Total Funds at Budget Hearings</b>						<b>394,259,977</b>		
<b>Updated Proposed Total Funds</b>						<b>394,481,203</b>		
<b>Total change</b>						<b>221,226</b>		

## CHANGES TO BUDGET NARRATIVE - CORRECTING THE NARRATIVE

### Introduction

Added councilmembers' district number to City Council cover page

Updated Commission and Committee Chairpersons

Updated Economic Development and Housing department name to add "and Housing" throughout the entire document.

### City Overview

Added additional supporting funds to Economic Development and Housing

### Budget Discussion

Updated graphs for Property tax, Sales tax, TOT, and UUT

Updated graphs for Citywide Operating Expenditures and General Fund Expenditures

### Department Summaries

CMO added accomplishments for the Children's Fund Oversight Committee and District Engagement policy per councilmember request.

Economic Development and Housing added revitalization of Downtown as a goal per Councilmember Kalantari-Johnson's suggestion during the Budget Hearings.

Fiance added DEI goal per Councilmember Brunner suggestion during the Budget Hearings.

Police changed "FY24 Goal" to "FY24 Anticipated" per Councilmember Brunner suggestion during the Budget Hearings.

Planning added FY23 accomplishment of submitting draft of 6th Cycle Housing Element to state and FY24 goal of Housing Element Certification per councilmember suggestions.

Public Works added West Cliff Action Plan as a goal suggested by Councilmember Kalantari-Johnson.

#### **Capital Outlay**

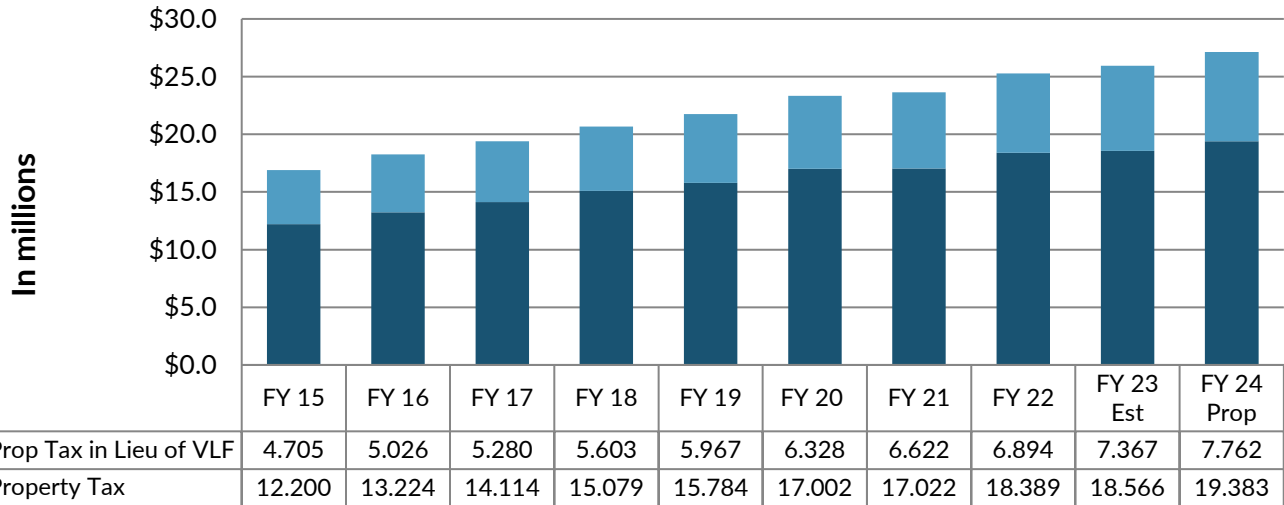
Updated the Capital Outlay section with FY 2024 amounts. Prior year amounts were mistakenly left in the FY 2024 document, however, department budgets and all financial reports reflected accurate FY24 amounts.

#### **Appendix**

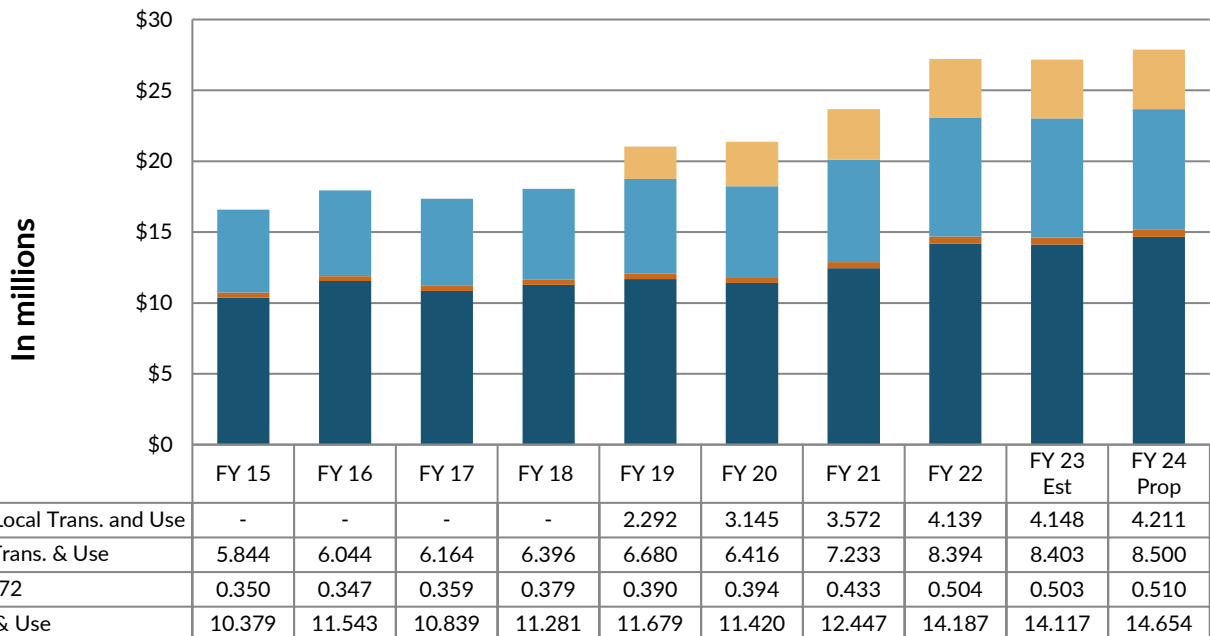
Added acronyms to listing based on feedback from departments

Property and sales tax are the two largest sources of tax revenue for the city's primary General Fund. Property taxes and sales taxes account for approximately 28.1% and 28.9%, respectively, of the fund's total estimated tax revenues for FY 2024.

### Property Tax Trend

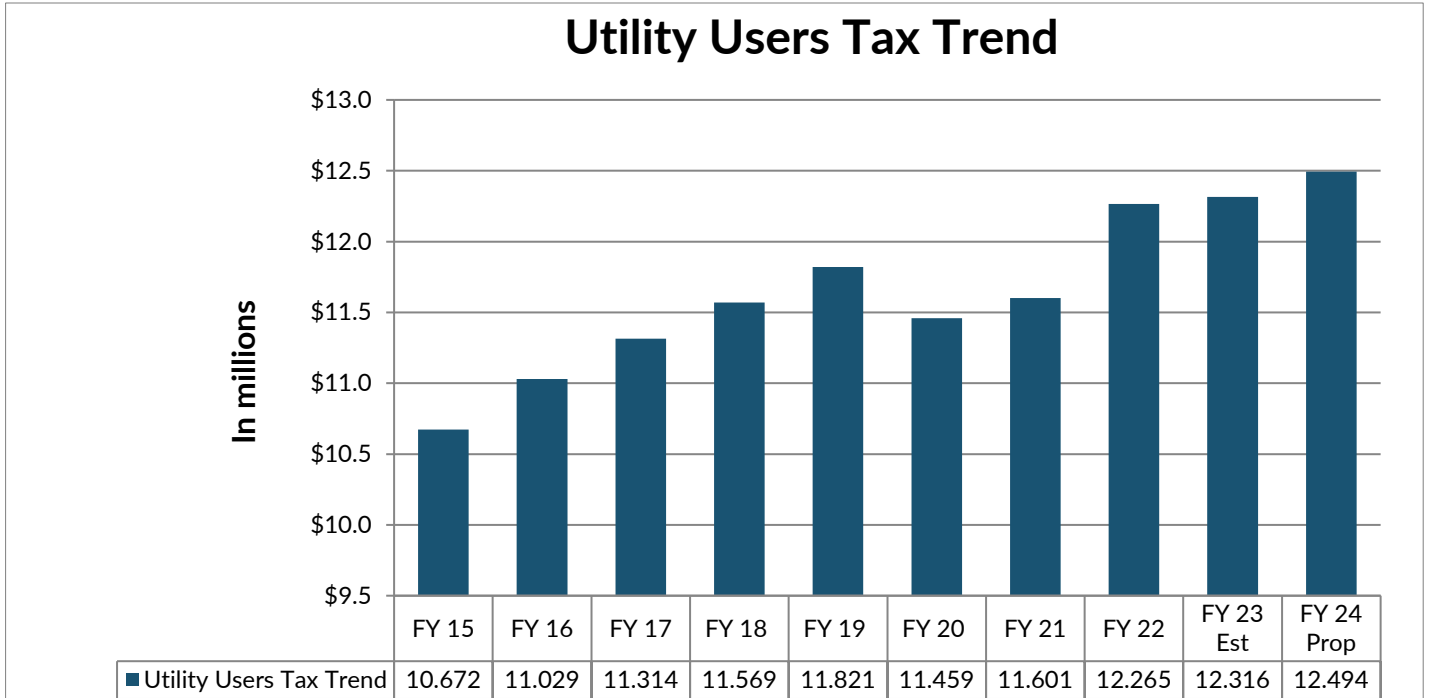


### Sales Tax Trend

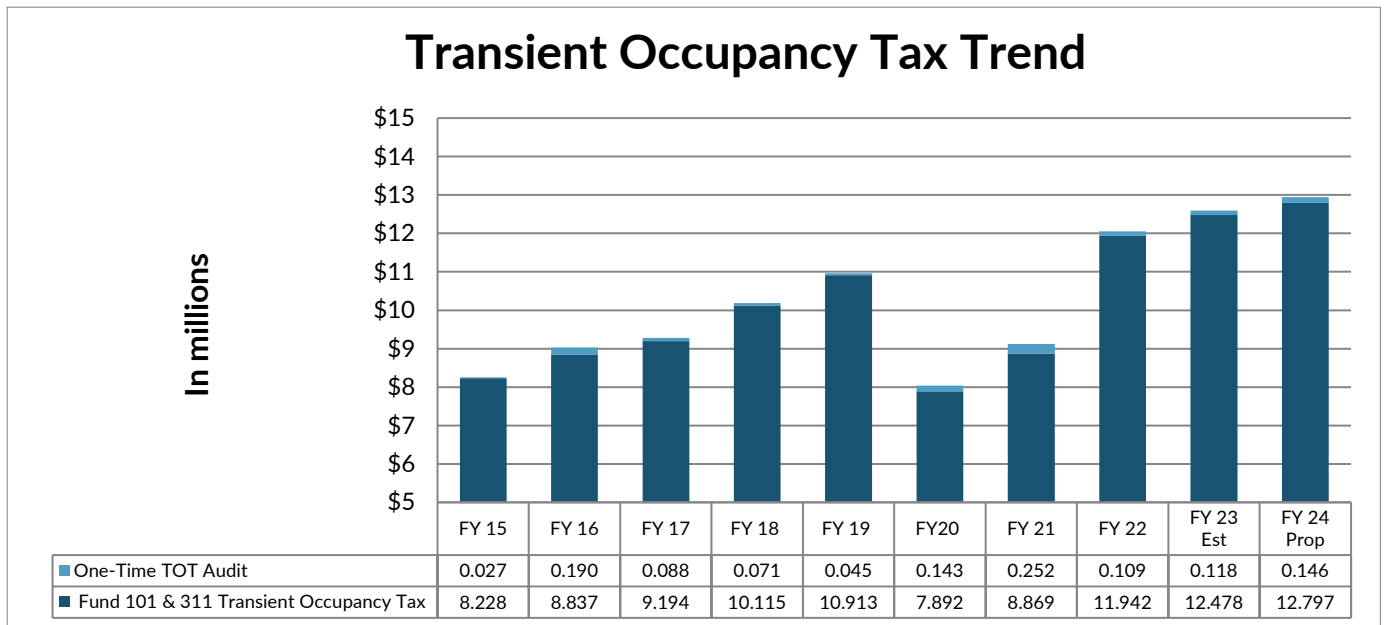


After a significant increase in FY 2022 sales tax revenues, we are projecting a 2.5% reduction in FY 2023 and only 1% growth in FY 2024. The overall trend for sales tax revenues is increasing but at a slower pace than from FY 2021 to FY 2022.

Utility users' taxes are imposed on all utility services within the city limits at a rate of 8.5% of taxable services.



Transient occupancy taxes are levied at a rate of 12% for motels, hotels, and inns, and 14% for short-term residential vacation rentals.



They each accounted for 13.1% and 13.6%, respectively, of the fund's total estimated tax revenues for FY 2024.

## Capital Outlay

### Information Technology

Activity	Description	Amount	Detail
Activity 1251- IT Operations	Computer Equipment	\$35,000	Virtual Server Host Replacement
Activity 1251- IT Operations	Computer Equipment	\$55,000	Switches, Routers and Firewalls, & Backup Appliances
Activity 1251- IT Operations	Computer Equipment	\$30,000	Storage
<b>Total Information Technology</b>		<b>\$120,000</b>	

### Parks & Recreation

Activity	Description	Amount	Detail
Activity 3107 - Community and Regional Parks	Parks and playground equipment	\$95,000	Tractor replacement
<b>Total Parks &amp; Recreation</b>		<b>\$95,000</b>	

### Public Works

Activity	Description	Amount	Detail
Activity 7202 - Wastewater Collection / Flood Control	Computer Equipment	\$5,000	iPads for Mobile SCADA (Wonderware)
	Vehicle Equipment	\$140,000	Replace vehicle #216: 2002 747 Trailer Jet
	Vehicle Equipment	\$64,000	Replace vehicle #435: 2008 F-150
Activity 7203 - Wastewater Treatment Facility	Computer Equipment	\$66,000	Additional computer equipment costs
	Computer Equipment	\$15,000	Additional security cameras and installation for WWTF
	Computer Equipment	\$20,000	New O&M portal: currently running on unsupported end-of-life servers

## Public Works (continued)

Activity	Description	Amount	Detail
	Computer Equipment	\$6,000	Microsoft terminal server licenses to add remote access users to SCADA terminal services
	Computer Equipment	\$12,000	Improve cyber security with a redundant Cisco ASA firewall
	Computer Equipment	\$10,000	Eliminate downtime and loss of access with a redundant router
	Computer Equipment	\$9,000	Install and configure WIN900 remote
	Computer Equipment	\$10,000	Upgrade to Wonderware flex licensing model
	Computer Equipment	\$6,000	VPN license for firewall, as use of VPN access for SCADA is increasing
	Computer Equipment	\$6,000	WIN911 remote license to remotely view and respond to SCADA alarms
	Equipment Components	\$12,000	Admin Building MCC A/C Condenser: system has leaks and is at the end of its service life
	Equipment Components	\$45,000	Replace centrifuge room wall fans as current fans are approaching end-of-service life
	Equipment Components	\$28,000	Upgrade Cogen #2 DSM module control system for engineer operation and protection

## Public Works (continued)

Activity	Description	Amount	Detail
	Equipment Components	\$12,000	Replace aging electric work maintenance cart
	Equipment Components	\$60,000	Replace components reaching end-of-life: PSS Scum Drives 3 and 4 sprocket and shear pin assemblies
	Equipment Components	\$30,000	Replace components reaching end-of-life: secondary air control valves
	Equipment Components	\$100,000	Replace 3 secondary air supply fans at end-of-life
	Other Machinery and Equipment	\$30,000	Upsize current SFT grinder to 10 inches
	Other Machinery and Equipment	\$203,000	New boat for lab
Activity 7205 – Wastewater Source Control	Computer Equipment	\$2,000	Basic computer equipment for satellite lab test program
	Office Furniture / Equipment	\$1,000	Acquisition of replacement and/or new office equipment
	Other Capital Outlay	\$120,000	Environmental Compliance sampling trucks
Activity 7206 – Wastewater Pump Hose	Other Capital Outlay	\$25,000	Rebuild parts on Influent pump #2
Activity 7208 – Wastewater Lab	Office Furniture / Equipment	\$2,000	Miscellaneous office furniture for the laboratory
	Other Machinery and Equipment	\$40,000	Replace 17-year-old, malfunctioning,



			Shimadzu TOC-V Analyzer system
Total Wastewater		\$1,079,000	

**Public Works (continued)**

Activity	Description	Amount	Detail
Activity 7302 - Resource Recovery Collection - Container	Other Machinery and Equipment	\$14,000	10-yard cover roll-off boxes
	Other Machinery and Equipment	\$16,000	20-yard cover roll-off boxes
	Other Machinery and Equipment	\$20,000	30-yard cover roll-off boxes
	Other Machinery and Equipment	\$32,000	3-yard vertical compactor
	Vehicle Equipment	\$45,000	Gold service contract for Mack LRE
	Vehicle Equipment	\$290,000	Roll-off truck replacement for truck #760; Mack chasis
Activity 7303 - Refuse Disposal	Office Furniture / Equipment	\$2,500	Miscellaneous office equipment
	Other Machinery and Equipment	\$40,000	Heavy duty 40-yard roll-off bins
	Other Machinery and Equipment	\$60,000	Portable litter control fences
Activity 7304 - Recycling Program - Processing	Other Machinery and Equipment	\$40,000	Heavy duty 40-yard roll-off boxes
Activity 7305 - Resource Recovery Collection - Cart	Vehicle Equipment	\$750,000	Electric truck side arm replacement for #753 BYD
Total Resource Recovery		\$1,309,500	
Activity 7401 - Off-Street Parking	Other Machinery and Equipment	\$26,100	Lease program year 3 of 5 for replacement T2 Luke machines in the Downtown District
	Vehicle Equipment	\$50,000	Sidewalk scrubber
Total Parking		\$76,100	

Activity 7501 - Storm Water Management	Flood Control and Storm Drainage Facilities	\$53,000	Miscellaneous facility expense
Total Storm Water Management		\$53,000	

**Public Works (continued)**

Activity	Description	Amount	Detail
Activity 7831 - Mechanical Maintenance	Other Capital Outlay	\$25,000	Fuel island upgrades
	Other Capital Outlay	\$55,000	Upgrade for CMMS, overhead crane, wash rack, fuel island overhead nozzles, and outside grease gun
Total Equipment Operations		\$80,000	
Total Public Works		\$2,597,600	

**Planning and Community Development**

Activity	Description	Amount	Detail
Activity 1301- Planning Administration	Office furniture/equipment	\$5,000	Stand-up desk replacements
Total Planning Administration		\$5,000	

**Economic Development and Housing**

Activity	Description	Amount	Detail
Activity 5591- Property Management	Other building costs	\$30,000	Midtown event infrastructure
Total Economic Development & Housing		\$30,000	

**Water**

Activity	Description	Amount	Detail
Activity 7106 - Water Production	Computer equipment	\$15,000	Eyasco/Merlin web and database servers
	Computer equipment	\$7,500	Two ASA Firewalls, Network Segmentation

	Other machinery & equipment	\$20,000	Turbidity meters
	Other machinery & equipment	\$10,500	Chlorine Analyzers

**Water (continued)**

Activity	Description	Amount	Detail
	Other machinery & equipment	\$30,000	VFD replacement for FBPS and CPS
	Vehicle equipment	\$50,000	Misc. vehicle equipment costs
Activity 7108 – Water Distribution	Vehicle equipment	\$377,732	Vehicle equipment for vehicles #492, 495, 502, 611
<b>Total Water</b>		<b>\$510,732</b>	

<b>Total Capital Outlay</b>	<b>\$3,358,332</b>	
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## WATER COMMISSION

212 Locust Street, Suite A, Santa Cruz, CA 95060 Phone: (831) 420-5200

June 6, 2023

Mayor Fred Keeley  
Vice Mayor Renee Golder  
Councilmember Sandy Brown  
Councilmember Sonja Brunner  
Councilmember Shebreh Kalantari-Johnson  
Councilmember Scott Newsome  
Councilmember Martine Watkins

Dear Mayor Keeley, Vice Mayor Golder, Councilmembers Brown, Brunner, Kalantari-Johnson, Newsome and Watkins:

### **Re: Water Commission Recommendation on the Santa Cruz Water Department's Fiscal Year 2023-2024 Operating Budget and Capital Investment Program**

The Santa Cruz Water Commission (Commission) is pleased to convey our recommendations regarding the Water Department's (Department's) Fiscal Year (FY) 2024 Recommended Operating Budget and Capital Investment Program (CIP). Based on our analysis, as summarized in the discussion below, we unanimously recommend the Council's approval of the proposed budget and CIP.

Before sharing more detail about the Commission's recommendations on the FY 2024 Operating Budget and CIP, I want to provide a few additional highlights on the Commission's other activities during the past 18 months.

- One major focus of the Commission's work in the last year was the development of the Securing Our Water Future Policy, which was unanimously approved by the City Council on November 29, 2022.

The Commission has had a long-standing focus on water supply reliability including its active engagement in reviewing and participating in the Department's work to implement the Council-approved recommendations of the Water Supply Advisory Committee in November 2015. During 2022, the Commission was actively engaged in the Department's very robust modeling and analytical work that resulted in the Securing Our Water Future policy. The

Commission's collaborative work on this policy-development process is an example of how community engagement can build understanding and agreement on complex topics that are steeped in both technical and policy detail. We particularly appreciate the opportunity to work with the City of Santa Cruz (City) and its staff on such important topics critical to ensuring a safe, reliable water supply into the future.

- A second long-term Commission focus area is water-rate affordability.

Starting in 2017 the Commission began receiving presentations and discussing the important issue of water affordability. A 2020 report on the affordability of water and wastewater services in Santa Cruz provided the first assessment looking at affordability within census block groups. A second presentation in December 2021 provided a forward-looking perspective on how water and wastewater affordability would change as the planned FY 2023 – FY 2027 rate increases were implemented over time.

These analyses show that roughly 20% of the Department's water service customers are paying more than 4.5% of their household disposable income on water and wastewater services. This metric has long been used as one means of assessing affordability of critical water and wastewater services. As is the case for other utilities making significant investments in their water infrastructure, rate increases necessary to fund these investments result in increasing affordability challenges for those customers least able to pay. As an example of one approach to addressing local affordability challenges, the Commission worked with Department staff to develop new customer assistance programs. The new programs both implement new regulations related to customer shutoffs for non-payment of utility charges and use newly available water-use data from the Department's recent investment in an advanced metering infrastructure (AMI).

In addition to supporting more accurate and efficient meter reading, AMI supports enhanced leak detection programs that provide near real-time notices to customers experiencing leaks and thereby help customers manage their bills by promptly addressing leaks. According to the Environmental Protection Agency's WaterSense Program, fixing easily corrected household water leaks can save customers 10% on their water bills.

- A third topic that has been a continuing focus area for the Commission is long-term demand forecasting for water.

This topic has been one that is carefully followed by many in the community as Santa Cruz and the surrounding areas served by the Santa Cruz water system respond to the need and the requirement to increase housing, with a particular focus on affordable and workforce housing. In March 2023, the Commission received a presentation of an updated forecast for water demand that incorporated significant increases in the

number of anticipated housing units to be served between now and 2045, with most units being multi-family units. By 2045, the anticipated additional water demand would increase by about 125 million gallons per year over the earlier forecast completed for use in the Department's 2020 Urban Water Management Plan. The new forecast's results are now being incorporated into the Department's ongoing water supply planning work.

## RECOMMENDATIONS

The Commission is basing its recommendation regarding the Department's Operating Budget and CIP on its ongoing work focused on the Department's financial management and performance. This work is conducted in publicly-noticed Commission meetings that have covered ongoing operations, planning and implementation of capital projects, and detailed discussions of the Department's annual Operating Budget and CIP. Our reviews and discussions have included considerations of the Department's financial performance against the projections that underlie the 2021 Long-Range Financial Plan (LRFP), which is the key policy document upon which the Department's annual budget and capital planning are based. The 2021 LFRP was developed with the active engagement of the Commission, including being informed by the work of a Commission ad hoc subcommittee in mid-2019 to early 2020 that developed revenue requirements used in establishing the adopted FY 2024-FY 2027 Water Rates. The series of documents included as attachments to this letter were presented and discussed in detail during our review process and are summarized in the discussion presented below.

## FY 2024 OPERATING BUDGET

The Water Department's Recommended FY 2024 Operating Budget was developed to support the Department's mission to provide a reliable and high-quality potable water supply 24 hours per day, 7 days a week, and 365 days per year to a population of approximately 100,000 people. The Commission's recommendations to the Council on the Department's FY 2024 Operating Budget are based on the Commission's ongoing engagement with staff to identify, understand, and effectively address the water system's challenges.

**Attachment 1** is the Department's **Proposed FY 2024 Operating Budget**. Operating Budget highlights include:

- Projected revenues for FY 2024, including water rate revenues and other revenues, of \$50.8 million.
- A proposed Operating Budget for FY 2024 of \$42.6 million. This is 4% higher than the adopted FY 2023 Operating Budget, when a one-time principal payment of \$5 million was made in FY 2023 that reduced the outstanding balance of the Department's Line of Credit from \$21 million to \$16 million is excluded.

**Attachment 2** is the Department's annual comparative **Budget Analytics** prepared for use for the Commission in its annual review of the Department's Operating Budget and CIP.

Using these budget analytic reports, the Commission has been actively tracking several key indicators of financial health; for example, how actual revenues generated by water sales compare with revenue projections. Tracking this metric helps both staff and Commissioners keep focused on how accurate our system is for projecting revenues, which helps us identify and implement refinements to our projections in the event we are over- or under- forecasting.

Another metric being tracked is highlighted in Figure 1 of **Attachment 2**. Figure 1 shows that the Department routinely underspends its adopted budget by about 15%. Over the last several budget cycles, the Department has taken steps to better align proposed operating budgets with anticipated spending levels. To this end, Department staff have worked with City Finance staff to integrate personnel cost savings that typically accrue due to routine staff vacancies into project personnel costs, which typically account for about 40% of the Operating Budget.

Another major goal of the Department's Budget Analytics work is to highlight trends and support greater understanding of financial changes at both the organization and section levels. Commissioners are always impressed by the staff's knowledge and ability to concisely describe circumstances and conditions across the Department that influence actual spending from year-to-year as well as projected spending for the next fiscal year and beyond.

The Budget Analytics and other analyses used by the Department's finance section and leadership team are helpful in annual budgeting and are also useful as part of ongoing financial planning and periodic work to update the cost-of-service analysis, water rate structure, and future water rates.

## **FY 2024-2028 CAPITAL INVESTMENT PROGRAM**

The CIP budget for the five-year period FY 2024-2028 is \$373 million. The focus of the CIP is on improving infrastructure resiliency, water supply reliability, and adaptability to climate change. **Attachment 3** is a **CIP Summary**, broken down by project category, for the five-year CIP period FY 2024-2028.

The proposed CIP budget for FY 2024 totals \$31.9 million. The FY 2024 funding level will be supplemented by a significant, unspent amount carried over from FY 2023. The carryover is associated with slower-than-anticipated CIP project completion for several large projects, partly due to weather conditions this past winter. Despite these delays, major progress has been made on several key CIP projects during FY 2024 including:

- The Newell Creek Dam Inlet/Outlet Replacement project is a \$99 million replacement of a major piece of water system infrastructure. The project was awarded to Obayashi Corporation in Spring 2020 and is nearing completion.

Recent activities include tunnel backfill and tie-ins to both the new intake structures within the reservoir and to the Newell Creek Pipeline. Installation of Loch Lomond's new aeration system that helps manage and limit algae blooms in the lake was temporarily delayed while

the major construction of the new inlet/outlet structure was completed and is now also complete. Finally, required work is also proceeding on multiple restoration and mitigation projects that are part of this larger project.

- The Graham Hill Water Treatment Plant (GHWTP) Concrete Tanks Replacement project is a \$45.9 million replacement of three original concrete tanks that were constructed when the now 62-year-old GHWTP was built. Pacific Hydrotech Corporation was awarded the construction contract for this work in February 2021. In FY 2023, the solids and reclaimed water tanks were completed, and the contractor also finished major electrical work and retaining walls. Once the two new tanks are in service, demolition of the final two original tanks and construction of the third new tank will commence. Project completion is expected in Fall 2024.
- The \$157 million GHWTP Facility Improvements Project (FIP) is needed to renovate the Department's only surface water treatment plant, which was originally commissioned in 1960. The project includes treatment process upgrades and improvements to the site, infrastructure, and structural components to enhance reliability and to adapt this critical facility by addressing the impacts of climate change on source water quality. The project design-build team will complete the design phase in 2024 with a subsequent construction duration from November 2024 through May 2028.
- Newell Creek Pipeline (NCP) Replacement – NCP is a 9.5-mile pipeline and the Department's only means of delivering stored water from Loch Lomond to the GHWTP. The pipeline was constructed in the 1960's and is subject to a number of vulnerabilities and reliability issues that necessitate its replacement. The NCP will be replaced in three phases, with Phases 1 and 2 being prioritized in the near term. These projects are described below.

Phase 1 will replace the 4.4-mile-long segment from Felton to GHWTP. This segment is in a narrow, difficult to access right-of-way through Henry Cowell State Park and has been the site of multiple failures creating emergency water supply conditions over the last six years. Considerable progress in FY 2023 includes finalizing the 100% design for Phase 1 and completing work needed to comply with the California Environmental Quality Act (CEQA). Easement negotiations and permitting are ongoing for this phase of the project. Construction is scheduled to commence in January 2024 and completion is expected in Spring 2026. The forecasted construction cost for Phase 1 is \$41 million.

Phase 2 will address the vulnerability of the NCP to landslide and earthquake activity in the vicinity of Brackney Road. This project has been under development since very wet conditions in Winter 2017, which demonstrated how vulnerable this pipeline is in that location, as well as how difficult and unsafe an emergency repair would be should the pipeline continue to fail in wet weather conditions.

Phase 2 will relocate approximately 2,250 lineal feet of the pipeline using horizontal directional drilling to place the pipeline into bedrock so that it is protected from earthquake and landslide activity. This will increase the reliability of the Department's access to Loch Lomond supply during very wet weather conditions and other natural hazards. This project



is also at 100% design, has completed CEQA, and is expected to have a construction cost of \$14.2 million. Construction will overlap with Phase 1 and is scheduled to be completed in the first quarter of 2025.

Phase 3 will replace the remaining segments from Loch Lomond to Brackney and from the new Brackney segment to Felton. It is scheduled to begin design in 2027.

- Water Supply Augmentation work in the CIP is focused on implementing the Council-approved Securing Our Water Future Policy and developing supplemental water supply to improve the reliability of Santa Cruz's water supply. The near-term focus is on the ongoing evaluation and implementation of Aquifer Storage and Recovery (ASR) in the Mid-County Groundwater Basin (MCGB) as well as completing technical and feasibility analyses on other supply options including water transfers with other agencies, use of recycled water, and desalination.

In the MCGB underlying the eastern portion of the Department's water service area, ASR is being implemented with the design and construction of two permanent ASR wells scheduled for completion in 2025. In the interim, ASR is being implemented in a temporary fashion as testing and modeling continues to inform the full ASR program in the MCGB which may include up to 10 ASR wells and could provide up to half of the drought supply needed to address estimated worst-case deficits during prolonged droughts.

The Department continues to evaluate the operational feasibility of interties with Soquel Creek Water District and Scotts Valley Water District. While a permanent connection exists with Soquel Creek, an intertie is currently being designed to connect the Department and Scotts Valley's service areas. This intertie is scheduled to be operational in 2025.

- The 2020 Council-authorized Meter Replacement project involves a full system meter replacement project; the advanced meters will be a critical resource for implementing the new customer assistance programs mentioned earlier in this letter. The \$14-million-effort commenced in January 2022 and used a meter-installation contractor, Utility Partners of America (UPA), to expedite the work. UPA hired local labor for the project, installed 23,000 meters, and finished their work in early 2023 within budget. As planned, the most challenging installations involved obstructed meters and property-side plumbing connections found to be in disrepair, which are now being addressed by Department staff, with full project completion expected in Summer 2023.

## **CIP FUNDING**

Given the scale of the Department's CIP, a major focus over the last several years has been on securing the lowest cost for financing projects. The Department has had considerable success with these efforts including low-interest, long-term financing that will benefit ratepayers both now and in the future; relevant details for a few of these are listed below.

Projects with **Existing Drinking Water State Revolving Loan (DWSRF)** funding:

- Both the Newell Creek Dam Inlet/Outlet Replacement project and the GHWTP Concrete Tanks project are being funded through the DWSRF program, with loan rates of 1.4%. Repayment for these loans commences once construction has been completed for the projects in 2024.

Projects included in a July 2022 federal **Water Infrastructure Finance and Innovation Act (WIFIA)** loan application for \$164 million:

- Along with the GHWTP FIP project, the Department included the Newell Creek Pipeline Replacement project, ASR project, and the University Tank #4 Replacement project. The first loan in the amount of \$127.7 million closed on May 4, 2023. A second loan for the remaining \$36 million will be available, when needed.

Projects being developed for potential **Future DWSRF** loan funding:

The DWSRF funding application process is multi-stepped, requiring reviews and approvals as project elements are completed, such as basis-of-design reports and environmental assessments. DWSRF loans have lower interest rates than other financing options and the Department is working to obtain best-cost financing by pursuing all the options available.

- The GHWTP FIP is being developed in a manner that will allow it to be considered for funding with DWSRF funds to cover either the entire project or the additional portion of the project's cost beyond the 49% committed through the WIFIA loan.
- Phase 1 of the Newell Creek Pipeline Replacement project is also being submitted to the DWSRF for additional funding to cover either the entire project or the additional portion of the project's cost beyond the 49% committed through the WIFIA loan.

The Department continues to actively identify and pursue **Grant Funding** opportunities and has had some success and some disappointments. Highlights include:

- The Santa Cruz Mid-County Groundwater Agency (MCGA) received a \$7.6 million grant from the California Department of Water Resources as part of the state's Groundwater Sustainability Plan Implementation Grant program.

This grant is supporting additional project development work for both the Department's ASR program in the MCGB as well as for Soquel Creek Water District's (District's) Pure Water Soquel project. The City and the District are working collaboratively with the MCGA on the implementation of this work, which also includes funding for an additional well for each agency.

- Since 2017, the Department has been pursuing Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant Program (HMGP) funding for replacement of the Brackney Slide segment of the NCP Replacement as well as the additional segments between Felton and the GHWTP and the remaining segment of the Loch Lomond to Felton segment not being addressed by the Brackney slide repair.

The Brackney segment has received funding for design work and a commitment of funding for up to 25% of the anticipated construction cost. Additional funding for the Brackney segment is included in various requests for Congressional Directed Funding, but the HMGP funding for the Felton to GHWTP segment has been waitlisted by the program administrator for the California Office of Emergency Services. This means that funding for this project is likely not available in any near-term timeframe.

A consequence of DWSRF and many other sources of low-interest loans is that loan funds are disbursed on a reimbursable basis. This means that the Department must have the cash to pay vendors and meet its other financial obligations and then file claims for reimbursement from approved loan funds after the costs are incurred. This approach introduces significant cash-flow challenges into the Department's operation. To address these challenges, the Department obtained a \$50 million short-term line of credit that can be used as bridge funding over the coming several years while significant DWSRF projects are under construction.

## **FINANCIAL PRO FORMA**

With respect to financial forecasting and being able to put the proposed Budgets in an appropriate and understandable context, Commissioners would like to especially commend the Department for the financial analysis and modeling tools that they have developed and applied. **Attachment 4** is the FY 2024-2028 Financial Pro Forma.

For the last five years, the Commission's budget review has focused heavily on how the Department's proposed Operating Budgets and CIP influence potential customer rate increases and achieve the financial metrics that the City Council set for the Department when it adopted the 2016 LRFP and the updated 2021 LRFP.

The Financial Pro Forma is a key part of the Department's financial planning work. It provides the Department with a model that supports providing the Commission and the Council with a comprehensive, five-year view of the Department's revenue requirements, expenditures, and projected use of debt funding as well as the resulting debt service for capital investments.

The one-page Financial Pro Forma provides a long-range view of operating and capital spending, performance related to key financial metrics such as debt service coverage, reserve levels, and performance on reserve targets and illustrates how assumptions about capital spending and operating costs (including salary, benefits, and pension obligations) will affect revenue requirements over time. Department staff have been transparent in describing the key assumptions driving the financial model, and Commissioners have received detailed and thoughtful answers to questions about various aspects of the results presented in the Financial Pro Forma.

## **QUARTERLY FINANCIAL REPORTS**

As the Commission has worked with the Department on budget and financial planning over the last several years, the Commission has received regular updates on the Department's finances

through the quarterly financial reports. **Attachment 5** is the most recent Quarterly Financial Report for FY 2023.

These reports provide the Commission with an ongoing ability to track progress, and to identify and discuss issues as the year develops. The Commission's key takeaway from these efforts is that the Department has a well-considered LRFP and strategy – a plan which has continued to evolve and improve based on Department staff increasing their familiarity with this essential analytical and planning tool. Additionally, the Department's ongoing experience with challenges such as more frequent dry conditions and opportunities such as those created by the City's participation in regional collaboration and local groundwater sustainability planning efforts.

In closing, the Water Commission unanimously approved a motion in support of the City Council adopting the Water Department's proposed FY 2024 Operating Budget and CIP at the meeting on June 5, 2023. Our careful review of these proposals shows that they have been developed using realistic assumptions that are well aligned with the financial policies and assumptions approved by the Council in its 2021 action approving the Department's LRFP.

We appreciate this opportunity to provide our recommendation to the Council and are available to answer any questions you may have.

Sincerely,



Justin Burks  
Chair, Santa Cruz Water Commission

cc: Matt Huffaker, City Manager  
Members of the Santa Cruz Water Commission  
Rosemary Menard, Santa Cruz Water Director

Attachments:

Attachment 1 – Water Department FY 2024 Proposed Operating Budget  
Attachment 2 – Water Department FY 2024 Budget Analytics  
Attachment 3 – Water Department FY 2024-FY 2028 CIP Summary  
Attachment 4 – Water Department FY 2024 Financial Pro Forma  
Attachment 5 – Example of Quarterly Financial Reports Prepared for and Distributed to the Water Commission



## Water Department

The mission of the Water Department is to ensure public health and safety by providing a clean, safe, and reliable supply of water. We strive to serve the community in a courteous, efficient, cost-effective, and environmentally sustainable manner.

We are passionate about our work and try to instill our values of integrity, innovation, objectivity, professionalism, teamwork, and transparency in everything we do. We collect water, treat, and test it, move it, store it, distribute it, track how much is used, and bill our customers for their use. We are at the end of the phone when customers call, and the smiling faces customers see when they visit the department. We educate our customers about the quality of their water and how to use less. Our work includes maintenance and operation of the Loch Lomond Recreation area as well as the protection of Majors, Liddell, Newell Creek, Zayante, and Laguna watersheds. We are stewards of an important community asset - the water system and all it entails- as well as a range of natural resources and ecosystems that many species depend on. We take pride in meeting the diverse needs of the broad region we serve and value our partnerships with neighboring agencies to develop long range solutions to the regions drinking water needs.

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## Core Services

Everyday department staff work hard to produce and deliver millions of gallons of water to nearly 98,000 customers and perform all the related utility, land and natural resource management activities that often happen behind the scenes, but play a part in providing reliable, high quality water service to our community. In addition to the department's daily duties, the department is undergoing a major reinvestment in water infrastructure from upgrades to the water treatment plant, improvements to the Loch Lomond dam and the replacement of all system meters, to mention a few. To perform this work, the Water Department is organized into four areas: Operations; Engineering; Customer Service; and Administration.

Operations - The Operations group is responsible for managing the watersheds; collecting, treating and testing untreated and treated water; and storing and distributing treated water to our customers and consists of the following sections: Water Resources; Water Production; Water Quality Control (laboratory); Distribution; and the Water Recreation Facility (Loch Lomond).

- The Water Resources Management section is responsible for the drinking water source protection, environmental regulatory compliance, and general natural resource management. The section coordinates environmental projects related to water rights, water supply, habitat conservation, and environmental resource protection.
- The Water Production section is responsible for production, operation, and maintenance of water storage, diversion, collection, pumping, and treatment facilities from all sources throughout the system. This 24/7 work is made more challenging with the Concrete Tank Replacement project underway and planned upgrades to the Graham Hill Water Treatment Plant soon.
- The Water Quality Control (laboratory) section performs all water quality testing and oversees matters pertaining to water quality control to maintain compliance with State and federal standards and for planning for future treatment needs.
- The Water Distribution section is responsible for the maintenance and operation of all transmission mains, distribution mains, service lines, and hydrants in the service area. Distribution staff also replace significant segments of distribution mains as part of the Capital Investment Program (CIP).
- The Water Recreation Facility section operates and maintains Loch Lomond Recreation Area. This section is also responsible for patrolling watershed property and protecting source water quality. We are pleased our ranger staff are, once again, providing in-person, watershed education program for local elementary school children at Loch Lomond.

Engineering - The Water Engineering section is composed of two main functions: Engineering and Utility and Environmental Planning.

- The Water Engineering section provides engineering, planning, project design and construction management necessary for water facilities, as well as evaluation and installation of water saving technologies. The section keeps current with new technologies and water quality issues, remaining sensitive to mitigation of environmental impacts; reviews all

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requests for water services; maintains record of facilities, installations and maps; and oversees the Backflow Prevention Program. In 2017, the department embarked on an ambitious system-wide reinvestment with the Engineering section at the helm. This program includes the replacement of storage tanks, transmission lines, and the exploration of increasing storage in underground aquifers in partnership with neighboring agencies.

- The Utility and Environmental Planning group helps the department to plan adequately for a 21st century drinking water system. Foundational documents such as the Urban Water Management Plan, serves as a guide to future projects by ensuring there are adequate water supplies. In addition, there are numerous federal, State and local environmental laws the department must comply with to complete the planned infrastructure investments in the water system.

Customer Service - The Customer Service group consists of three sections: Customer Service; the Meter Shop; and Water Conservation. These three sections interface with the public frequently and we strive to provide consistently excellent customer service.

- The Customer Service section (Santa Cruz Municipal Utilities - SCMU) provides customer service for water, sewer, refuse, and recycling services to the residents and businesses of the City of Santa Cruz, and only water services to the unincorporated surrounding areas. This section manages utility accounts and billing, processes opening and closing of accounts, and provides service in response to customer requests.
- The Meter Shop section is responsible for reading, inspecting, installing, maintaining, and replacing water meters in the service area that covers the City of Santa Cruz and the unincorporated surrounding areas. As part of a large capital project, all water meters in the service area are being replaced. The new meters will give water customers more timely and accurate usage information as well as improve the billing process.
- The Customer Assistance section will help customers resolve leaks and implement a water affordability program for low-income households.

Administration - The Water Administration section coordinates and manages department business by focusing on the following operational areas: human resources, finances, public relations, safety, and regulatory compliance. Administration is responsible for maintaining a rate structure that reflects cost of service, solicits federal, state, and other funds to finance the department's Capital Investment Program, and ensures adequate reserves. This section also facilitates the communication and interaction with the Water Commission, City Council, City Manager's Office, and regulatory agencies.

## Accomplishments and Goals

FY 2023 Accomplishments	Infrastructure	DT & Other Business Sectors	Fiscal Sustainability	Core Services	Equity, Health & Well-Being, Sustainability	New & Improved Funding Sources	Green Economy
Completed construction of the \$102 million Newell Creek Dam Inlet Outlet project to renew major infrastructure	X			X			
Substantially completed installation of the system-wide Meter Replacement Project	X		X	X			
Advanced design of the \$160 million Graham Hill Water Treatment Project to modernize and enhance treatment and water quality	X			X	X		
Secured over \$9M in grant funding for regional projects to build an intertie between the City of Santa Cruz and the Scotts Valley Water District to increase opportunities for conjunctive use of surface and groundwater resources, support opportunities for regional collaboration, and achieve Santa Margarita Basin Groundwater Sustainability Plan recommendations	X		X		X	X	
Responded to, and repaired, 47 main leaks through the end of December 2022, the largest of these in front of Bay Street Elementary School, where the 14” cast iron main failed	X		X	X	X		
Repaired or replaced 161 City-owned service laterals to date	X		X	X			
Completed an ASR Demonstration Study on Beltz Wells 8 and 12 to determine feasibility in achieving the City’s water supply reliability goal	X		X				
Improved fire suppression capability at the Loch Lomond Recreation Area by installing two 10,000-gallon water storage tanks	X		X	X			



FY 2023 Accomplishments (continued)	Infrastructure	DT & Other Business Sectors	Fiscal Sustainability	Core Services	Equity, Health & Well- Being, Sustainability	New & Improved Funding Sources	Green Economy
Finalized replacement of the Ocean Street water main by replacing a fire hydrant that required the longest GHWTP shut down on record: 20 hours (a record previously set at 12 hours)	X						
Developed and proposed Securing Our Water Future to the City Council to guide towards achieving a reliable water supply			X	X	X		
Provided \$579,582 in federal/state program funding to 858 low-income water service customers and \$175,778 in program funding to 546 low-income wastewater customers				X	X	X	
Completed the loan application and approval process for a \$125 Million EPA WIFIA (Water Infrastructure Finance and Innovation Act) Loan, a low-interest, flexible-term funding source from USEPA	X		X	X		X	



FY 2024 Goals	Infrastructure	DT & Other Business Sectors	Fiscal Sustainability	Core Services	Equity, Health & Well-Being, Sustainability	New & Improved Funding Sources	Green Economy
Improve water system reliability by converting Beltz 8 and 12 wells into full-scale and permanent injection and retrieval sites	X			X			
Commence construction on two pipelines (Brackney Landslide Risk Reduction project and the Newell Creek Pipeline Felton to Graham Hill WTP project) to enhance resilience of water delivery	X						
Begin construction on an intertie between the City of Santa Cruz and Scotts Valley Water District to augment SCWD's water supply and to facilitate regional collaboration	X						
Secure WIFIA and DWSRF funding agreements			X			X	
Issue a Draft Environmental Impact Report for the project in the summer of 2023: an important GHWTP FIP milestone	X				X		
Initiate a process to adopt a new Enterprise Records Program to replace the Utility Billing System	X			X			
Complete federal and state endangered species act permitting processes	X			X	X		X
Enhance water system infrastructure at Laguna Street Water Main Replacement Project by replacing 350 linear feet of 4" asbestos cement water main with 6" PVC	X						
Upgrade Majors/Allegro Water Main by replacing 1100 linear feet of 4" cast iron with 6" PVC	X						
Optimize the new TESLA Power Pack at the Coast Pump Station to reduce electrical costs			X				

## Workload Indicators and Performance Measures

Workload Indicators	Focus Area	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Goal
Drinking water consumed (billions of gallons)	Core Service	2.31	2.25	2.22	2.3	2.4
Number of phone calls, emails and lobby visits handled by SCMU Customer Service Unit	Core Service	63,653	64,000	49,664	50,000	50,000
Amount of dollars of new construction investments (in millions)	Infrastructure	\$29.7	\$46.0	\$52.7	\$63.4	\$53.4

Performance Measures	Focus Area	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Goal
Compliance with drinking water standards	Core Service	100%	100%	100%	100%	100%
Number of workers comp claims requiring employee absence greater than 30 days	Core Service	0	0	0	2	0
Maintain excellent bond ratings to ensure favorable borrowing rates thereby reducing cost to customers	Infrastructure	AA-/A+	AA-/A+	AA-/A-	AA-/A-	AA-/A-
Percentage of customer bills paid within 60 days <sup>1</sup>	Fiscal Sustainability	97%	91%	97%	97%	98%

1. The Governor's Executive Order prohibited water shutoff from 4/2/20 to 12/31/21. Accordingly, FY20 and FY21 are higher than normal delinquency rates.

# Budget Summary - Water

	Fiscal Year* 2022 Actuals	Fiscal Year 2023			Fiscal Year 2024 Proposed
		Adopted Budget	Amended* Budget	Year-End Estimate	
<b>EXPENDITURES BY CHARACTER:</b>					
Personnel Services	14,449,468	17,691,832	17,911,780	15,865,111	17,721,968
Services, Supplies, and Other Charges	13,601,279	16,156,529	17,223,256	13,462,541	18,381,435
Capital Outlay	375,401	323,000	570,523	352,230	510,732
Debt Service	4,298,354	5,131,706	10,231,706	10,698,357	6,017,146
Total Expenditures	<u>32,724,501</u>	<u>39,303,067</u>	<u>45,937,266</u>	<u>40,378,239</u>	<u>42,631,280</u>
<b>EXPENDITURES BY ACTIVITY:</b>					
Water Administration	7101 6,181,308	6,952,880	7,339,231	6,260,166	7,736,667
Water Engineering	7102 2,143,153	2,929,364	3,057,536	2,739,337	3,076,409
Water Customer Services	7103 2,119,794	2,221,948	2,233,863	2,172,045	2,430,031
Water Conservation	7104 749,419	1,238,471	1,138,750	617,752	1,190,523
Water Resources	7105 1,515,018	2,104,695	2,498,932	1,096,191	2,713,228
Water Production	7106 6,978,055	8,315,225	8,748,102	7,435,136	8,271,435
Water Quality	7107 1,844,413	2,052,893	2,052,893	1,933,993	2,373,577
Water Distribution	7108 4,220,434	5,292,432	5,565,953	4,578,822	5,491,619
Water Recreation	7109 1,281,323	1,399,897	1,399,897	1,308,682	1,467,612
Water Operations	7110 416,866	635,719	635,719	344,036	749,488
Water Meter Shop	7113 803,338	1,027,837	1,027,837	1,168,652	1,293,546
Water Debt Service	7140 4,298,354	5,131,706	10,231,706	10,581,075	5,837,146
Drought Response 2014	7199 173,026	-	6,848	142,351	-
Subtotal Other Funds	<u>32,724,501</u>	<u>39,303,067</u>	<u>45,937,266</u>	<u>40,378,239</u>	<u>42,631,280</u>
Total Expenditures	<u>32,724,501</u>	<u>39,303,067</u>	<u>45,937,266</u>	<u>40,378,239</u>	<u>42,631,280</u>
<b>RESOURCES BY FUND :</b>					
Water	711 38,306,648	38,526,543	38,534,676	40,246,160	46,670,984
Water Rate Stabilization Fund	713 2,816,551	3,058,312	3,058,312	3,082,527	3,082,527
Water System Development Fees Fund	715 1,210,153	472,000	472,000	1,002,512	1,042,612
Total Resources	<u>42,333,353</u>	<u>42,056,855</u>	<u>42,064,988</u>	<u>44,331,199</u>	<u>50,796,123</u>
	<b>FY 2022</b>			<b>FY 2023</b>	<b>FY 2024</b>
<b>TOTAL AUTHORIZED PERSONNEL:</b>	<u>118.25</u>			<u>121.25</u>	<u>121.25</u>

\*Sums may have discrepancies due to rounding

# Staffing

Positions	2020-21 Revised*	2021-22 Revised*	2022-23 Revised*	2023-24 Proposed	FY 2024 Change
Administrative Assistant I/II	2.00	2.00	2.00	2.00	-
Administrative Assistant III	2.00	2.00	2.00	2.00	-
Assistant Engineer I/II	4.00	4.00	4.00	4.00	-
Associate Planner I/II	3.00	3.00	3.00	3.00	-
Associate Professional Engineer	4.75	4.75	4.75	4.75	-
Chief Ranger	1.00	1.00	1.00	1.00	-
Community Relations Specialist	1.00	1.00	1.00	-	(1.00)**
Customer Service Manager	1.00	1.00	1.00	1.00	-
Deputy Water Director/Engineering Mgr	1.00	1.00	1.00	1.00	-
Deputy Water Director/Operations Mgr	1.00	1.00	1.00	1.00	-
Director of Water Department	1.00	1.00	1.00	1.00	-
Engineering Associate	1.00	1.00	1.00	1.00	-
Engineering Technician	2.00	2.00	3.00	3.00	-
Environmental Microbiologist I/II/III	2.00	2.00	2.00	2.00	-
Environmental Programs Analyst I/II	1.00	1.00	1.00	3.00	2.00
Laboratory Technician	2.00	2.00	2.00	2.00	-
Management Analyst	3.00	3.00	3.00	3.00	-
Principal Management Analyst	1.00	2.00	2.00	2.00	-
Principal Planner	1.00	1.00	1.00	1.00	-
Ranger I/II	3.00	3.00	3.00	3.00	-
Ranger Assistant	3.50	3.50	3.50	3.50	-
Senior Electrician	1.00	1.00	1.00	1.00	-
Senior Professional Engineer	1.00	1.00	1.00	1.00	-
Senior Ranger	2.00	2.00	2.00	2.00	-
Senior Water Distribution Operator	6.00	6.00	6.00	6.00	-
Superintendent of Water Treatment & Production	1.00	1.00	1.00	1.00	-
Superintendent of Water Distribution	1.00	1.00	1.00	1.00	-
Utility Account Specialist	4.00	4.00	4.00	4.00	-
Utility Maintenance Technician	4.00	4.00	4.00	4.00	-
Utility Service Field Technician I/II	2.00	2.00	2.00	2.00	-
Utility Service Representative I/II	6.00	6.00	6.00	6.00	-
Utility Supervisor	1.00	1.00	1.00	1.00	-
Water Chief Financial Officer	1.00	1.00	1.00	1.00	-
Water Conservation Representative	2.00	2.00	2.00	-	(2.00)
Water Distribution Crew Leader III/IV	6.00	6.00	6.00	6.00	-
Water Distribution Operator II/ III	9.00	9.00	9.00	9.00	-
Water Distribution Sup V Chief Distribution Operator	1.00	1.00	1.00	1.00	-
Water Facilities Electrical/Instr Tech II/III	1.00	1.00	1.00	1.00	-
Water Facilities Field Supervisor	1.00	1.00	2.00	2.00	-

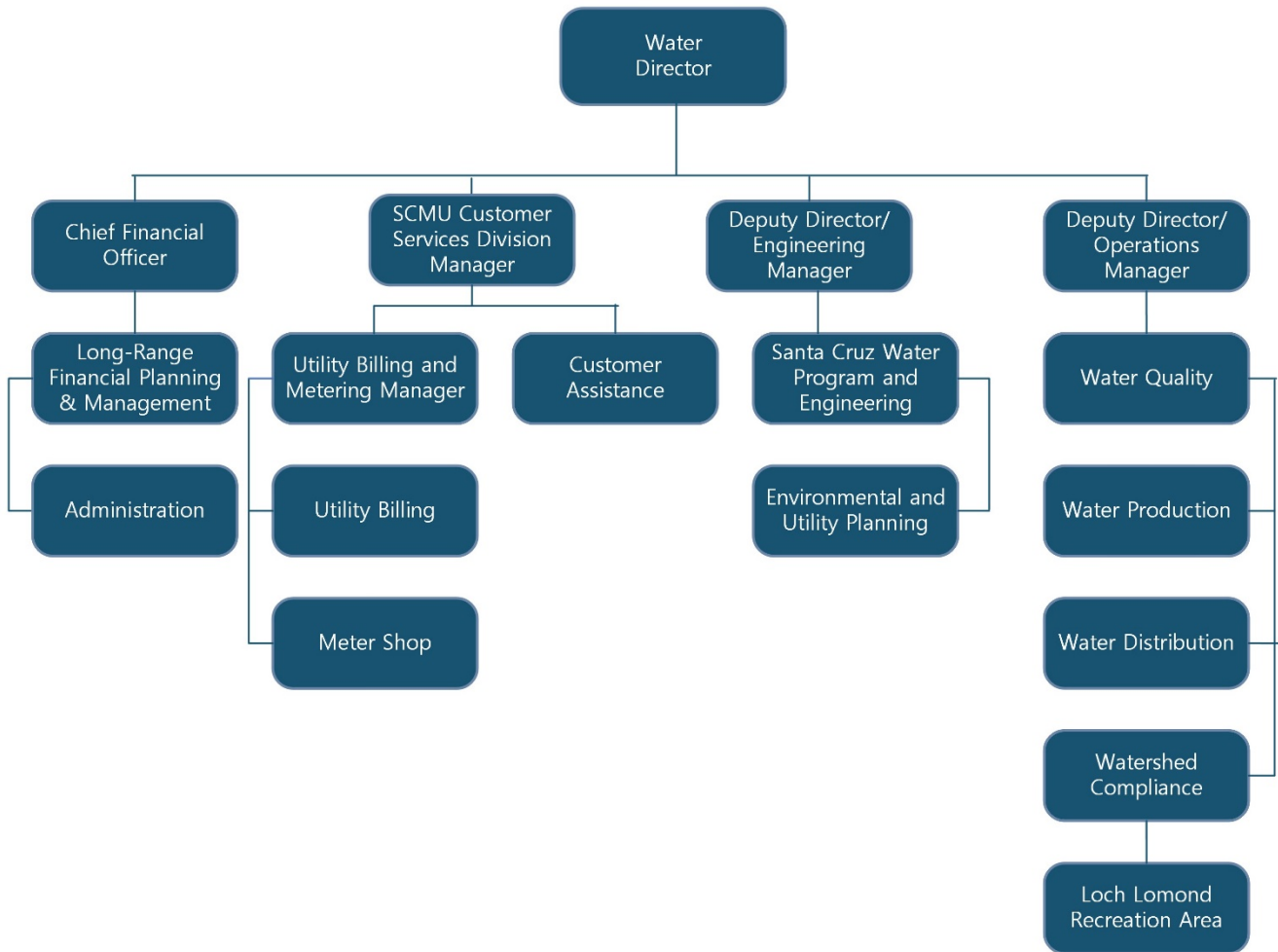
	2020-21 Revised*	2021-22 Revised*	2022-23 Revised*	2023-24 Proposed	FY 2024 Change
Water Facilities Mechanical Tech II/III	2.00	2.00	2.00	2.00	-
Water Facilities Mechanical Supervisor	1.00	1.00	1.00	1.00	-
Water Meter Specialist I/II	3.00	3.00	3.00	3.00	-
Water Meter Specialist Lead	-	-	-	1.00	1.00
Water Meter Supervisor	1.00	1.00	1.00	1.00	-
Water Meter Technician	1.00	1.00	1.00	1.00	-
Water Quality Chemist I/II/III	2.00	2.00	2.00	2.00	-
Water Quality Manager	1.00	1.00	1.00	1.00	-
Water Resources Analyst	3.00	3.00	3.00	3.00	-
Water Resources Supervisor	1.00	1.00	1.00	1.00	-
Water SCADA Analyst	-	-	1.00	1.00	-
Water Treatment Operator II/III/IV	8.00	8.00	8.00	8.00	-
Water Treatment OIT II/III/IV	1.00	1.00	1.00	1.00	-
Water Treatment Sup IV/V-Chief Plant Operator	1.00	1.00	1.00	1.00	-
Watershed Compliance Manager	1.00	1.00	1.00	1.00	-
	<u>117.25</u>	<u>118.25</u>	<u>121.25</u>	<u>121.25</u>	<u>-</u>

\*Revised salary authorizations are Adopted staffing plus any Mid-year adjustments

\*\* 1.00 FTE Community Relations Specialist will begin reporting to City Manager's Office



# Organization Chart

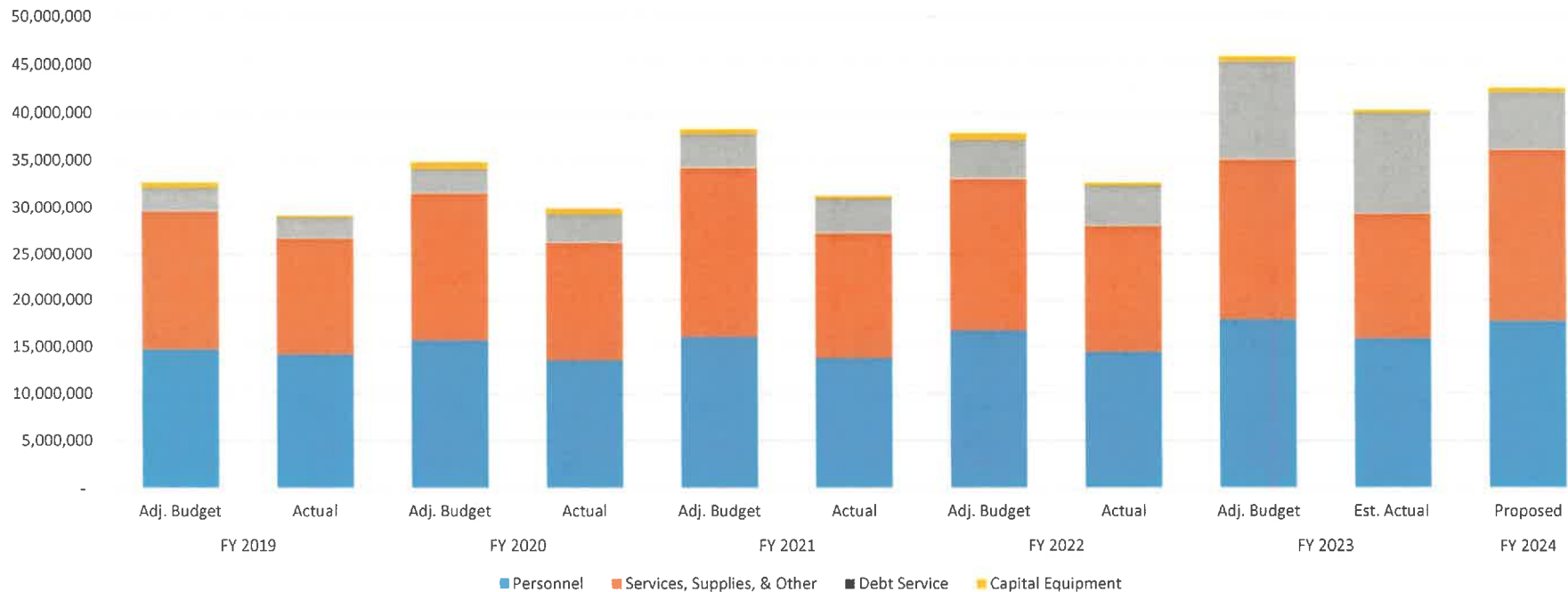


# Water Department FY 2024 Budget Analytics

**Table 1**  
**Proposed FY 2024 Operating Budget: Fund 711, 713 & 715**  
**BY CATEGORY OF EXPENSE**

	FY 2019		FY 2020		FY 2021		FY 2022		FY 2023		FY 2024
	Adj. Budget	Actual	Adj. Budget	Actual	Adj. Budget	Actual	Adj. Budget	Actual	Adj. Budget	Est. Actual	Proposed
Personnel	14,724,425	14,174,510	15,686,336	13,520,355	16,020,609	13,774,554	16,714,151	14,449,468	17,911,780	15,865,111	17,721,968
Services, Supplies, & Other	14,903,530	12,553,247	15,936,598	12,742,073	18,258,645	13,504,675	16,402,854	13,601,279	17,223,256	13,462,541	18,427,029
Debt Service	2,535,842	2,247,613	2,492,786	3,060,716	3,536,295	3,686,655	4,098,626	4,298,354	10,231,706	10,698,357	6,017,146
Capital Equipment	604,034	212,510	775,246	601,675	573,335	383,593	762,898	375,401	570,523	352,230	510,732
<b>TOTAL Adjusted Budget</b>	<b>32,767,831</b>	<b>29,187,880</b>	<b>34,890,966</b>	<b>29,924,819</b>	<b>38,388,884</b>	<b>31,349,476</b>	<b>37,978,530</b>	<b>32,724,502</b>	<b>45,937,265</b>	<b>40,378,239</b>	<b>42,631,280</b>

**Figure 1**  
**Historical Budget Comparison with FY 2024 Proposed Budget**  
**(BY CATEGORY OF EXPENSE)**



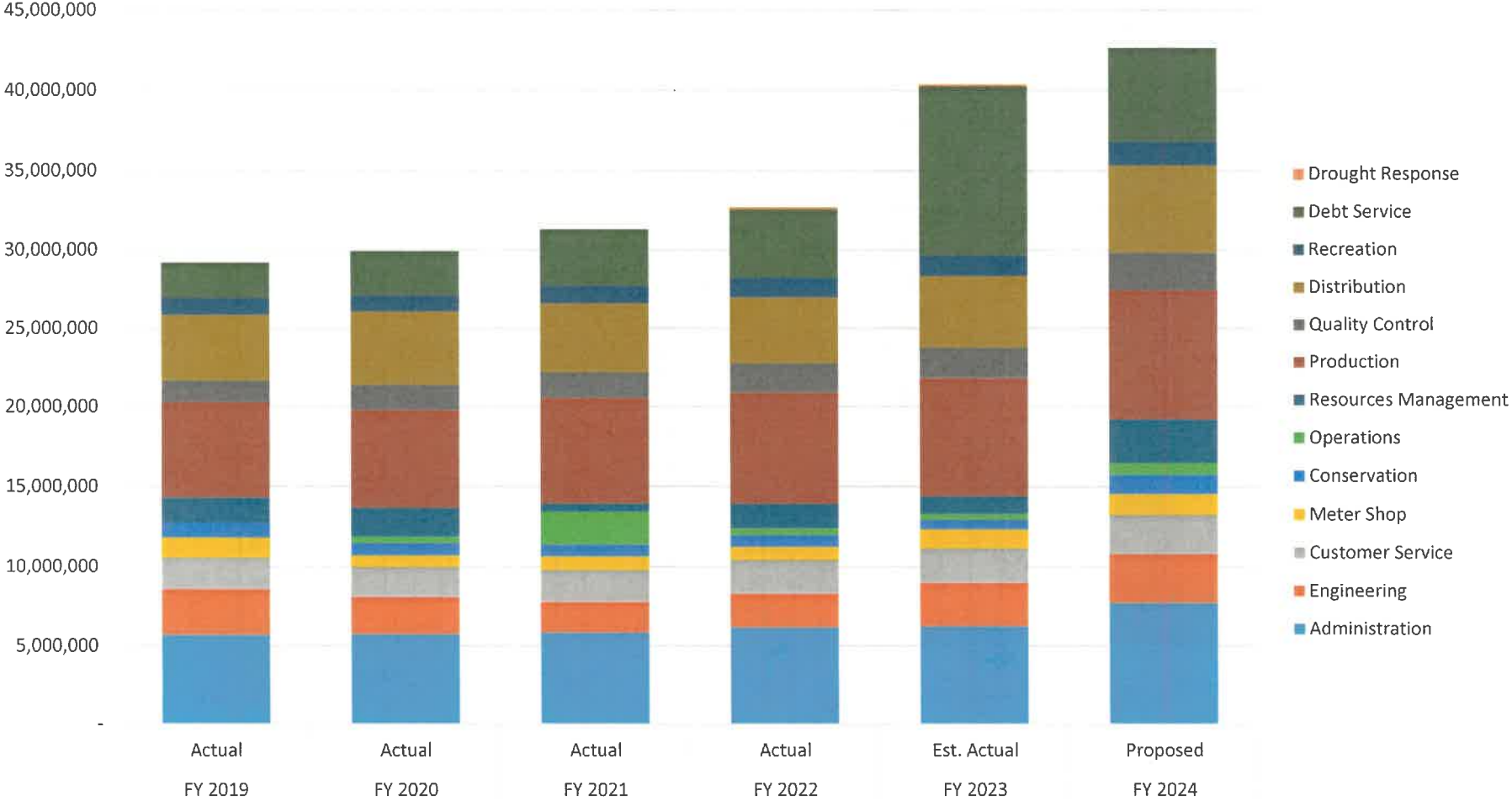


**Table 2**  
**Proposed FY 2024 Operating Budget: Fund 711, 713 & 715**  
**BY SECTION**

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2023 to FY 2024
	Actual	Actual	Actual	Actual	Est. Actual	Proposed	% Change
Administration	5,697,441	5,738,169	5,838,628	6,181,308	6,260,166	7,736,667	23.6%
Engineering	2,886,711	2,366,620	1,969,117	2,143,153	2,739,337	3,076,409	12.3%
Customer Service	1,974,229	1,875,267	1,985,247	2,119,794	2,172,045	2,430,031	11.9%
Meter Shop	1,248,169	719,815	861,595	803,338	1,168,652	1,293,546	10.7%
Conservation	913,474	788,015	726,902	749,419	617,752	1,190,523	92.7%
Operations	-	393,104	2,039,642	416,866	344,036	749,488	117.9%
Resources Management	1,581,505	1,780,480	500,959	1,515,018	1,096,191	2,713,228	147.5%
Production	6,002,756	6,122,369	6,641,345	6,978,056	7,435,136	8,271,435	11.2%
Quality Control	1,321,358	1,590,499	1,601,453	1,844,413	1,933,993	2,373,577	22.7%
Distribution	4,212,029	4,680,536	4,428,150	4,220,434	4,578,822	5,491,619	19.9%
Recreation	1,102,595	1,031,970	1,117,544	1,281,323	1,308,682	1,467,612	12.1%
Debt Service	2,247,613	2,837,975	3,604,550	4,298,354	10,581,075	5,837,146	-44.8%
Drought Response	-	-	30,890	173,027	142,351	-	
<b>TOTAL</b>	<b>29,187,880</b>	<b>29,924,819</b>	<b>31,346,021</b>	<b>32,724,501</b>	<b>40,378,239</b>	<b>42,631,280</b>	<b>5.6%</b>

<b>FY 2024 Debt Service</b>	<b>All Funds</b>
2014 Refinancing	\$706,538
2016 IBank	\$1,370,588
2019 Green Bonds	\$1,380,000
2020-2021 State Revolving	\$1,610,000
2021 Line of Credit	\$770,020
2023 WIFIA Loan	\$180,000
<b>Total FY23 Debt Service</b>	<b>\$6,017,146</b>

**Figure 2**  
**Historical Budget Comparison with**  
**FY 2024 Proposed Budget**  
**(BY DEPARTMENT SECTION)**



**Table 3  
Budget Trends by Percent**

<b>% of Change Comparing Actuals Expenditures</b>						
	<b>FY 2019 to FY 2020</b>	<b>FY 2020 to FY 2021</b>	<b>FY 2021 to FY 2022</b>	<b>FY 2022 to FY 2023</b>	<b>Average</b>	<b>FY 2019 to 2023</b>
Personnel	(4.6%)	1.9%	4.9%	9.8%	3.0%	11.9%
Services, Supplies, & Other	1.5%	6.0%	0.7%	(1.0%)	1.8%	7.2%
Debt Service	36.2%	20.5%	16.6%	148.9%	55.5%	376.0%
Capital Equipment	183.1%	(36.2%)	(2.1%)	(6.2%)	34.6%	65.7%
<b>TOTAL (w/o transfers)</b>	<b>2.5%</b>	<b>4.8%</b>	<b>4.4%</b>	<b>23.4%</b>	<b>8.8%</b>	<b>38.3%</b>

<b>% of Change Comparing Budgeted Amounts</b>							
	<b>FY 2019 to FY 2020</b>	<b>FY 2020 to FY 2021</b>	<b>FY 2021 to FY 2022</b>	<b>FY 2022 to FY 2023</b>	<b>FY 2023 to FY 2024</b>	<b>Average</b>	<b>FY 2019 to 2024</b>
Personnel	6.5%	2.1%	4.3%	7.2%	(1.1%)	3.8%	20.4%
Services, Supplies, & Other	6.9%	14.6%	(10.2%)	5.0%	7.0%	4.7%	23.6%
Debt Service	(1.7%)	41.9%	15.9%	149.6%	(41.2%)	32.9%	137.3%
Capital Equipment	28.3%	(26.0%)	33.1%	(25.2%)	(10.5%)	(0.1%)	(15.4%)
<b>TOTAL (w/o transfers)</b>	<b>6.5%</b>	<b>10.0%</b>	<b>(1.1%)</b>	<b>21.0%</b>	<b>(7.2%)</b>	<b>5.8%</b>	<b>30.1%</b>

<b>Budget vs Actuals</b>					
	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Personnel	(3.7%)	(13.8%)	(14.0%)	(13.5%)	(11.4%)
Services, Supplies, & Other	(15.8%)	(20.0%)	(26.0%)	(17.1%)	(21.8%)
Debt Service	(11.4%)	22.8%	4.3%	4.9%	4.6%
Capital Equipment	(64.8%)	(22.4%)	(33.1%)	(50.8%)	(38.3%)
<b>TOTAL (w/o transfers)</b>	<b>(10.9%)</b>	<b>(14.2%)</b>	<b>(18.3%)</b>	<b>(13.8%)</b>	<b>(12.1%)</b>

<b>Percent of Total Budget</b>						
	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Administration	19.5%	19.2%	18.6%	18.9%	15.5%	18.1%
Engineering	9.9%	7.9%	6.3%	6.5%	6.8%	7.2%
Customer Service	6.8%	6.3%	6.3%	6.5%	5.4%	5.7%
Meter Shop	4.3%	2.4%	2.7%	2.5%	2.9%	3.0%
Conservation	3.1%	2.6%	2.3%	2.3%	1.5%	2.8%
Operations	-	1.3%	6.5%	1.3%	0.9%	1.8%
Resources Management	5.4%	5.9%	1.6%	4.6%	2.7%	6.4%
Production	20.6%	20.5%	21.2%	21.3%	18.4%	19.4%
Quality Control	4.5%	5.3%	5.1%	5.6%	4.8%	5.6%
Distribution	14.4%	15.6%	14.1%	12.9%	11.3%	12.9%
Recreation	3.8%	3.4%	3.6%	3.9%	3.2%	3.4%
Debt Service	7.7%	9.5%	11.5%	13.1%	26.2%	13.7%
Drought Response	0.0%	0.0%	0.1%	0.5%	0.4%	0.0%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## Water Department FY 2024-FY 2028 CIP Summary

### FY 2024-28 CIP Summary by Category

	FY 2024 Request	FY 2025 Estimate	FY 2026 Estimate	FY 2027 Estimate	FY 2028 Estimate	FY 2024 - FY 2028 Budget
<b>Water Supply Resiliency &amp; Climate Adaptation Projects</b>						
<b>Water Supply Augmentation Strategy</b>	7,817,006	30,158,462	18,871,347	12,853,223	13,303,162	83,003,200
ASR Planning, ASR Mid County Existing Infrastructure, ASR Mid County New Wells, Santa Margarita Groundwater, Water Supply Augmentation, Recycled Water Feasibility Study, and Intertie 1: SVWD & SCWD						
<b>Infrastructure Resiliency &amp; Climate Adaptation Projects</b>						
<b>Raw Water Storage Projects</b>	-	560,737	571,471	465,971	349,433	1,947,612
Newell Creek Dam Inlet/Outlet Replacement Project and Aerators at Loch Lomond						
<b>Raw Water Diversion and Groundwater System Projects</b>	-	59,106	583,516	1,523,694	3,581,672	5,747,988
Tait Diversion Retrofit and Felton Diversion Pump Station Improvements						
<b>Raw Water Transmission</b>	2,115,516	26,032,567	15,774,712	3,668,262	7,665,017	55,256,073
Newell Creek Pipeline Rehab/Replacement (Felton/GHWTP & Felton/Loch Lomond), Brackney Landslide Area Pipeline Risk Reduction, and North Coast Pipeline Repair/Replacement (Phase 4)						
<b>Water Treatment</b>	16,193,998	35,841,816	51,486,522	40,725,195	38,416,069	182,663,601
GHWTP Concrete Tanks Replacement, GHWTP Facilities Improvement Project, Facility & Infrastructure Improvements, and River Bank Filtration Study, Beltz 12 Ammonia Removal, and Beltz Water Treatment Plant Upgrades						
<b>Distribution System Storage, Water Main, &amp; Metering Projects</b>	858,572	6,109,384	1,019,676	973,320	1,007,392	9,968,345
University Tank No. 4 Rehab/Replacement, Engineering and Distribution Main Replacement Projects, Distribution System Water Quality Improvements, and Facility & Infrastructure Improvements						
<b>Other Risk Management &amp; Risk Reduction Projects</b>						
<b>Site Safety &amp; Security</b>	12,036	200,790	-	-	-	212,826
Graham Hill WTP Entrance Improvements, Security Camera & Building Access Upgrades, GHWTP SCADA Radio System Replacement, GHWTP SCADA I/O Comm Replacement, CMMS Software Replacement (Water share)						
<b>Staff Augmentation -Water Program Administration</b>	1,695,840	2,614,352	2,607,524	2,601,461	2,583,750	12,102,926
<b>Emergency Facility Improvements and System Repair</b>	591,502	-	-	-	-	591,502
Union/Locust Admin Building Back Up Power Generator and Branciforte Streambank Restoration						
<b>Contingency - Water Program Management Reserve</b>	2,626,394	8,001,620	8,607,346	1,776,219	330,044	21,341,623
<b>TOTAL</b>	<b>31,910,865</b>	<b>109,578,835</b>	<b>99,522,114</b>	<b>64,587,345</b>	<b>67,236,538</b>	<b>372,835,696</b>

## Water Department FY 2024 Financial Pro Forma

City of Santa Cruz Water Department Pro-Forma Projections						
Year	2023	2024	2025	2026	2027	2028
<b>Revenues</b>						
Fixed Fee Revenue	\$ 3,849,280	\$ 4,474,198	\$ 5,201,497	\$ 5,562,041	\$ 5,947,543	\$ 6,179,256
Volumetric Revenue	\$ 40,092,547	\$ 46,116,668	\$ 53,549,702	\$ 56,572,432	\$ 60,288,764	\$ 62,637,577
Elevation Surcharges	\$ 352,788	\$ 352,788	\$ 352,788	\$ 352,788	\$ 352,788	\$ 352,788
Rate Stabilization Revenue	\$ 3,163,368	\$ 3,163,368	\$ 3,163,368	\$ 3,163,368	\$ 3,163,368	\$ 3,163,368
Manual Adjustment to approved water revenue	\$ (5,188,829)	\$ (5,372,944)	\$ (6,261,317)	\$ (5,780,174)	\$ (5,275,368)	\$ -
Total Rate Revenue	\$ 42,269,155	\$ 48,734,079	\$ 56,726,468	\$ 60,640,594	\$ 64,824,795	\$ 72,332,989
<b>Non-Rate Revenue</b>						
Other Income	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000
Investment Income	\$ 562,044	\$ 562,044	\$ 562,044	\$ 562,044	\$ 562,044	\$ 562,044
Total Non-Rate Revenue	\$ 2,062,044	\$ 2,062,044	\$ 2,062,044	\$ 2,062,044	\$ 2,062,044	\$ 2,062,044
<b>Total Revenues</b>	<b>\$ 44,331,199</b>	<b>\$ 50,796,123</b>	<b>\$ 58,788,512</b>	<b>\$ 62,702,638</b>	<b>\$ 66,886,839</b>	<b>\$ 74,395,033</b>
<b>Operating Expenses</b>						
Personnel	\$ 16,582,877	\$ 17,721,968	\$ 18,734,656	\$ 19,922,352	\$ 21,192,020	\$ 22,549,790
Services, Supplies & Other	\$ 14,407,688	\$ 18,381,435	\$ 15,884,476	\$ 16,678,700	\$ 17,512,635	\$ 18,388,267
Capital Outlay	\$ 394,171	\$ 352,230	\$ 434,574	\$ 456,302	\$ 479,117	\$ 503,073
Other Operating Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Operating Expenses</b>	<b>\$ 31,384,737</b>	<b>\$ 33,165,204</b>	<b>\$ 35,053,706</b>	<b>\$ 37,057,355</b>	<b>\$ 39,183,772</b>	<b>\$ 41,441,131</b>
<b>Net Operating Revenues</b>	<b>\$ 12,946,462</b>	<b>\$ 17,630,919</b>	<b>\$ 23,734,806</b>	<b>\$ 25,645,284</b>	<b>\$ 27,703,067</b>	<b>\$ 32,953,902</b>
<b>Capital Expenditures</b>						
Grant Funded	\$ 490,020	\$ 5,043,995	\$ 7,964,084	\$ 1,030,000	\$ -	\$ -
SRF Funded	\$ 36,150,813	\$ 12,580,383	\$ 6,295,419	\$ 652,975	\$ 465,971	\$ 349,433
WIFIA Funded	\$ 4,000,000	\$ 16,491,999	\$ 58,517,320	\$ 54,898,833	\$ 40,739,034	\$ 2,565,960
Currently Funded	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pay-Go Funded	\$ 15,317,758	\$ 9,307,518	\$ 11,301,753	\$ 13,153,009	\$ 12,797,812	\$ 12,952,329
Debt Funded (Bonds or Line of Credit)	\$ 7,479,350	\$ 10,024,125	\$ 25,500,257	\$ 29,787,299	\$ 10,584,528	\$ 51,372,816
<b>Debt Service</b>	<b>\$ 5,201,605</b>	<b>\$ 7,463,169</b>	<b>\$ 11,505,137</b>	<b>\$ 11,507,574</b>	<b>\$ 13,865,623</b>	<b>\$ 18,892,181</b>
<b>Net Income</b>	<b>\$ (7,572,901)</b>	<b>\$ 860,231</b>	<b>\$ 927,916</b>	<b>\$ 984,701</b>	<b>\$ 1,039,632</b>	<b>\$ 1,109,393</b>
<b>Total Cash Balances</b>						
<b>Ending Cash Balances by Fund</b>						
Fund 717 (Emergency Reserve)	\$ 3,014,540	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000
Fund 713 (Rate Stabilization)	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Fund 716 (90 Day Operating Reserve)	\$ 7,738,702	\$ 8,177,722	\$ 8,643,380	\$ 9,137,430	\$ 9,661,752	\$ 10,218,361
Fund 711 (Water Operations)	\$ 7,738,702	\$ 8,174,454	\$ 8,636,712	\$ 9,127,362	\$ 9,642,672	\$ 10,195,455
<b>Coverage and Targets</b>						
Debt Service Coverage (W/Out Reserves)	2.49x	2.36x	2.06x	2.23x	2.00x	1.74x
Debt Service Coverage Target	1.50x	1.50x	1.50x	1.50x	1.50x	1.50x
Days' Cash (Includes only Funds 711 & 716)	180	180	180	180	180	180
Days' Cash Target	180	180	180	180	180	180



WATER COMMISSION  
INFORMATION REPORT

**DATE:** 6/1/2023

**AGENDA OF:** 6/05/2023

**TO:** Water Commission

**FROM:** David Baum, Chief Financial Officer  
Malissa Kaping, Principal Management Analyst

**SUBJECT:** Fiscal Year 2023 3rd Quarter Unaudited Financial Report

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**RECOMMENDATION:** That the Water Commission accept the Fiscal Year 2023 (FY 2023) 3rd Quarter Unaudited Financial Report.

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**BACKGROUND:** On June 6, 2016, the Water Commission approved the Water Department's Long-Range Financial Plan (LRFP) which created a framework to ensure financial stability and maintain the credit rating needed to debt finance major capital investments planned for the utility. An updated LRFP was approved by the Water Commission on August 23, 2021. The LRFP includes financial targets for debt service coverage ratio (1.5x), a combined 180-days cash on hand, \$3.1 million in an Emergency Reserve, and a \$10 million Rate Stabilization Reserve.

The data in the Quarterly Financial Report provides a snapshot in time and represents the time period of July 1, 2022, through March 31, 2023. The City operates on a fiscal year basis, which closes on June 30<sup>th</sup>.

In 2019, an Ad Hoc Subcommittee of the Water Commission and Water Department staff worked together to update the quarterly financial report. The purpose of the update was to provide a clearer picture of financial trends and results to the Water Commission. By conveying better information, we are able to show successes, identify problem areas, and provide information to demonstrate that appropriate responses are being implemented. With each successive financial report, Department staff have updated the report to reflect Commissioners' comments and further refine the information presented.

**DISCUSSION:** The attached financial report presents the Department's unaudited fiscal outlook through the third quarter of FY 2023 and reflects the transactions posted during the time period of July 1, 2022, through March 31, 2023. Page 1 of the attached Financial Report is focused on the Operating budget and Page 2 summarizes the Capital budget. Noteworthy items are discussed on the following pages.

## Operating Revenues

Water sales are 3% below budgeted amounts. The FY 2023 budget forecasts a 6.9% increase in water sales. We expect higher water use through the end of June enabling the Department to meet or exceed budgeted revenues for FY 2023.

For the nine-month period ending March 31, 2023, consumption is trending five percent higher compared to the same period last year.

In FY 2023, the Department received \$492,466 from a Federal Emergency Management Agency (FEMA) Hazard Mitigation Grant and from the California Office of Emergency Services for the Brackney Landslide Pipeline Risk Reduction project to mitigate potential damage from increasing severe storms.

In the period of fiscal year 2021 to May 31, 2023, Water Department staff submitted forty-five Drinking Water State Revolving Fund (SRF) disbursement claims to the State Water Resources Control Board (SWRCB) for the Newell Creek Inlet/Outlet Pipeline Replacement and Concrete Tanks Replacement projects totaling \$102.3 million. Through May 31, 2023, \$95.4 million was received and \$7.0 million is owed to SCWD.

A \$50 million line of credit was obtained on June 15, 2021, and will supplement cash flow while SCWD awaits reimbursement from SRF. \$21 million was drawn from the line of credit. \$5 million was repaid on December 1, 2022. \$16 million remains outstanding.

On May 4, 2023, SCWD received a \$127.7 million loan from the United States Environmental Protection Agency (EPA) through its Water Infrastructure Finance and Innovation Act (WIFIA) Loan program. The Loan provides 49% of the funding needed for the Graham Hill Water Treatment Plant improvements, Newell Creek Pipeline Replacement (GHWTP – Felton), University Tank 4 Replacement, and Aquifer Storage and Recovery projects. This loan program has produced loans for other water agencies with more favorable terms than are available in traditional capital markets. The loan to SCWD carries an interest rate of 3.77% and matures in 40 years. Compared to a tax-exempt bond issue, we estimate interest savings of more than \$18 million over the life of the loan.

The expected reimbursements, line of credit and grants described above will help improve cash flow and cash reserves contemplated by the LRFP.

## Operating Expenses

Operating expenses are trending 19% below the Adopted Budget. Personnel costs are down 16% due primarily to the 10-14 vacant positions during the first nine months of the fiscal year. The vacancy rate is approximately 12% of budgeted positions; the budget assumes no vacancies.

Significant operating expenses trending lower than the budget are as follows:

- Legal, training, printing/binding and postage are under budget by \$151,000. The ongoing reduction of outside services is attributed to the drought-related reduction in revenues, which reduces funds available for third-party services.
- Electricity cost for the period was \$909,000, which is under budget by \$309,000 compared to the Adopted Budget. Electricity is trending lower by 14%, when compared to the same period last year. As improvements are designed for the water system, we will comply with the City's Climate Action Plan.

These highlighted operating expenses are paid from the Services, Supplies and Other line items.

### Capital Investment Program (CIP) Highlights

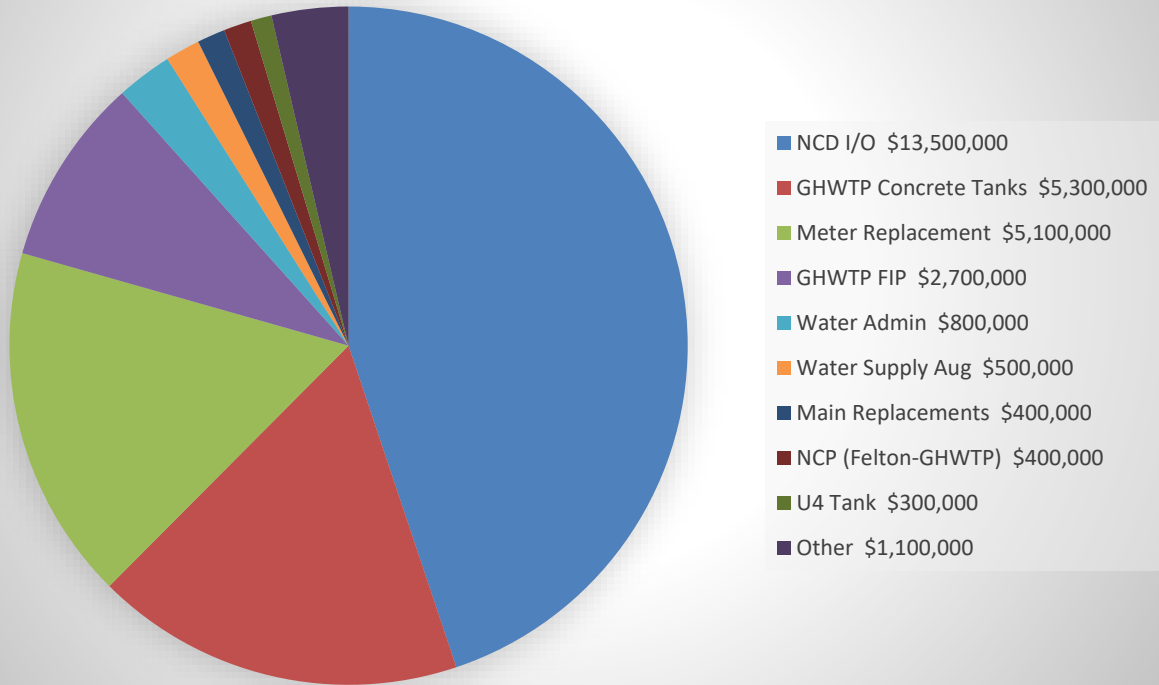
Thirty-three CIP projects were active during the first nine months of FY 2023 and \$30.09 million was spent. This amount is nearly 50% of the current estimate of \$60.38 million for total expenses for FY 2023 which is similar to the rate of spend versus estimates at this point in prior years. The \$60.38 million in estimated spend includes project contingencies and Management Reserve which will likely not be fully spent. It is also worth noting that Consultants and Contractors bill in arrears and the bulk of FY 2023 expenses will be paid in July and August and accrued back to June. Spending and estimates remain well below the FY 2023 Amended Budget of \$96.6 million. The remaining unspent appropriations will be applied to the FY 2024 CIP Budget.

### ***Top CIP Spending***

Over 88% of FY 2023 spending through March 31<sup>st</sup> was for four projects: Newell Creek Inlet/Outlet Pipeline Replacement (NCD I/O), the Graham Hill Water Treatment Plant (GHWTP) Concrete Tanks project, the Meter Replacement project, and the GHWTP Facilities Improvement Project.



## CIP Spending FY 2023 Thru 3/31/23 Top Ten (Total: \$30.1M)



There are twenty-four projects included in Other above. Of that group, the following projects exceeded \$100,000 in spend: Aquifer Storage and Recovery planning and Mid-County Existing Infrastructure projects, the Brackney Landslide Area Pipeline project, CMMS Software Replacement, Tait Diversion Retrofit project, and Intertie 1 (Scotts Valley Water Department–SCWD) project.

### ***Management Reserve Use***

\$2.74 million was moved from Management Reserve to fund two main replacement projects on Soquel Avenue and Soquel Drive, and to fund the relocation of a utility pole at the GHWTP entrance.

**FISCAL IMPACT:** None.

**PROPOSED MOTION:** Motion to accept the FY 2023 Third Quarter Financial Report.

### **ATTACHMENTS:**

1. Santa Cruz Water Department Financial Report

# SANTA CRUZ WATER DEPARTMENT FINANCIAL REPORT

Fiscal Year 2022-23 through March 31, 2023

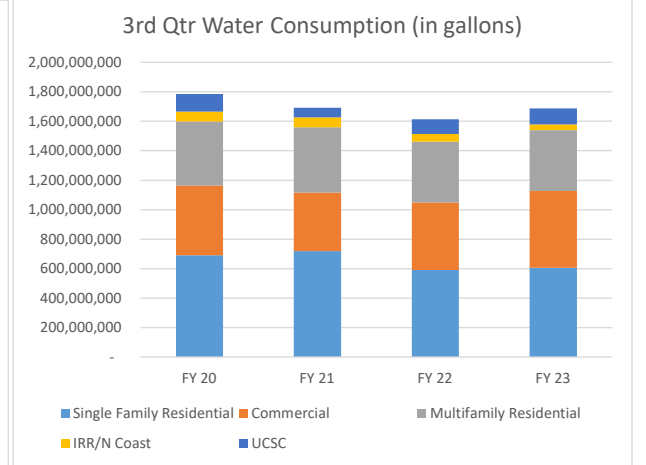
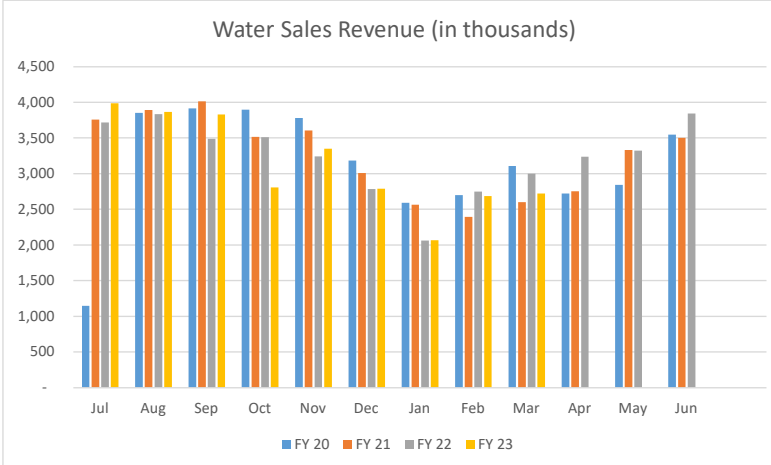
(Unaudited)



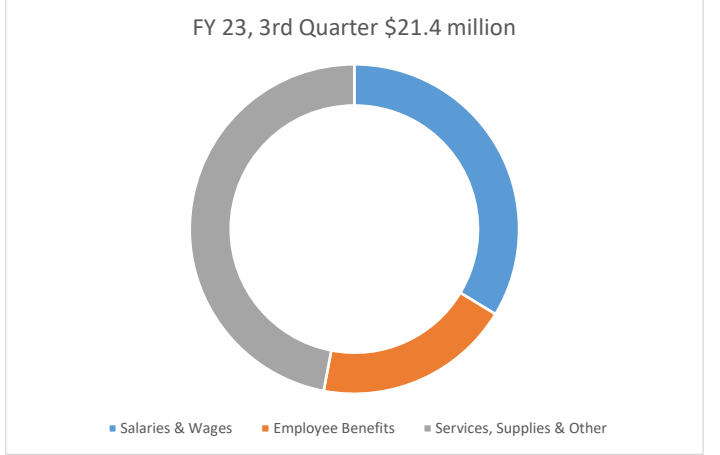
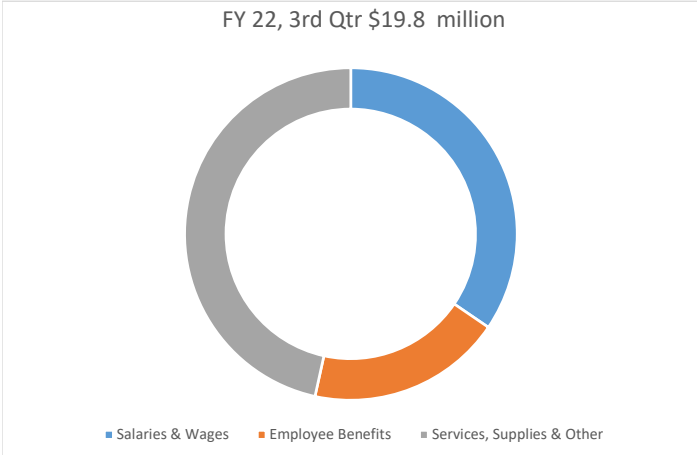
## Financial Summary

	FY 2023 Adjusted Budget	YTD Budget	Actual	Actual vs. YTD Budget	
				Variance \$ +/-	Variance % +/-
<b>Operating Revenues</b>					
Water Sales	39,793,705	29,845,279	28,837,092	(1,008,187)	(3%)
Other Charges for Services	1,219,800	914,850	1,074,439	159,589	17%
Other Revenues	575,883	431,912	310,625	(121,287)	(28%)
Grants	60,664	45,498	492,466	446,969	-
Investment Earnings	6,600	4,950	52,995	48,045	-
<b>Total Operating Revenues</b>	<b>41,656,652</b>	<b>31,242,489</b>	<b>30,767,618</b>	<b>(474,871)</b>	<b>(2%)</b>
<b>Operating Expenses</b>					
Salaries & Wages	11,440,159	8,580,119	7,183,778	(1,396,342)	(16%)
Employee Benefits	6,471,622	4,853,717	4,136,558	(717,159)	(15%)
Services, Supplies & Other	17,223,256	12,917,442	9,652,978	(3,264,464)	(25%)
Capital Outlay	570,523	427,893	382,307	(45,585)	(11%)
Debt Service - Principal & Interest	10,231,706	7,673,780	6,396,522	(1,277,258)	(17%)
<b>Total Operating Expenses</b>	<b>45,937,266</b>	<b>34,452,950</b>	<b>27,752,142</b>	<b>(6,700,808)</b>	<b>(19%)</b>
<b>Net Operating Revenue (Loss)</b>	<b>(4,280,615)</b>	<b>(3,210,461)</b>	<b>3,015,475</b>	<b>-</b>	<b>-</b>
<b>Debt Service Coverage (Target &gt;= 1.50x)</b>	<b>1.14x</b>	<b>1.67x</b>	<b>6.74x</b>		

## Revenues



## Expenses



## Cash

Fund Balances	YTD Balance	Year End Target Balance
711 - Enterprise Operations	6,081,568	8,804,111
713 - Rate Stabilization	12,343,375	10,000,000
715 - System Development Charges	6,476,285	N/A
716 - 90 Day Operating Reserve	8,245,924	8,804,111
717 - Emergency Reserve	3,024,142	3,000,000
718 - Mount Hermon June Beetle Endowment	145,824	144,000
719 - Equipment Replacement	590,086	700,000
<b>Days' Cash (Includes only Funds 711 &amp; 716)</b>	<b>146</b>	<b>180</b>
<b>Days' Cash Target</b>	<b>180</b>	<b>180</b>

CIP Summary: Fiscal Year 2023 3rd Quarter	Prior Year Actuals	Project Cost Estimate <sup>(1)</sup> <i>(escalated dollars)</i>	FY23 Actuals thru 3/31/23	FY23-32 Estimate To Complete	Project Schedule
<b>Project Titles</b>					
<b>WATER SUPPLY RESILIENCY &amp; CLIMATE ADAPTATION PROJECTS</b>					
<i>Water Supply Augmentation Strategy</i>					
<b>Beltz Wellfield Aquifer Storage and Recovery</b>					
ASR Planning	3,250,079	5,151,696	112,657	1,788,960	2019-2023
ASR Mid County Existing Infrastructure	383,887	8,971,750	168,144	8,419,720	2020-2027
ASR Mid County New Wells	-	26,696,860	-	26,696,860	2021-2027
<b>Santa Margarita Aquifer Storage and Recovery and In Lieu Water Transfers and Exchanges</b>					
ASR Santa Margarita Groundwater	-	456,381	-	456,381	2020-2027
ASR New Pipelines	-	-	-	-	2022-2027
In Lieu Transfers and Exchanges	-	-	-	-	
<b>Studies, Recycled Water, Climate Change, Aquifer Storage and Recovery</b>					
Water Supply Augmentation	1,613,222	89,876,215	481,859	87,781,134	2019-2033
Recycled Water Feasibility Study	847,884	1,792,224	46,615	897,725	2018-2023
<b>Subtotal Water Supply Augmentation Strategy</b>	<b>6,095,072</b>	<b>132,945,127</b>	<b>809,274</b>	<b>126,040,781</b>	
<b>Subtotal Water Supply Resiliency and Climate Adaptation Projects</b>	<b>6,095,072</b>	<b>132,945,127</b>	<b>809,274</b>	<b>126,040,781</b>	
<b>INFRASTRUCTURE RESILIENCY AND CLIMATE ADAPTATION</b>					
<i>Raw Water Storage Projects</i>					
NCD I/O Replacement Project	74,224,158	105,378,613	13,530,655	17,623,801	2018-2024
Aerators at Loch Lomond	460,791	741,911	33,983	247,137	
<b>Subtotal Raw Water Storage Projects</b>	<b>74,684,949</b>	<b>106,120,524</b>	<b>13,564,638</b>	<b>17,870,937</b>	
<i>Raw Water Diversion and Groundwater System Projects</i>					
Laguna Creek Diversion Retrofit	2,935,396	3,130,276	30,517	164,364	2018-2023
Tait Diversion Retrofit	385,639	7,642,148	108,311	7,148,198	2018-2030
Coast Pump Station Rehab/Replacement	-	9,777,912	-	9,777,912	2029-2033
Felton Diversion Pump Station Improvements	351,872	4,408,650	1,667	4,055,111	2020-2029
Beltz 12 Ammonia Removal	177,281	1,915,818	75,278	1,663,259	2021-2025
Beltz WTP Filter Rehabilitation	465,370	987,062	21,259	500,433	2022-2023
Beltz WTP Upgrades <sup>(4)</sup>	-	17,663,985	6,653	17,657,332	2022-2027
<b>Subtotal Raw Water Diversion and Groundwater System Projects</b>	<b>4,315,558</b>	<b>45,525,851</b>	<b>243,685</b>	<b>40,966,608</b>	
<i>Raw Water Transmission</i>					
Newell Creek Pipeline Rehab/Replacement - Planning	1,568,669	1,627,564	2,983	55,912	2018-2023
Newell Creek Pipeline Felton/GHWTP	2,555,890	33,194,375	372,771	30,265,714	2019-2027
Newell Creek Pipeline Felton/Loch Lomond	-	38,458,126	-	38,458,126	2027-2033
Newell Creek Pipeline Grant Management	10,371	30,000	7,498	12,131	
Brackney Landslide Area Pipeline Risk Reduction <sup>(2)</sup>	1,604,376	11,540,345	240,700	9,695,269	2020-2026
North Coast Pipeline Repair/Replacement - Planning (w/ Major Div)	907,956	943,724	67	35,701	2018-2021
North Coast Pipeline Repair/Replacement - Ph 4	-	90,802,291	-	90,802,291	2026-2032
<b>Subtotal Raw Water Transmission</b>	<b>6,647,262</b>	<b>176,596,425</b>	<b>624,018</b>	<b>169,325,145</b>	
<i>Surface Water Treatment</i>					
GHWTP Flocculator & Tube Settler Replacement	3,285,958	3,373,941	3,077	84,906	2018-2022
GHWTP Concrete Tanks Replacement	16,663,399	46,673,142	5,282,178	24,727,565	2018-2026
GHWTP Facilities Improvement Project	9,852,383	151,592,006	2,662,783	139,076,840	2018-2029
River Bank Filtration Study	998,601	7,028,637	375	6,029,661	2018-2028
GHWTP SCADA Radio System Replacement	-	240,000	-	240,000	On-going
GHWTP SCADA IO Hardware & Wiring Upgrade	-	230,000	-	230,000	2022-TBD
GHWTP Chlorination Station Improvements	-	250,000	-	250,000	2022-TBD
<b>Subtotal Surface Water Treatment</b>	<b>30,800,341</b>	<b>209,387,726</b>	<b>7,948,412</b>	<b>170,638,972</b>	
<i>Distribution System Storage, Water Main and Pressure Regulation, and Metering Projects</i>					
University Tank No. 4 Rehab/Replacement	371,278	6,246,806	263,904	5,611,625	2018-2026
Meter Replacement Project	6,901,970	14,910,502	5,104,941	2,903,591	2018-2023
Engineering and Distribution Main Replacement Projects <sup>(3)</sup>	13,539,850	37,146,201	399,455	23,206,896	On-going
Distribution System Water Quality Improvements	33,725	107,427	7,614	66,087	2021-TBD
Facility & Infrastructure Improvements	8,753	5,020,972	1,026	5,011,193	On-going
Intertie 1: Santa Cruz - Scotts Valley <sup>(2)(4)</sup>	-	8,720,261	182,260	8,538,001	2022-2026
<b>Subtotal Distribution Storage, Wmain Pressure Reg, and Metering</b>	<b>20,855,577</b>	<b>72,152,169</b>	<b>5,959,200</b>	<b>45,337,393</b>	
<b>Subtotal Infrastructure Resiliency and Climate Adaptation</b>	<b>137,303,687</b>	<b>609,782,695</b>	<b>28,339,953</b>	<b>444,139,055</b>	
<b>OTHER RISK MANAGEMENT AND RISK REDUCTION PROJECTS</b>					
<i>Site Safety and Security</i>					
Security Camera & Building Access Upgrades	315,490	550,996	5,388	230,117	On-going
GHWTP Gate Entrance Upgrades	878,212	903,067	17,151	7,704	2020-2023
CMMS Software Replacement - Water Share	64,479	390,000	138,764	186,757	2022-2023
<b>Subtotal Site Safety and Security</b>	<b>1,258,181</b>	<b>1,844,063</b>	<b>161,304</b>	<b>424,578</b>	
<i>Staff Augmentation</i>					
Water Program Administration <sup>(5)</sup>	1	16,969,426	768,448	16,200,976	On-going
<b>Subtotal Staff Augmentation</b>	<b>1</b>	<b>16,969,426</b>	<b>768,448</b>	<b>16,200,976</b>	
<i>Contingency</i>					
Management Reserve <sup>(6)</sup>	-	33,456,394	-	33,456,394	On-going
<b>Subtotal Contingency</b>	<b>-</b>	<b>33,456,394</b>	<b>-</b>	<b>33,456,394</b>	
<i>Storage for Emergency Facility and System Repair Tools and Equipment</i>					
Union/Locust Admin Building Back Up Power Generator	1,970	110,000	10,137	97,894	TBD
<b>Subtotal Storage for Emergency and System Repair</b>	<b>1,970</b>	<b>110,000</b>	<b>10,137</b>	<b>97,894</b>	
<i>Other Projects</i>					
Branciforte Streambank Restoration <sup>(4)</sup>	-	780,143	5,624	774,519	TBD
<b>Subtotal Other Projects</b>	<b>-</b>	<b>780,143</b>	<b>5,624</b>	<b>774,519</b>	
<b>Subtotal Other Risk Management and Risk Reduction Projects</b>	<b>1,260,152</b>	<b>53,160,026</b>	<b>945,512</b>	<b>50,954,361</b>	
<b>GRAND TOTAL</b>	<b>144,658,912</b>	<b>795,887,848</b>	<b>30,094,739</b>	<b>621,134,197</b>	

<sup>(1)</sup> Project Cost Estimates are FY23 adopted budget plus FY23 adjustments/carry-forwards plus FY23-32 projections.

<sup>(2)</sup> Expenses are not adjusted for grant funding.

<sup>(3)</sup> Prior year actuals for Main Replacements start in FY19.

<sup>(4)</sup> Intertie 1, Branciforte Streambed, and Beltz WTP Upgrades project cost estimates established after FY23 budget adoption and are as of 12/31/22.

<sup>(5)</sup> Staff augmentation budget appropriations and actual expenses are transferred to specific projects during year-end process.

<sup>(6)</sup> Management Reserve budget appropriations are transferred to specific projects upon approval.

# Fiscal Year 2024 Budget Adoption

Elizabeth Cabell, Finance Director  
June 13, 2023



# Recommended Actions

- 1 Adopt the budget of the City of Santa Cruz for Fiscal Year 2024, including the Capital Investment Program, as proposed in the document entitled “City of Santa Cruz Proposed Annual Budget Fiscal Year 2024”.
- 2 Amend the personnel complement and classification and compensation plans and FY 2024 budget as proposed in the document entitled “Personnel Profile – Overview of Changes”.
- 3 Accept the Water Commission’s recommendations regarding the Water Department’s FY 2024 Operating and Capital Investment Program.





## City Council AGENDA REPORT

**DATE:** 06/01/2023

**AGENDA OF:** 06/13/2023

**DEPARTMENT:** Human Resources

**SUBJECT:** Resolution Amending the City of Santa Cruz Personnel Complement and Classification and Compensation Plans for the Public Works, City Manager, Finance, Parks and Recreation, Police, Water, Fire, Library and Human Resources Departments (HR)

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**RECOMMENDATION:** Resolution amending the Classification and Compensation Plans for the FY 2024 budget personnel complement by implementing the approved FY 2024 budget/position changes in several departments.

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**BACKGROUND:** Amendments related to City classifications are a standard part of the City's annual budget process. City departments with staffing and position recommendations that change the number of authorized full-time equivalent (FTE) positions in the City's position listing must be approved by City Council.

**DISCUSSION:** Departments have determined, through careful analysis and with the assistance of the Human Resources Department that the recommendations listed on the attached Personnel Profile – Overview of Changes – FY 2024 Budget will improve their operational functioning.

For FY 2024, there will be a net increase of 13 FTE positions citywide. Each deletion and addition include varying personnel cost allocations to the General Fund, Enterprise, and other funds which are identified in the attached HR Resolution.

A description of these position changes are reflected in the attached document Personnel Profile – Overview of Changes – FY 2024 Budget.

**FISCAL IMPACT:** The fiscal impact of these FY 2024 personnel/position changes are being approved as part of the FY 2024 adopted budget.

**Prepared By:**  
Cathy Bonino  
Principal HR Analyst

**Submitted By:**  
Sara De Leon  
Chief People Officer

**Approved By:**  
Matt Huffaker  
City Manager

**ATTACHMENTS:**

1. RESOLUTION.DOCX
2. PERSONNEL PROFILE – OVERVIEW OF CHANGES – FY 2024.DOCX

RESOLUTION NO. NS-XX,XXX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA CRUZ AMENDING THE PERSONNEL COMPLEMENT AND CLASSIFICATION AND COMPENSATION PLANS AND THE FY2024 BUDGET – PUBLIC WORKS, CITY MANAGER, FINANCE, PARKS AND RECREATION, POLICE, WATER, FIRE, LIBRARY AND HUMAN RESOURCES DEPARTMENTS

WHEREAS, staff has recommended certain modifications to the Classification and Compensation Plans.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Cruz, as follows:

That effective July 8, 2023 the City of Santa Cruz Classification and Compensation Plans be modified to:

	<u>Activity</u>	<u>Classification No. and Title</u>	<u>Salary (New Classifications and Changes)</u>
<u>PUBLIC WORKS</u>			
<u>Delete Position:</u> <u>102-006</u>	7831	102- Accounting Assistant II (1.0 FTE)	
<u>Add Position</u> <u>106-xxx</u>	60% 7831, 10% ea 4103, 6105, 7302, 4210	106- Administrative Assistant I/II (1.0 FTE)	
<u>Delete Position:</u> <u>118-013</u>	6105	118- Building Maintenance Worker II (1.0 FTE)	
<u>Add Position</u> <u>122-xxx</u>	6105	122- Homelessness Response Field Worker (1.0 FTE)	
<u>Change Position</u> <u>106-063</u>	7203	106- Administrative Assistant II	
Change From:		.50 FTE	
Change To:		1.00 FTE	

RESOLUTION NO. NS-XX,XXX

	<u>Activity</u>	<u>Classification No. and Title</u>	<u>Salary (New Classifications and Changes)</u>
<u>Add Position</u> <u>312-xxx</u>	7303	312- Lead Equipment Mechanic (1.0 FTE)	
Delete (Transfer) Position 757-003	4101	Community Relations Specialist (1.0 FTE)	
<u>CITY MANAGER</u>			
<u>Add Position:</u> <u>729-xxx</u>	50% 6105, 50% 1210	729- Principal Management Analyst (1.0 FTE)	
<u>Add (Transfer) Positions</u> <u>757-002</u> <u>757-003</u> <u>757-004</u>	1210	Community Relations Specialist (3.0 FTE)	
<u>FINANCE</u>			
<u>Delete Position:</u> <u>775-010</u>	1241	775- Finance Manager (1.0 FTE)	
<u>Add Position:</u> <u>291-xxx</u>	1241	291- Accounting Technician (1.0 FTE)	
<u>Add Position:</u> <u>826/827-xxx</u>	1241	826/827- Buyer I/II (1.0 FTE)	
<u>Add Position:</u> <u>702-xxx</u>	1241	702- Management Analyst (1.0 FTE)	
<u>Delete Position:</u> <u>234-002</u>		234- Sr. Payments Technician (1.0 FTE)	
<u>Add Position:</u> <u>291-xxx</u>	1241	291- Accounting Technician (1.0 FTE)	
<u>PARKS AND RECREATION</u>			
<u>Change Position FTE</u> <u>180-009</u> From:	3201	180-Recreation Coordinator  .50 FTE	



RESOLUTION NO. NS-XX,XXX

	<u>Activity</u>	<u>Classification No. and Title</u>	<u>Salary (New Classifications and Changes)</u>
To:		1.00 FTE	
<u>Add Position:</u> <u>167- xxx</u>	3120	167- Parks Maintenance Worker (1.00 FTE)	
<u>Change Position</u> <u>117-007</u>	3211	117- Building Maintenance Worker I	
From:		.50 FTE	
To:		1.00 FTE	
<u>Change Position</u> <u>180-017</u>	3211	180- Recreation Coordinator	
From:		.50 FTE	
To:		1.00 FTE	
<u>POLICE</u> <u>Delete (Transfer)</u> <u>Position</u> <u>757-004</u>	2101	Community Relations Specialist (1.0 FTE)	
<u>WATER</u> <u>Delete Positions:</u> <u>208-002</u> <u>208-003</u>	7104	Water Conservation Representative (1.0 FTE)	
<u>Add Two Positions:</u> <u>141/136 – xxx</u>	7104	141-136- Environmental Programs Analyst I/II (1.0 FTE)	
<u>Classification Job Title</u> <u>Change 276-xxx</u>	7113		
From:		276- Water Meter Specialist	\$4,138/mo. - \$5,821/mo.
To:		214/276 Water Meter Specialist I/II	I- \$3,910/mo. - \$5,503/mo. II- \$4,138/mo. - \$5,821/mo.
<u>Add new Classification and one Position</u> <u>213-xxx</u>	7113	213- Water Meter Specialist Lead (1.0 FTE)	\$4,482/mo. - \$6,305/mo.
<u>Add Position:</u> <u>708-xxx</u>	7102	708- Senior Professional Engineer	
Delete (Transfer) Position	7101	Community Relations Specialist	

RESOLUTION NO. NS-XX,XXX

	<u>Activity</u>	<u>Classification No. and Title</u>	<u>Salary (New Classifications and Changes)</u>
757-002			
<u>FIRE</u>			
<u>Add Position:</u> <u>702-xxx</u>	2201	702- Management Analyst (1.0 FTE)	
<u>LIBRARY</u>			
<u>Delete Position:</u> <u>289-001</u>	3601	289- Volunteer Coordinator Assistant (.50 FTE)	
<u>Add Position:</u> <u>740-xxx</u>	3601	740- Library Specialist (1.0 FTE)	
<u>Add Position:</u> <u>742/750-xxx</u>	3601	742/750- Librarian I/II (1.0 FTE)	
<u>HUMAN RESOURCES</u>			
<u>Add Position:</u> <u>720/721-xxx</u>	1230	720/721 Human Resources Analyst I/II (1.0 FTE)	

PASSED AND ADOPTED this 13<sup>th</sup> day of June 2023, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

APPROVED: \_\_\_\_\_  
Fred Keeley, Mayor

ATTEST: \_\_\_\_\_  
Bonnie Bush, City Clerk Administrator

## Personnel Profile - Overview of Changes

Each year, City Council establishes an authorized position list by department through the budget adoption process. For FY 2024, there will be a net increase of thirteen (13) full-time equivalent (FTE) positions citywide. Each deletion and addition include varying personnel cost allocations to the General Fund, Enterprise, and other funds. The following is a summary of the position changes:

**Public Works** – The Public Works (PW) Department proposes the following position changes:

### 1a. Delete Accounting Assistant II 1.0 FTE position

Historically, the Accounting Assistant II position is assigned to the Fleet Division and supports multiple divisions at the Corp Yard with invoices, pool equipment rentals, purchase orders, change orders, and customer service-related calls and walk-ins to the office. The Accounting Assistant position is now vacant. The PW Department would like to delete this position and add an Administrative Assistant II (AA II) position to provide more general support.

### 1b. Add Administrative Assistant I/II 1.00 FTE position

At the beginning of FY23, PW Operations received a new division, the Homelessness Response Field division, and this group needs additional help with procurement and personnel functions. At the end of 2019 (pre-COVID), the Administration division transferred one AAII position to the Parking division, and transferred the Corp Yard AAII position to the City Hall office for additional support, leaving a deficit of administrative support at the Corp Yard.

The previous AAII position that was assigned to the Corp Yard was distributed to several Public Works divisions (Fleet, Refuse, Parking, Stormwater, various General Fund accounts, and Wastewater). This new AAII position better reflects the divisions that require consistent clerical assistance from this office. The AAII would largely support the Fleet Maintenance divisions and provide support to Refuse, Operations, Street Maintenance, and the completely new Homelessness Response Field division. There are plans to revamp Fleet Maintenance programs with less antiquated processes and the AAII position would play a key support role.

The approval of an AAII for the Corp Yard would streamline efficiency of workload and allow for additional staff coverage.

### 2a. Delete Building Maintenance Worker I/II .50 FTE position.

The Homelessness Response Field division is new to the City and was established in the PW Department. Council approved a part-time Building Maintenance Worker II (BMWII) position effective 7/1/22, however, once the Field division was operational, it became apparent that the part-time BMWII position would not be as effective for the workload submitted to the Department. Deleting this position and approving a part-time Homelessness Response Field Worker instead would lead to greater flexibility in assigning work to the crew and support keeping the community clean and safe from syringes, trash, and other biohazards. This position would also allow for staff to work in pairs for greater safety while in the field, especially in more remote open spaces.

## Budget

2b. Add Homelessness Response Field Worker 1.0 FTE position

See above under Delete Building Maintenance Worker I/II Position

3. Increase Administrative Assistant I/II position from .50 FTE to 1.0 FTE

The Wastewater System requires additional administrative support in response to the increased staffing, budgeting and volume of productivity and regulatory compliance reporting demanded of the Division. This new position request is for an additional .50 FTE position of AAI to support the Wastewater System.

4. Add Lead Equipment Mechanic 1.0 FTE position

The Resource Recovery Facility purchased and installed food waste processing equipment to meet the requirements of Senate Bill 1383 (SB1383), Mandatory Organics Recycling, in FY20.

The new requirements increased the workload for the Equipment Mechanic since the waste processing equipment must be regularly maintained to ensure continued compliance with SB1383.

The PW Department currently has one Equipment Mechanic and one Equipment Service Worker assigned to the Landfill who service, maintain and repair seven light duty trucks, four heavy duty trucks, eleven heavy equipment assets as well as the food waste processing equipment with ten pumps, six motors, electrical panels and several other components. In addition there is one Equipment Mechanic and one Equipment Service Worker assigned to Recycling who maintain and repair the single streamline which has twenty-five conveyor belts, one baling machine, three forklifts and two heavy equipment assets.

Landfill operation, customer service, recycling processing and the food waste equipment has many challenges on a daily basis and must keep up with the high processing demand of the public refuse, recycling and food waste.

The approval of a Lead Equipment Mechanic would streamline the increased workload. This position would manage the Equipment Mechanics and Equipment Service Workers, providing training/cross training between work areas, managing all equipment and assets, processing invoices and maintenance records, managing inventory, and providing staff coverage.

5. Delete Community Relations Specialist 1.0 FTE position.

The Community Relations Specialist will be reassigned to the City Manager's Office.

**City Manager** – The City Manager Office (CMO) proposes the following position changes:

6. Add Principal Management Analyst 1.0 FTE position

The addition of a Principal Management Analyst (PMA) to the CMO is proposed to be allocated .50 FTE to the Homelessness Response Division to support fiscal and administrative functions within the division. This includes finance, budget and fiscal analysis, purchasing and procurement (including RFP development and administration), and other data and analytical support to the division. Given the significant growth in programs and services to confront the homelessness in the City over the last year, existing staffing level is not sufficient to effectively support all programmatic

## Budget

and administrative functions and accomplish projects within desired timelines and schedules. The part-time addition to support the work of the Homelessness Response Division will provide the requisite support in the key areas described above, and will allow for current staff to dedicate capacity and improve effectiveness in program implementation, planning and operations.

The other .50 FTE increase staff capacity in the following areas: CPVAW, HiAP, Public Safety Committee, Children's Fund, Tenant Sanctuary, Special Events Permitting Committee, plus Ad Hoc Committees for Water Street Bridge and Budget and Revenue. Additionally, project work is substantive and currently entails single-use tobacco, commission, committee evaluation and streamlining, website clean-up per Santa Cruz County Civil Grand Jury findings, model ordinance implementation for the animal shelter JPA, Council strategic plan, All In – Shaping Our Future, West Cliff Drive, and more.

### 7. Add Three (3) Community Relations Specialists

The CMO is requesting to change the reporting relationships of three Community Relations Specialist positions that are currently held in Water, Public Works, and Police. These positions will report to the Communications Manager and be a part of the City-wide communications team. The U.S. Bureau of Labor Statistics projected that media and communications roles would grow faster than all other occupations at an estimated 14% over the next decade. With the rise in the need for digital technology and the changing world of work, a quality communications team will be critical for continually building meaningful relationships internally and externally with the City of Santa Cruz.

**Finance** – The Finance Department proposes the following position changes:

#### 8a. Delete Finance Manager 1.0 FTE position

The Department recommends the elimination of one Finance Manager as the body of work to be performed is more aligned with the more tactical positions below it, where there is greater demand and which will allow a more even distribution of the workload. The Department proposes, in addition to eliminating the Finance Manager position, adding an Accounting Technician and Buyer I/II position. (An Accountant I/II position will be moved from one division to another internally). This change will also allow managers time to focus on strategic direction and should provide opportunities for growth and movement within the department while assisting with retention of existing staff.

The additional Buyer I/II position will allow the Department to make significant progress on addressing the gaps identified in its organizational assessment. Since purchasing for the City is decentralized, there is a need to provide departments with additional training and support in issuing RFP's, IFB's, and the solicitation process. The City's new Homelessness Response division has many unique needs related to procurement and with additional staff the Department would be able to provide additional support.

#### 8b. Add Accounting Technician 1.0 FTE position

See above under Delete Finance Manager

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**Budget**8c. Add Buyer I/II 1.0 FTE position

See above under Delete Finance Manager position

9. Add Management Analyst 1.0 FTE position

As the Finance Department implements new GASB pronouncements in FY23 as well as looking ahead to the implementation of an Enterprise Resource Planning (ERP) platform in the next 3-5 years they feel it is important to have Management Analyst skills which are more in line with the needs of that division.

10a. Delete Senior Payments Technician 1.0 FTE position

The Senior Payments Technician is a very specific role in the Accounts Payable and Payroll and Benefits divisions and the Department's current need is for a more general classification to assist with various technical, clerical and financial activities. The Accounting Technician role more closely aligns with this need.

10b. Add Accounting Technician 1.0 FTE position

See above under Delete Senior Payments Technician position.

**Parks and Recreation** – The Parks and Recreation Department proposes the following position changes:

11. Increase Recreation Coordinator .50 FTE to 1.00 FTE position.

Currently, in the Parks and Recreation Department the Classes group operates with a half-time Recreation Coordinator and a half-time temporary position to assist with marketing and graphics. Over the course of the last year, turnover has meant that the supervisor has spent significant amounts of time recruiting and training new staff. However, it has proved difficult to retain these staff with only part-time positions to offer. The Classes Activity has seen record revenues coming out of the pandemic, bringing in over \$500,000 in FY2022. This level of revenue generation is not sustainable without solid, capable support. This area needs to shift to a more sustainable operational model. And therefore, it is recommended that the current part-time Recreation Coordinator position be increased to full time.

12. Add Parks Maintenance Worker 1.0 FTE position

Currently, the Open Spaces and Greenways activities in the Parks & Recreation Department is dependent on temporary positions to assist with management and maintenance of over 1,335 acres of Open Space and 37 miles of hiking, biking and walking trails. Since the Department moved the staffing model following the transfer of Rangers to the Police Department in 2019, turnover has meant that the supervisor has spent significant amounts of time recruiting and training new staff, without ever reaching the full complement of temporary staff. To remain viable in the maintenance and upkeep of such a vast area, this group needs to shift to a more sustainable operational model.

The Department therefore recommends adding a full-time Parks Maintenance Worker position.

13. Increase Building Maintenance Worker I/II position from .50 FTE to 1.0 FTE

## Budget

The Santa Cruz Wharf is over seven acres in size, includes 60,000 feet of buildings, and hosts over one million visitors annually. This size of facility and level of use, in combination with the rigors of a marine environment, leads to a high need for maintenance work. The Department's ability to use labor-saving tools such as paint-sprayers and powered equipment is also limited by the conditions of our Wharf Maintenance Permit.

When the half-time Wharf Recreation Coordinator position was created in fiscal year 2022 the Department made it cost-neutral by decreasing the full-time Building Maintenance Worker I position to half-time. The Department attempted to fill the gap with temporary help, but this has not proved sustainable.

Returning the Building Maintenance Worker I/II position to full-time will allow the Department to more safely and consistently perform needed maintenance work and by training a potential successor on the specifics of work on the Wharf.

### 14. Increase Recreation Coordinator .50 FTE to 1.00 FTE position

A half-time Recreation Coordinator position was created at the Wharf in Fiscal Year 2022 to enhance recreational programming at the Wharf and increase cost recovery by drawing traffic to lease-paying businesses on the Wharf.

The current Recreation Coordinator has met or exceeded the initial objectives of the position (updating interpretation, assisting with established events such as Woodies on the Wharf, creating new events such as a summer concert series, drawing in new users such as a monthly swing dancing event) and demonstrated its potential.

Making this position full-time will allow the Parks & Recreation Department to more fully promote and activate the Wharf and beaches, leading to increased revenue directly through use of Wharf businesses and indirectly by bringing visitors to Santa Cruz.

**Police** – The Police Department proposes the following position changes:

### 15. Delete Community Relations Specialist 1.0 FTE position.

The Community Relations Specialist will be reassigned to the CMO.

**Water Department** - The Water Department proposes the following position and classification changes:

### 16a. Delete two (2) Water Conservation Representative 1.00 FTE positions

The Water Department is proposing to convert two vacant Water Conservation Rep (WCR) positions to two Environmental Programs Analyst II (EPA) positions. The Department acknowledges its success in water conservation and now proposes to focus staff on customer service. In particular, the EPA positions will assist customers resolve leaks and implement a water affordability program for low- income households. The Department feels that the EPA classifications will be better suited to meet the demands of the change of focus to increased customer service and customer assistance.

### 16b. Add two (2) Environmental Programs Analyst I/II 1.00 FTE positions

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**Budget**

See above under Delete two Water Conservation Representative positions

17. Classification Job Title Name Change from Water Meter Specialist to Water Meter Specialist I/II

The Water Department is requesting to change the Water Meter Specialist classification to an alternately staffed Water Meter Specialist I/II classification to allow for an entry level option and additional training time for the increasing levels of technology and analysis with the new Advanced Metering Infrastructure system. This also allows for an enhanced career ladder in the classification series.

18. Add new classification and 1.00 FTE position of Water Meter Specialist Lead

The Water Department is recommending the addition of a new Water Meter Specialist Lead classification and position to properly maintain the Advanced Metering Infrastructure system by acting as the main contact in the field for troubleshooting both physical and technological problems with the system that, in order to resolve, require a more advanced level of coordination with the Meter Operations Supervisor and Utility Accounts Specialist. This also allows for an enhanced career ladder in the classification series.

19. Add Senior Professional Engineer 1.00 FTE position

The Water Department is managing a large multi-year Capital Investment Program comprised of diverse projects that are complex and have sensitive implementation timelines. While the department has invested approximately \$48M per year in infrastructure over the past four years, this has increased to \$79M per year over the next 5 years. Funding these projects now includes multiple funding streams in addition to pay-as-you-go, namely the Water Infrastructure and Finance Innovation Act (WIFIA) and State Revolving Fund (SRF) loans, and grants. Management and oversight of these capital projects requires a skill set aligned with that of the Senior Professional Engineer.

Specifically, the years of experience, background and education associated with this position are needed to be able to effectively manage multiple large projects, the teams and budgets; address complex technical and administrative issues; confirm funding resources and navigate complexities of variable funding sources; confirm compliance with regulatory requirements; and ensure consistency across the variety of projects.

20. Delete Community Relations Specialist 1.0 FTE position.

The Community Relations Specialist will be reassigned to the CMO.

**Fire Department** - The Department proposes the following position changes:

21. Add Management Analyst 1.0 FTE position

A new Management Analyst is crucial for oversight and management of budget and grants in the Fire Department. The current PMA in Emergency Services has acquired four new grants and is applying for eight other Fire Department grants to increase outside revenue and decrease general fund cost. The current grant acquisitions total over \$800K. The eight new grant requests in 2023 are



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**Budget**

for a total of over \$1M. This addition would allow for the current PMA/Emergency Services to focus on EOC training, exercises, and planning, including the build out of Zonehaven evacuation platform. The PMA would also focus on FEMA disaster cost recovery efforts for the CZU Fire, Storms, Covid and any other future disaster cost recovery projects.

The Management Analyst would also support fire administration staff with various projects such as the annual budget, oversight of approved CIP projects, information gathering for potential shared service agreements and a forthcoming standards of coverage survey. All these projects are crucial for the Fire Department over the next three to five years.

**Library** - The Library Department proposes the following position changes:

22a. Delete Volunteer Assistant Coordinator .5 FTE position

The Library would like to delete this position given the greater need for a Library Specialist position.

22b. Add Library Specialist 1.0 FTE position

See above deletion of Volunteer Assistant Coordinator position

23. Add Librarian I/II 1.0 FTE position

The Library will be opening the Aptos Branch Library in the fall of 2023 and will need an adult librarian assigned to this location.

**Human Resources Department** – The Human Resources (HR) Department proposes the following position change:

24. Add Human Resources Analyst I/II 1.0 FTE position

Recruitment challenges in varying departments has increased workload in both classification review and recruitment. The currently vacant HR Analyst I/II which was assigned to Training & Development has been reassigned to Recruitment, Classification, and Compensation to address workload concerns since delays in that area impact operations citywide.

Meanwhile the Department still needs to fill a training and development position to fully implement that existing program, while also being able to grow and develop the program to meet the changing nature of the workforce. With the new City initiative for employee engagement and organizational development, the training and development position will be able to help lead this effort. The Human Resources Department therefore requests the addition of a 1.0 FTE HR Analyst I/II position.



## INFORMATION REPORT

COUNCIL MEETING

6/13, 2023

DATE: June 7, 2023

TO: Mayor and City Councilmembers  
DEPARTMENT: City Council/Health in All Policies Committee  
SUBJECT: Tobacco Product Waste Update

APPROVED:

DATE: 06-07-23

This report provides an update on the progress of policies explored to address tobacco product waste (TPW) in the City of Santa Cruz (City). On April 27, 2021, the City Council (Council) adopted Resolution No. NS-29,807, acknowledging the public health and environmental threats posed by TPW. The resolution specifically highlighted the negative impacts of cigarette butts and called for the development of policies to tackle these issues. The Mayor was also requested to send a letter urging the California State Legislature to ban plastic cigarette filters. In addition, on March 22, 2022, the Council directed the Mayor to support AB 1690, the California Smoking Waste Pollution Prevention Act, which aimed to ban the sale of certain single-use smoking products.

On September 27, 2022, the Council received an informational presentation from the Santa Cruz County Tobacco Education Coalition regarding TPW policy options. As a result, the Health in All Policies Committee (Committee) and staff worked alongside the Santa Cruz County Tobacco Education Coalition and various stakeholders, including The Cigarette Surfboard, Save the Waves, Save Our Shores, and the Surfrider Foundation. Their objective was to provide a recommendation for the Council by April 2023.

The Committee was formed and met on November 28, 2022 to establish a project timeline, including engaging with the community and stakeholders and discussing ordinance development. Subsequently, on January 26, 2023, the Committee discussed the next steps for TPW options and the engagement plan. To ensure broad participation, public feedback on policy options was collected through a series of community events, including virtual and in-person meetings, with interpretation and translation services provided. In addition, a survey was distributed on various media platforms, including all businesses in the City—48 of those were tobacco retailers.

On April 4, 2023, staff provided an update to the Committee on the project charter, survey results, and community meetings held thus far. Three community meetings occurred, one as a webinar and two in-person sessions. The number of registered attendees varied, with the highest engagement observed during the State of the San Lorenzo River Symposium.

Survey results were collected from 171 respondents, including Santa Cruz residents, nonresidents, and business owners. Most respondents perceived cigarette butt litter as a significant problem in the community. Moreover, a majority expressed a likelihood of supporting policies aimed at reducing

cigarette butt litter. The survey also revealed top-ranked policy preferences, including prohibiting single-use cigarette filters, TPW mitigation fees, and the ban on single-use plastic tobacco products.

Here are the community meetings and survey results:

### **Community Meetings**

*Meeting #1: March 7, 2023 from 9:30–11:15 A.M.*

- Webinar
- Interpretation/translation available.
- Facilitated discussion of policy options.
- 31 Registered/~18 Attendees

*Meeting #2: March 18, 2023 from 11:00 A.M.–12:30 P.M.*

- In-Person
- Interpretation/translation materials available.
- 6 Attendees/40–50 Engaged from the State of the San Lorenzo River Symposium

*Meeting #3: March 20, 2023 from 5:00–6:30 P.M.*

- In-Person
- Interpretation/translation materials available.
- 6 Attendees

### **Survey Results**

- 171 Responses
  
- *Respondents*
  - 137 (80.1%) – Are Santa Cruz residents.
  - 33 (19.3%) – Are not Santa Cruz residents.
  - 1 (0.6%) – Other
  
- *Business Owners*
  - 16 (9.4%) – Are Santa Cruz business owners.
  - 155 (90.6%) – Are not Santa Cruz business owners.
  
- *Cigarette Butt Litter*
  - 96 (56.1%) – Think cigarette butt litter is a big problem in the community.
  - 51 (29.8%) – Are neutral.
  - 24 (14%) – Do not think cigarette butt litter is much of a problem.
  
- *Policy Support*
  - 155 (90.6%) – Are likely to support policies that reduce cigarette butt litter.
  - 6 (3.5%) – Are neutral.
  - 10 (5.8%) – Are not likely to support policies that reduce cigarette but litter.
  
- *Top-Ranking Policies With Responses (#) By Order*
  - 140 – Prohibit the sale of single-use cigarette filters.
  - 126 – Require TPW mitigation fee on tobacco products.
  - 123 – Prohibit the sale of all single-use plastic tobacco products.

- 119 – Require deposit/return programs on electronic smoking devices (ESD) products.
- 112 – Require hazardous waste tracking, handling, and signage for nicotine and electronic waste at point of sale.
- 110 – Prohibit the sale of single-use ESD devices.
- 98 – Remedy disproportionate exposure to TPW through density restrictions in low-income and minority communities.
- 94 – Prohibit the sale of other tobacco products that create plastic waste.
- 87 – Prohibit the sale of ESD.
- 5 – Other
- 1 – None of these.

The City has made progress in developing and exploring policies to address TPW. The engagement plan, including community meetings and surveys, has provided valuable input from residents, business owners, and stakeholders. While the survey responses and community meetings have provided valuable insights, it is important to carefully evaluate the feasibility and impact of potential policies before implementation and consider that some respondents may have needed a more comprehensive understanding of all policies or attended community meetings where information was shared.

On May 16, 2023, the Santa Cruz County Board of Supervisors unanimously approved a resolution on TPW, with changes to the original resolution to focus solely on cigarette butts. Considering the complexity of the issue and the need for further data and case studies, the Committee believes that it is prudent to exercise caution in moving forward with specific measures at this time and recommends continuing a more thorough examination of the available information and the potential implications of various policy options from jurisdictions implementing similar policies. A better understanding of the policies and their impacts in other jurisdictions will provide direction on engagement with local businesses in the future.

The Committee acknowledges the importance of environmental stewardship and public health and remains committed to finding effective solutions. By gathering additional data, collaborating with relevant agencies, and studying successful approaches from other jurisdictions, the City can ensure that future policies addressing TPW are effective, well-informed, practical, evidence-based, and capable of making a meaningful impact.

The Committee appreciates the active participation and input from the community and will continue to explore opportunities to address TPW in a manner that aligns with the City's goals and objectives and works towards creating a cleaner and healthier environment for all residents.

Submitted By:

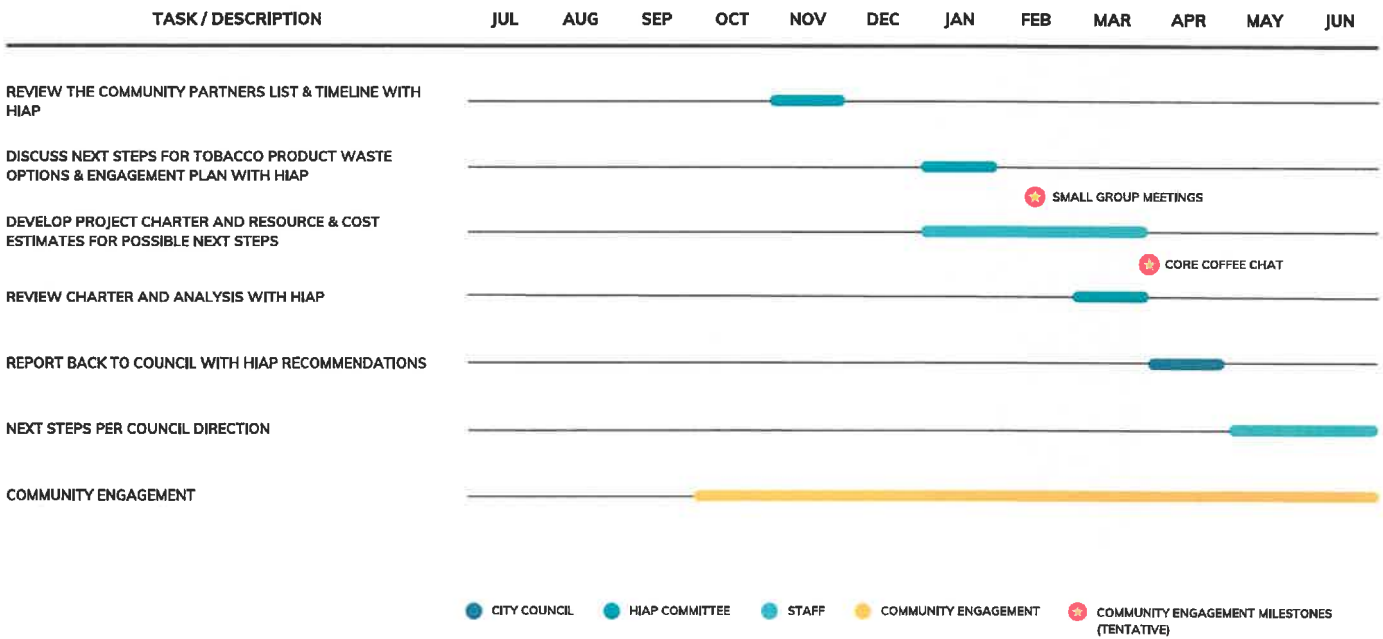
Martine Watkins  
Councilmember

Sonja Brunner  
Councilmember

Shebreh Kalantari-Johnson  
Councilmember

Attachments: TPW Timeline  
TPW Community Partners  
TPW Policy Options Matrix  
TPW Project Charter

# TOBACCO PRODUCT WASTE (TPW) TIMELINE



# COMMUNITY PARTNERS | PART 1



## BIPOC

1. Community Bridges
2. Latinx Groups
3. NAACP
4. Santa Cruz County Black Health Matters
5. UC Santa Cruz (POC Collective)

## EDUCATION

1. City School District
2. Green Schools Committee
3. College-based Environmental Groups
4. County of Education
5. K-12
6. UCSC Student Union

## LOCAL ENVIRONMENTAL

### GROUPS

1. Benchlands Estuary Stewardship Team
2. Black Surf Club Santa Cruz
3. Cigarette Surfboard
4. Coastal Watershed Council
5. Downtown Streets Team
6. Homeless Garden Project
7. O'Neil Sea Odyssey
8. Ocean Conservancy
9. Oceana
10. Save Our Shores
11. Save the Waves
12. Surfrider Foundation Santa Cruz
13. Textured Waves
14. United Way of Santa Cruz County (United 4 Youth)

## LOCAL TOBACCO RETAILERS & CUSTOMERS

1. Chamber of Commerce
2. Downtown Association
3. Local Tobacco Retailers
  - o 7-Eleven #142828B, 16346E, 29795C
  - o 88 Gas
  - o Arco/AM PM
  - o Bayside Marine
  - o Beach Liquors
  - o Beach Market
  - o Bonesio Liquors
  - o Boro Max, LLC dba Pipeline
  - o Brady's Yacht Club
  - o Chevron #1720
  - o Cigar Palace
  - o Circle Market
  - o Discount Cigarettes
  - o DJ's Mini Mart
  - o Ernie's Liquor
  - o Grafix Pleasure
  - o Green Smoke Shop
  - o Hernandez Market
  - o Huspuff
  - o Lloyd's Liquors
  - o Metro Market
  - o Mission Liquors
- o Needful Things
- o Ocean 76
- o Ocean Market & Deli
- o OMI Group Oil Soquel
- o One Double Oh Seven Club & Smoking Parlor
- o Puff-N-Pass
- o Quality Market
- o Rite Aid #5979
- o Rotten Robbie #35
- o Safeway Store #799, 2607
- o Santa Cruz
- o Santa Cruz Chevron
- o Santa Cruz Market
- o Sav-On-Gasoline
- o Star Zone Smoke Shop
- o The Grog Shop
- o The Jury Room
- o The Rush Inn
- o Walgreens #3168
- o U Save Liquors
- o US Pro



# COMMUNITY PARTNERS | PART 2

## MEDICAL PROFESSIONALS

- 1. Health Improvement Partnership

## PUBLIC ENTITY

- 1. City of Santa Cruz
  - o Economic Development
  - o Police: Enforcement
  - o Public Works: Stormwater, Waste Reduction, Solid Waste
- 2. Santa Cruz County
  - o County of Education
  - o Friday Night Live
  - o Health & Human Services
  - o Health Services Agency: Santa Cruz Tobacco Education Coalition

## TOBACCO POLICY

### EXPERTS

- 1. The California Tobacco Control Program
- 2. Public Health Law Center

## TOBACCO WASTE

### CONTENT EXPERTS

- 1. San Diego State University
- 2. UC San Francisco

## WATER QUALITY EXPERTS

- 1. California Marine Sanctuary Foundation
- 2. Monterey Bay National Marine Sanctuary

## Tobacco Product Waste (TPW) Policy Options Chart

Policy	Pros	Cons
<b>Tobacco Product Sales Restrictions</b>		
<p>Prohibit the sale of ALL single-use plastic tobacco products</p>	<ul style="list-style-type: none"> <li>• Upstream solution that reduces the problem at its source</li> <li>• Prohibits the sale of the majority of tobacco products</li> <li>• Highest impact source reduction for microplastics</li> <li>• Can enforce through existing Tobacco Retail License (TRL)</li> <li>• Places responsibility on the industry</li> <li>• Helps to meet California Clean Water Act trash amendment requirements</li> <li>• Potential for positive public relations/tourism impact (family friendly, pro-environment)</li> <li>• Fiscal savings for city services for clean-up efforts (storm and wastewater maintenance, anti-litter group efforts)</li> <li>• Fiscal savings for healthcare related services if policy reduces cigarette use and tobacco-related death/disease/health disparities</li> </ul>	<ul style="list-style-type: none"> <li>• Most likely to invite industry pushback including legal challenges</li> <li>• Loss of tobacco sales tax revenue</li> <li>• High impact on tobacco retailers</li> <li>• No jurisdictions have enacted such a policy</li> <li>• Need to write strong definitions to incorporate all intended products; poor definitions could lead to limited efficacy or industry manipulation</li> <li>• Does not stop smokers from using or improperly disposing of products purchased out of jurisdiction</li> <li>• Potential negative impacts on tourism for tourists who want to purchase certain tobacco products</li> </ul>
<p>Prohibit the sale of single-use cigarette</p>	<ul style="list-style-type: none"> <li>• Upstream solution that reduces the problem at its source</li> </ul>	<ul style="list-style-type: none"> <li>• Likely to invite industry pushback including legal challenges</li> </ul>



## Tobacco Product Waste (TPW) Policy Options Chart

<p>filters (i.e., cigarette butts)</p>	<ul style="list-style-type: none"> <li>• Essentially prohibits cigarette sales</li> <li>• High impact source reduction for microplastics– most littered item on the planet</li> <li>• Can enforce through existing protocols (TRL)</li> <li>• Places responsibility on the industry</li> <li>• Helps to meet California Clean Water Act trash amendment requirements</li> <li>• Potential for positive public relations/tourism impact (family friendly, pro-environment)</li> <li>• Fiscal savings for city services for cleanup efforts (storm and wastewater maintenance, anti-litter group efforts)</li> <li>• Fiscal savings for healthcare related services if policy reduces cigarette use and tobacco-related disease/death</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of cigarette sales tax revenue</li> <li>• High impact on tobacco retailers with high percentage of cigarette sales</li> <li>• No jurisdictions have yet enacted such a policy</li> <li>• Does not include all tobacco products that contribute to plastic waste</li> <li>• Does not stop smokers from using or improperly disposing of cigarettes purchased out of jurisdiction</li> <li>• Potential negative impacts on tourism for tourists who want to purchase cigarettes</li> </ul>
<p>1. Prohibit the sale of Electronic Smoking Devices (ESD)  or  2. Prohibit the sale of single-use ESD</p>	<ul style="list-style-type: none"> <li>• Upstream solution</li> <li>• Medium impact source reduction (does not include cigarettes)</li> <li>• Can enforce through existing protocols (TRL)</li> <li>• Places responsibility on the industry</li> <li>• Potential for positive public relations/tourism impact (family friendly, pro-environment)</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of ESD sales tax revenue</li> <li>• High impact on tobacco retailers with high percentage of ESD sales</li> <li>• Does not stop smokers/vapers from using or improperly disposing of ESD products purchased out of jurisdiction</li> <li>• Doesn't reduce cigarette butts, the most littered product</li> </ul>

## Tobacco Product Waste (TPW) Policy Options Chart

<p>(e.g., Puff Bar, Ello, VaporLax, etc.)</p>	<ul style="list-style-type: none"> <li>• Less likely to invite industry pushback/legal challenges</li> <li>• Precedence: 30+ California jurisdictions have enacted</li> <li>• Fiscal savings for city services for cleanup efforts (e.g., stormwater and wastewater maintenance, anti-litter group efforts, etc.)</li> <li>• Fiscal savings for healthcare related services if policy reduces ESD use and tobacco-related disease/death</li> </ul>	<ul style="list-style-type: none"> <li>• Option 2 would still allow non-single use ESDs to be sold</li> <li>• Potential negative impacts on tourism for tourists who want to purchase ESDs</li> <li>• Will have less of an environmental impact than a policy to prohibit the sale of cigarette filters or all ESDs</li> </ul>
<p>Prohibit the sale of other tobacco products that create plastic waste (e.g., lighters, packaging, cigar tips, etc.)</p>	<ul style="list-style-type: none"> <li>• Upstream solution</li> <li>• Can enforce through existing protocols (TRL)</li> <li>• Flexible in terms of products included</li> <li>• Places responsibility on the industry</li> <li>• Less likely than a filter or ESD ban to invite industry pushback/legal challenges</li> </ul>	<ul style="list-style-type: none"> <li>• Low impact source reduction</li> <li>• Does not stop smokers from using or improperly disposing of products purchased out of jurisdiction</li> <li>• No jurisdictions have yet enacted such a policy</li> <li>• Doesn't directly address the tobacco products themselves and therefore doesn't reduce the largest contributors of TPW</li> <li>• Minimal fiscal savings for city services for cleanup efforts</li> </ul>

## Tobacco Product Waste (TPW) Policy Options Chart

Hazardous Waste Regulation on Tobacco Products		
<p>Require hazardous waste tracking, handling, and signage for nicotine and electronic waste at point of sale</p>	<ul style="list-style-type: none"> <li>• Upstream Solution</li> <li>• Minimal loss of sales tax revenue</li> <li>• Helps to meet California Clean Water Act trash amendment requirements</li> <li>• Precedence: state and federal laws on the handling of other hazardous waste materials</li> <li>• Places responsibility on the tobacco retailer</li> </ul>	<ul style="list-style-type: none"> <li>• Doesn't address cigarettes, the largest form of tobacco waste</li> <li>• Doesn't get tobacco products off the market and out of the environment</li> <li>• Requires new and significant enforcement protocols</li> <li>• Requires cooperation from tobacco retailers for hazardous waste compliance, training, signage, disposal, etc.</li> <li>• Potential upfront cost to tobacco retailers to comply with new protocols</li> <li>• Requires cooperation from hazardous waste agencies</li> <li>• Requires working with licensing agencies or training enforcement agencies</li> <li>• Potential cost for city to enforce these new regulations</li> </ul>

## Tobacco Product Waste (TPW) Policy Options Chart

Environmental Justice in Tobacco Retailer Location and Density		
<p>Remedy disproportionate exposure to TPW through density restrictions in low-income and minority communities</p>	<ul style="list-style-type: none"> <li>• Upstream Solution</li> <li>• Limit location and density of <b>future</b> tobacco retailers</li> <li>• Can be enforced through existing protocols (TRL)</li> <li>• May reduce youth tobacco access, marketing and consumption</li> <li>• Precedence for density and zoning policies</li> <li>• Policies reducing the number of tobacco retailers close to youth sensitive areas are often politically viable</li> <li>• Significant environmental justice benefits if policy prohibits retailers from locating in certain high impact communities or if caps on density spread the geographic burden equally</li> </ul>	<ul style="list-style-type: none"> <li>• No impact to <b>current</b> tobacco retailer density or improper disposal</li> <li>• Minimal responsibility on the industry</li> <li>• Potential loss in tobacco sales tax revenue</li> <li>• GIS mapping of a retailer landscape can be expensive and difficult</li> <li>• Density/zoning policies can take years before having an impact</li> </ul>

## Tobacco Product Waste (TPW) Policy Options Chart

Other Approaches		
<p>TPW mitigation fee on tobacco products</p>	<ul style="list-style-type: none"> <li>• Provides revenue stream for existing cleanup efforts (i.e., collects funding for proper disposal and administration of program)</li> <li>• May help lower tobacco purchase and use rates if tax is high enough to deter purchase</li> </ul>	<ul style="list-style-type: none"> <li>• Midstream solution</li> <li>• Does not eliminate tobacco product waste or stop users from purchasing tobacco products in other jurisdictions</li> <li>• No responsibility on the industry</li> <li>• California Prop 26 requires 2/3 super majority approval of the local electorate on any local fees/taxes (so fee would need to be structured accordingly)</li> <li>• Potential legal challenges as California law prohibits the imposition of local tobacco taxes</li> <li>• Keeps responsibility for physical cleanup on government and voluntary groups</li> <li>• Potential impacts to tourism as tax would be born on anyone purchasing tobacco products</li> <li>• Regulatory framework would need to require money collected from fee to be used on tobacco waste cleanup and collection</li> </ul>
<p>Deposit/Return programs on ESD products (Extended Producer Responsibility or EPR)</p>	<ul style="list-style-type: none"> <li>• May help lower ESD purchase rates and tobacco use rates if deposit is high enough to deter purchase</li> <li>• Deposit and return programs have been successful for other types of products</li> </ul>	<ul style="list-style-type: none"> <li>• Midstream solution</li> <li>• Does not place responsibility on the industry</li> <li>• Doesn't work for all tobacco products (including cigarette butts or all types of ESDs)</li> <li>• Requires new and significant enforcement protocols</li> </ul>

### Tobacco Product Waste (TPW) Policy Options Chart

		<ul style="list-style-type: none"><li>• Requires cooperation of tobacco retailers and users for proper collection and disposal</li><li>• Needs significant staff oversight</li><li>• Difficult to administer due to complications of disposing of used ESDs</li><li>• May need to develop hazardous waste protocols for product return and disposal</li><li>• Fee would need to be accurately set to encourage return of the devices</li><li>• No existing data to show efficacy of such a policy Risk of putting the returned product out of sight/out of mind and thus encourage continued consumption and use</li></ul>
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## TOBACCO PRODUCT WASTE (TPW) PROJECT CHARTER

### Request Overview

<b>Request</b>	City Council		
<b>Created By</b>	Emeline Nguyen	<b>Date</b>	
<b>Executive Sponsor</b>	Councilmember Watkins	<b>Additional Sponsor</b>	Councilmember(s) Brunner and Kalantari-Johnson

### Raison d’Etre

<b>What’s is the practical problem that your request will solve?</b>	The purpose of this project is to reduce the amount of tobacco product waste in the City of Santa Cruz. Tobacco product waste, including cigarette butts and other tobacco-related litter, is a significant environmental and public health issue. This project is recognized and requested by the City Council to address the issue and implement effective policies/strategies to reduce tobacco product waste across the city and state.
<b>What happens if we do nothing?</b>	<p>If a policy is not adopted, the amount of tobacco product waste in the city is likely to remain high or even increase over time. This could lead to several negative impacts, including:</p> <ol style="list-style-type: none"> <li>1. <b>Environmental pollution:</b> Tobacco product waste is the most common form of litter in the world and can take years to decompose, during which time it can pollute waterways, harm wildlife, and create an unsightly and unpleasant environment.</li> <li>2. <b>Public health hazards:</b> Tobacco product waste can contain toxic chemicals that can seep into the environment and harm public health. In addition, cigarette butts are often mistaken for food by animals, which can cause them to become sick or die.</li> <li>3. <b>Economic costs:</b> The cleanup of tobacco product waste can be expensive, and taxpayers may end up bearing the cost of cleaning up public spaces and waterways.</li> <li>4. <b>Social costs:</b> Tobacco product waste can create an unsightly and unpleasant environment that can reduce civic pride and deter tourism and economic development.</li> </ol>
<b>Why is your request important? Why should it prevail?</b>	<p>Per the City Council’s request, by adopting a policy/policies to address tobacco product waste, the city can help reduce these negative impacts and create a cleaner, safer, and more attractive environment for their residents and visitors. Some effective policies from the County of Santa Cruz includes:</p> <ol style="list-style-type: none"> <li>1. <b>Tobacco Product Sales Restrictions</b> <ol style="list-style-type: none"> <li>a. Prohibit the sale of all single-use plastic tobacco products</li> <li>b. Prohibit the sale of single-use cigarette filters (ex: cigarette butts)</li> <li>c. Prohibit the sale of Electronic Smoking Devices (ESD)</li> <li>d. Prohibit the sale of single-use ESD</li> <li>e. Prohibit the sale of other tobacco products that create plastic waste (ex: lighters, packaging, cigar tips, etc.)</li> </ol> </li> <li>2. <b>Hazardous Waste Regulation on Tobacco Products</b> <ol style="list-style-type: none"> <li>a. Require hazardous waste tracking, handling, and signage for nicotine and electronic waste at point of sale</li> </ol> </li> <li>3. <b>Environmental Justice in Tobacco Retailer Location and Density</b></li> </ol>

	<ul style="list-style-type: none"> <li>a. Remedy disproportionate exposure to TPW through density restrictions in low-income and minority communities</li> </ul> <p>4. Other Approaches</p> <ul style="list-style-type: none"> <li>a. TPW Mitigation Fee on tobacco products</li> <li>b. Deposit/Return programs on ESD products (Extended Producer Responsibility or EPR)</li> </ul>
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**“Line of Sight” – Relevance of the Request to Key City Priorities (Score = 1, 4, or 7, where 7 = Very Relevant)**

Criterion	Score	Criterion	Score
Community Safety & Well Being	7	Environment, Sustainability & Well Managed Resources	7
Housing		Economic Vitality	1
Infrastructure		Organizational Health	
Financial Stability		Engaged & Informed Community	4

**Personnel Involvement**

<b>Will this request impact all city departments?</b>	Most
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<p><b>If it is not city-wide, which departments will be impacted and/or will need to participate?</b></p>	<p><b>CITY</b></p> <ol style="list-style-type: none"> <li>1. City Attorney’s Office: May be responsible for finalizing the policies and ensuring that they comply with local and state laws.</li> <li>2. City Manager’s Office: Coordinate efforts across all departments to ensure an effective and efficient implementation of these policies.</li> <li>3. Economic Development: Responsible for engaging with local businesses and providing resources to help them comply with the policies. They may also be responsible for monitoring the economic impact of the policies on local businesses (data).</li> <li>4. Public Works: May be responsible for coordinating proper disposal; depending on the specific policies.</li> <li>5. Police: May be involved in implementing and enforcing policies to address tobacco product waste, depending on the specific policies and local needs.</li> </ol> <p><b>COUNTY</b></p> <ol style="list-style-type: none"> <li>6. County Administrator’s Office: Responsible to coordinate efforts to reduce the amount of tobacco product waste in the County/City.</li> <li>7. Environmental Services: Responsible for hazardous materials and environmental cleanup.</li> <li>8. Health and Human Services: Responsible for overseeing the health impacts of tobacco product waste and promoting public health by reducing exposure to harmful cigarette butt litter.</li> <li>9. Public Health: Responsible to coordinate efforts on public education and outreach campaigns.</li> </ol>
<p><b>Who are the Executive Sponsors?</b></p>	<p>Councilmember(s) Watkins, Brunner, Kalantari-Johnson</p>

**What does this request include?**

<p><b>Scope</b></p>	<p>The scope of work to address tobacco product waste in Santa Cruz will depend on the specific policies (Amendment to the Tobacco/Retail Licensing Ordinance 6.07) and goals set by the City Council. However, some potential pre- and post-components could include:</p> <p><b>PRE-COMPONENTS</b></p> <ol style="list-style-type: none"> <li>1. <b>Conduct research:</b> Research is needed to understand the background and timeline of the project, identify key stakeholders, and case studies of other cities who have successfully passed policies. <p>Currently, the cost is city staff time.</p> </li> <li>2. <b>Engage with stakeholders:</b> The city will need to engage with stakeholders/community partners who will be affected by the new policy/policies. Groups include BIPOC, education, local environmental groups, local tobacco retailers &amp; customers, medical professionals, public entity, tobacco policy experts, tobacco waste content experts, and water quality experts. This may involve holding a series of public meetings and workshops to gather input and feedback on the policies. <p>The cost will depend on the resources required to hold public meetings and workshops, as well as the resources required to respond to stakeholder feedback. This may include the cost of city staff time and the cost of providing refreshments or other materials. These costs could range from a few hundred dollars to thousands of dollars.</p> </li> </ol> <p><b>POST-COMPONENTS</b></p> <ol style="list-style-type: none"> <li>3. <b>Conduct research:</b> Per Council direction, additional research and professional expertise may be needed to better identify best practices and language for reducing tobacco product waste. <p>The cost is city staff time and resources available to the city.</p> </li> <li>4. <b>Develop policy/policies:</b> Based on City Council direction, the city may need to develop policy/policies that address tobacco product waste, such as (refer to County's Policy Options Chart): <ol style="list-style-type: none"> <li>a. Prohibit the sale of all single-use plastic tobacco products</li> <li>b. Prohibit the sale of single-use cigarette filters (ex: cigarette butts)</li> <li>c. Prohibit the sale of Electronic Smoking Devices (ESD)</li> <li>d. Prohibit the sale of single-use ESD</li> <li>e. Prohibit the sale of other tobacco products that create plastic waste (ex: lighters, packaging, cigar tips, etc.)</li> <li>f. Require hazardous waste tracking, handling, and signage for nicotine and electronic waste at point of sale</li> <li>g. Remedy disproportionate exposure to TPW through density restrictions in low-income and minority communities</li> <li>h. TPW mitigation fee on tobacco products</li> <li>i. Deposit/Return programs on ESD products (Extended Producer Responsibility or EPR)</li> </ol> <p>During this process, stakeholder input is needed in developing the policy/policies.</p> </li> </ol>
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The cost of developing policies will depend on the resources available to the city and the complexity of the policy/policies. Drafting new regulations or ordinances could require the time and expertise of the City Attorney's Office or outside consultant, which could cost tens of thousands of dollars or more.

5. Establish implementation & enforcement plans: Once policy/policies are developed and adopted, the city will need to establish a plan for implementing and enforcing the policies. This may involve identifying the city departments responsible for various aspects of implementation and enforcement, as well as developing a system for monitoring compliance.

The cost of establishing implementation and enforcement plans will depend on the resources required to develop and implement a new system. This may include the cost of training city staff, hiring additional staff to enforce the policies, and the cost of developing a system to track compliance. These costs could range from tens of thousands to hundreds of thousands of dollars, depending on the size of the city and the complexity of the policies.

6. Provide education & outreach: The city will need to develop an education and outreach campaign (collaborate with the County Department of Public Health) to inform the public about the new policies. This may involve creating informational materials, updating the landing page and/or social media campaign, and working with community organizations to reach a broad audience.

The cost will depend on the resources required to develop and implement an effective campaign. This may include the cost of creating and printing informational materials, developing a website or social media campaign to inform the public, and cost of outreach events. These costs could range from a few hundreds to a few thousand dollars, depending on the scope of the campaign.

7. Monitor progress: Depending on the policy, the City/County will need to monitor the effectiveness of the policies over time to ensure that they are achieving their intended goals by doing observation surveys or enforcement checks. This may involve tracking what products are for sale and enforcing the policy/policies.

The cost will be staff time.

Keep in mind that the policy/policies to address tobacco product waste in the City of Santa Cruz will be multifaceted and may involve coordination across multiple city departments and key stakeholders.

Overall, the cost of policy/policies to address tobacco product waste is to be determined and will vary depending on the specific policy/policies and goals set by the City Council, as well as the resources available to the city. It will be important for the City Council to carefully consider the costs and benefits of these policy/policies to ensure that they are effective and sustainable over the long term.

<b>Software</b>	Description	N/A
	Costs	N/A

<b>Hardware</b>	Description	N/A
	Costs	N/A
<b>Professional Services</b>	Description	City Attorney's Office: Legal expertise, developing the policy, and potential lawsuits.
	Costs	Will vary depending on the specific policy/policies and goals set by the City Council. Depending on the policy, there's a possibility that the City may be sued,
<b>Other</b>	Description	
	Costs	

**How Long Will It Take?**

<p><b>Duration</b></p>	<p>The timeline for implementing a policy/policies will depend on a number of factors, such as the specific policies developed, the size of the city, and the resources available to the city. However, here is a rough estimate of the timeline for each component:</p> <p><b>PRE-COMPONENTS</b></p> <ol style="list-style-type: none"> <li>1. <b>Conduct research:</b> This will depend on the scope of the research, the availability of resources, and the complexity of the study (Ex: a survey of cigarette butt litter in the city may take several weeks, while a more extensive study on the environmental and health impacts could take several months).</li> <li>2. <b>Engage with stakeholders:</b> This depends on the resources required to hold public meetings and workshops, as well as the resources required to respond to stakeholder feedback. This may include the time required to plan and implement meetings, and the time required to review and respond to stakeholder feedback. These timelines could range from several weeks to several months.</li> </ol> <p><b>POST-COMPONENTS</b></p> <ol style="list-style-type: none"> <li>3. <b>Conduct research:</b> Per Council direction, additional research and professional expertise may be needed to better identify best practices and language for reducing tobacco product waste.</li> <li>4. <b>Develop policies:</b> This will depend on the complexity of the policies and the resources available to the city (Ex: Developing regulations or ordinances could take several months to a year or more, depending on the scope of the policies and the level of stakeholder engagement).</li> <li>5. <b>Establish implementation &amp; enforcement plans:</b> This will depend on the complexity of the policies and the resources required to develop and implement a new system. This may include the time required to train city staff, hire additional staff to enforce the policies, and the time required to develop a system to track compliance. These timelines could range from several months to a year or more.</li> <li>6. <b>Provide education &amp; outreach:</b> This will depend on the scope of the campaign and the resources available to the city. This may include the time required to develop and print informational materials, develop a website or social media campaign, and the time to plan and implement outreach events. This could range from several weeks to several months.</li> <li>7. <b>Monitor progress:</b> This depends on the resources required to collect and analyze data, as well as the resources required to report on progress. This may include the time required to develop and implement a system to track compliance, the time required to collect and analyze data, and the time required to report progress to city officials or the public. This could range from several months to a year or more.</li> </ol> <p>Overall, depending on the specific policies developed, the size of the city, and the resources available, will affect the timeline from several months to a year or more.</p>
<p><b>Start Date</b></p>	<p></p>

<b>Schedule</b>	<b>End Date</b>	
<b>Details about Schedule - Anticipated Phases and Dates</b>		
Date -		
Date -		
Date -		



INFORMATION REPORT

COUNCIL MEETING  
6/13, 2023

DATE: May 15, 2023

TO: City Manager

DEPARTMENT: Finance

SUBJECT: Portfolio Management Report – Pooled Cash and Investments as of April 30, 2023

APPROVED:

DATE: 05.24.23

Attached is the Portfolio Management Report for the City’s internal investment pool as of April 30, 2023. The Finance Department will continue to provide a separate expanded summary report of market conditions and current investment activity at the end of each quarter.

The report provides information about how most funds held by the City are pooled and invested. It includes charts and graphs that reflect the investment distribution by issuer, pooled portfolio by detail, projected cash flow from maturing investments, historical portfolio yields for the investment pool, and yield comparisons with other investment benchmarks. Pooled investments reported here do not include certain unpooled City investments that are required by bond and loan covenants to be held separately. Those unpooled investments are described on a quarterly basis in a separate information report entitled “Portfolio Management Report – Unpooled Cash and Investments.”

Most of the pool is deposited with the State of California Local Agency Investment Fund (LAIF), which provides a stable, liquid investment vehicle for the City. The City also invests in U.S. Treasuries and federal agency securities. The federal government may call higher yielding agency investments prior to maturity, and if not needed for current expenditures, the proceeds from called bonds are reinvested at rates consistent with market conditions. The attachments show some declines in market value, but overall, the City’s average yield to maturity is rising. As of April 30, 2023, the City’s rate of return, based upon yield to maturity for outstanding investments, is 2.785%.

The Finance Department will continue to review all investments in the pooled cash and investment accounts to ensure that the primary objectives of safety and liquidity are being met, consistent with the City’s Investment Policy. Once those requirements are satisfied, staff will strive to maximize the yield on the City’s investments.

Prepared by:  
  
Kim Wigley  
Finance Manager

Approved by:  
  
Elizabeth Cabell  
Finance Director

Attachment: Pooled Investment Report

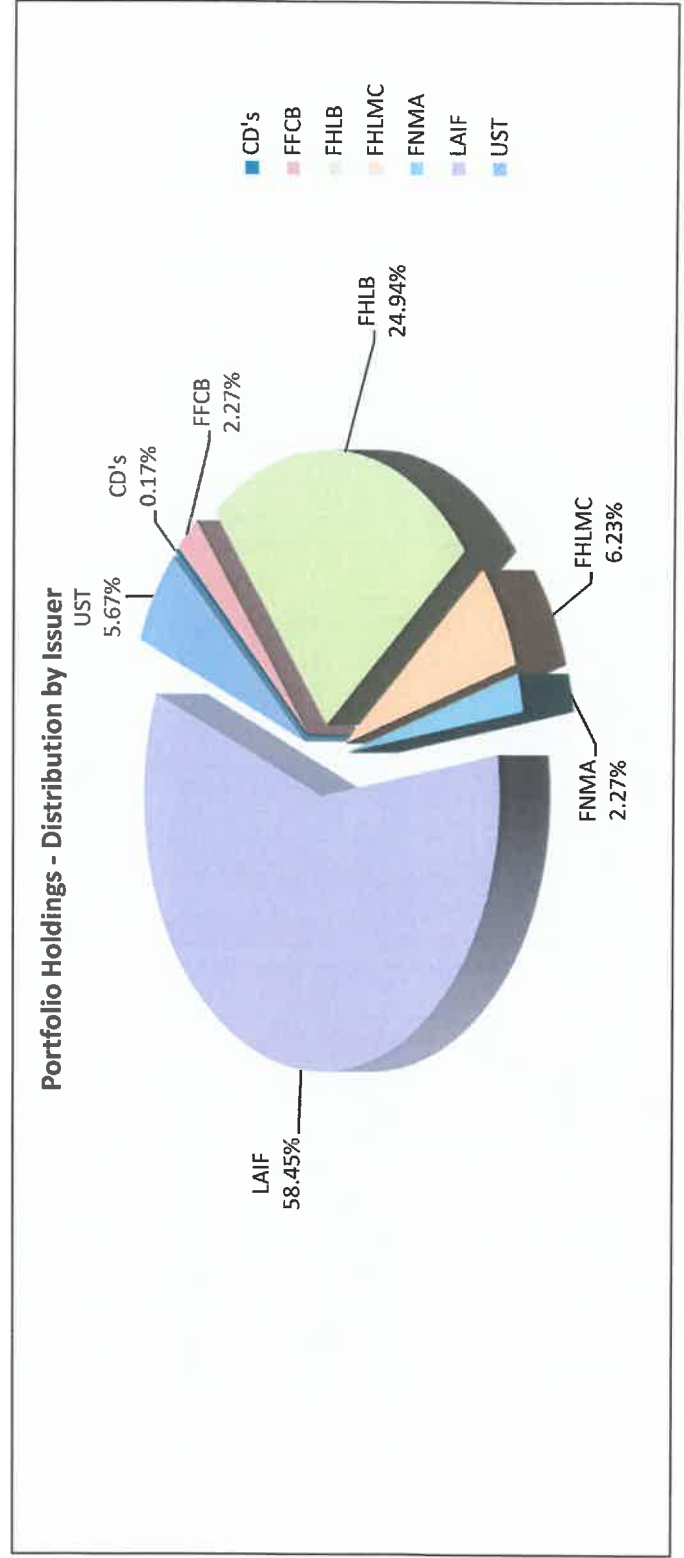
FN FYI Pooled Cash and Investments - Monthly

FN FYI 31.368

City of Santa Cruz  
 Santa Cruz Pooled Portfolio Summary  
 As of 4/30/2023

Issuer	Par Value	Market Value	Cost	Days To Call/ Maturity	Yield to Maturity @ Cost	% of Portfolio
Local Financial Institution Certificates of Deposit	308,779.76	308,779.76	308,779.76	713	1.473	0.17%
Federal Farm Credit Bank (FFCB Bond)	4,000,000.00	4,026,670.00	3,994,850.00	885	4.506	2.27%
Federal Home Loan Bank (FHLB Bond)	44,025,000.00	41,391,017.00	43,864,950.00	106	1.806	24.94%
Federal Home Loan Mortgage Corporation (FHLMC Bond)	11,000,000.00	10,793,460.00	11,000,000.00	61	3.679	6.23%
Federal National Mortgage Association (FNMA Bond)	4,000,000.00	3,805,180.00	3,959,020.00	153	2.551	2.27%
Local Government Investment Pool (LAIF)	103,161,547.90	101,769,932.56	103,161,547.90	1	2.870	58.45%
US Treasury Notes (UST)	10,000,000.00	9,803,460.00	9,751,953.13	310	4.673	5.67%
<b>Total / Average</b>	<b>176,495,327.66</b>	<b>171,898,499.32</b>	<b>176,041,100.79</b>	<b>73</b>	<b>2.785</b>	<b>100.00%</b>

Earnings	Month Ending 4/30/23	Fiscal Year To Date
Interest/Dividends	1,032,722.06	3,177,945.96

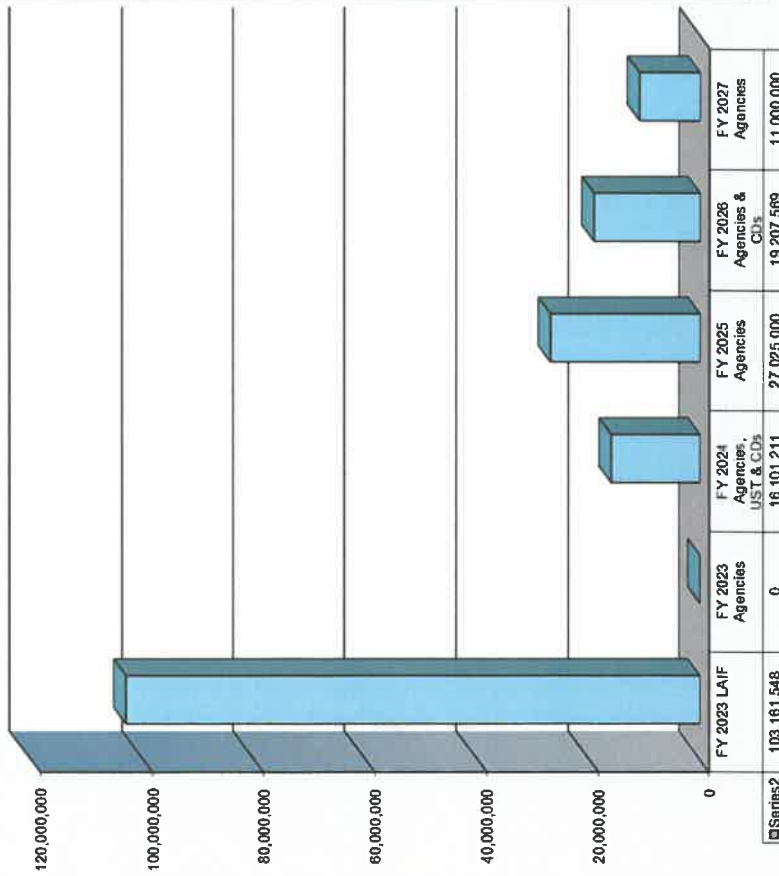




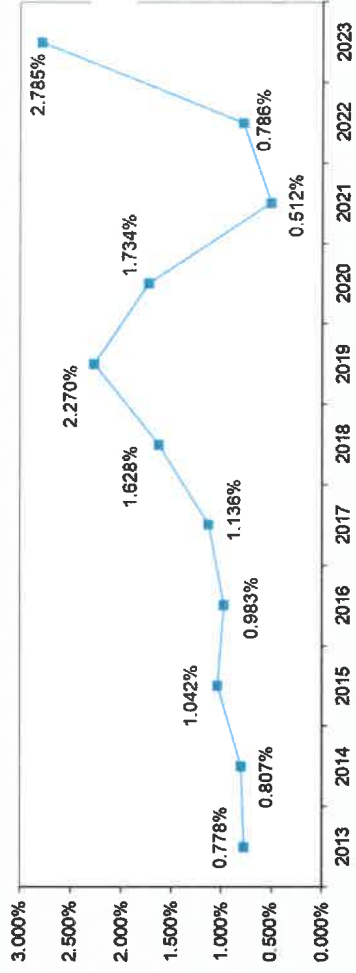
Issuer	Description	CUSIP/Ticker	Coupon Rate	Maturity Date	Next Call Date	Face Amount/Shares	Market Value	Cost Value	Days To Call/Maturity	YTM @ Cost
Certificate Of Deposit										
Comerica Bank	Comerica Bank 3.05 12/14/2023	CD-CB06	3.050	12/14/2023		101,211.19	101,211.19	101,211.19	228	3.050
Santa Cruz County Bank	Santa Cruz County Bank 0.4 12/1/2025	CD-SCCB07	0.400	12/1/2025		102,438.65	102,438.65	102,438.65	946	0.400
Santa Cruz County Bank	Santa Cruz County Bank 1 12/9/2025	CD-SCCB08	1.000	12/9/2025		105,129.92	105,129.92	105,129.92	954	1.000
Sub Total / Average	Certificate Of Deposit		1.473			308,779.76	308,779.76	308,779.76	713	1.473
FFCB Bond										
FFCB	FFCB 4.25 7/24/2025	3133EPGS8	4.250	7/24/2025		1,000,000.00	1,002,110.00	1,000,000.00	816	4.250
FFCB	FFCB 4.375 2/23/2026	3133EPBJ3	4.375	2/23/2026		2,000,000.00	2,015,820.00	2,000,000.00	1,030	4.375
FFCB	FFCB 4.75 2/21/2025	3133EPBH7	4.750	2/21/2025		1,000,000.00	1,008,740.00	994,850.00	663	5.027
Sub Total / Average	FFCB Bond		4.437			4,000,000.00	4,026,670.00	3,994,850.00	885	4.506
FHLB Bond										
FHLB	FHLB 0.45 8/26/2024-21	3130ANLQ1	0.450	8/26/2024	5/26/2023	2,000,000.00	1,887,380.00	2,000,000.00	26	0.450
FHLB	FHLB 0.56 1/29/2025-21	3130ANEV8	0.560	1/29/2025	7/29/2023	2,000,000.00	1,863,400.00	2,000,000.00	90	0.560
FHLB	FHLB 0.6 12/30/2024-21	3130AMY97	0.600	12/30/2024	6/30/2023	2,000,000.00	1,872,540.00	2,000,000.00	61	0.600
FHLB	FHLB 0.65 3/28/2025-21	3130AMXG2	0.650	3/28/2025	6/28/2023	2,000,000.00	1,860,160.00	2,000,000.00	59	0.650
FHLB	FHLB 0.7 8/26/2025-22	3130ANPE4	0.700	8/26/2025	8/26/2023	1,000,000.00	922,510.00	1,000,000.00	118	0.700
FHLB	FHLB 0.9 8/27/2026-23	3130ANQ78	0.900	8/27/2026	5/27/2023	2,000,000.00	1,801,260.00	1,883,540.00	27	2.286
FHLB	FHLB 1 3/30/2026-21	3130ALLU85	1.000	3/30/2026	6/30/2023	5,000,000.00	4,566,250.00	5,000,000.00	61	1.000
FHLB	FHLB 1 6/30/2026-21	3130AMWU2	1.000	6/30/2026	6/30/2023	2,000,000.00	1,811,820.00	2,000,000.00	61	1.000
FHLB	FHLB 1.03 7/7/2026-22	3130AN3K4	1.030	7/7/2026	7/7/2023	2,000,000.00	1,815,840.00	2,000,000.00	68	1.030
FHLB	FHLB 1.1 1/13/2025-23	3130AQGT4	1.100	1/13/2025	1/13/2024	1,000,000.00	941,570.00	984,410.00	258	1.660
FHLB	FHLB 1.4 8/28/2024-23	3130AQUW1	1.400	8/28/2024		1,000,000.00	957,490.00	995,000.00	486	1.606
FHLB	FHLB 1.7 2/24/2025-23	3130AQWY5	1.700	2/24/2025	5/24/2023	1,025,000.00	973,217.00	1,025,000.00	24	1.700
FHLB	FHLB 2 6/17/2025-23	3130AR3C3	2.000	6/17/2025	6/17/2023	2,000,000.00	1,905,060.00	2,000,000.00	48	2.000
FHLB	FHLB 2 9/30/2025-22	3130AR7M7	2.000	9/30/2025	6/30/2023	2,000,000.00	1,897,100.00	2,000,000.00	61	2.000
FHLB	FHLB 2.25 2/24/2027-23	3130AQYA5	2.250	2/24/2027	5/24/2023	2,000,000.00	1,866,100.00	2,000,000.00	24	2.250
FHLB	FHLB 2.6 3/30/2027-23	3130ARF55	2.600	3/30/2027	6/30/2023	2,000,000.00	1,886,260.00	2,000,000.00	61	2.600
FHLB	FHLB 2.61 4/26/2024-23	3130ARPN5	2.610	4/26/2024		2,000,000.00	1,953,800.00	2,000,000.00	362	2.610
FHLB	FHLB 3 4/29/2026-24	3130ARN80	3.000	4/29/2026	4/29/2024	2,000,000.00	1,917,320.00	2,000,000.00	365	3.000
FHLB	FHLB 3 5/17/2024-22	3130ARV65	3.000	5/17/2024	5/17/2023	2,000,000.00	1,957,100.00	2,000,000.00	17	3.000
FHLB	FHLB 3.1 5/23/2025-23	3130ASU9	3.100	5/23/2025	5/23/2023	2,000,000.00	1,942,500.00	2,000,000.00	23	3.100
FHLB	FHLB 3.55 7/11/2024-23	3130ASHX0	3.550	7/11/2024	7/11/2023	2,000,000.00	1,966,100.00	2,000,000.00	72	3.550
FHLB	FHLB S1ep 1/26/2027-24	3130AQMX8	1.125	1/26/2027	1/26/2024	2,000,000.00	1,859,000.00	1,977,000.00	271	1.929
FHLB	FHLB S1ep 4/28/2027-23	3130ARPG0	3.250	4/28/2027	7/28/2023	1,000,000.00	957,240.00	1,000,000.00	89	3.623
Sub Total / Average	FHLB Bond		1.684			44,025,000.00	41,391,017.00	43,864,950.00	106	1.806
FHLMC Bond										
FHLMC	FHLMC 3.03 4/28/2025-22	3134GXQP2	3.030	4/28/2025	7/28/2023	2,000,000.00	1,941,420.00	2,000,000.00	89	3.030
FHLMC	FHLMC 3.03 6/28/2024-22	3134GXXL3	3.030	6/28/2024	6/28/2023	2,000,000.00	1,954,540.00	2,000,000.00	59	3.030

Issuer	Description	CUSIP/Ticker	Coupon Rate	Maturity Date	Next Call Date	Face Amount/Shares	Market Value	Cost Value	Days To Call/Maturity	YTM @ Cost
FHLMC	FHLMC 3.05 6/23/2025-23	3134GXWH3	3.050	6/23/2025	6/23/2023	1,000,000.00	974,160.00	1,000,000.00	54	3.050
FHLMC	FHLMC 3.5 9/30/2024-23	3134GXZJ6	3.500	9/30/2024	6/30/2023	2,000,000.00	1,964,320.00	2,000,000.00	61	3.500
FHLMC	FHLMC 4 7/14/2025-23	3134GXZT4	4.000	7/14/2025	7/14/2023	2,000,000.00	1,967,940.00	2,000,000.00	75	4.000
FHLMC	FHLMC 5.15 11/26/2024-23	3134GY4L3	5.150	11/26/2024	5/26/2023	2,000,000.00	1,991,080.00	2,000,000.00	26	5.150
Sub Total / Average	FHLMC Bond		3.679			11,000,000.00	10,793,460.00	11,000,000.00	61	3.679
FNMA Bond										
FNMA	FNMA 0.65 8/27/2025-21	3136G4S87	0.650	8/27/2025	5/27/2023	2,000,000.00	1,842,660.00	2,000,000.00	27	0.650
FNMA	FNMA 2.5 2/5/2024	3135G0V34	2.500	2/5/2024		2,000,000.00	1,962,520.00	1,959,020.00	281	4.492
Sub Total / Average	FNMA Bond		1.565			4,000,000.00	3,805,180.00	3,959,020.00	153	2.551
Local Government Investment Pool - Quarterly										
LAIF	LAIF LGIP-Quarterly	LAIFCOVID	2.870	N/A	N/A	2,217,701.78	2,187,785.71	2,217,701.78	1	2.870
LAIF	LAIF LGIP-Quarterly	LAIF	2.870	N/A	N/A	59,623,489.03	58,819,187.78	59,623,489.03	1	2.870
LAIF	LAIF LGIP-Quarterly	LAIFRDA	2.870	N/A	N/A	41,320,357.09	40,762,959.07	41,320,357.09	1	2.870
Sub Total / Average	Local Government Investment Pool - Quarterly		2.870			103,161,547.90	101,769,932.56	103,161,547.90	1	2.870
Treasury Note										
Treasury	T-Note 0.125 1/15/2024	91282CBEO	0.125	1/15/2024		2,000,000.00	1,934,220.00	1,915,000.00	260	4.646
Treasury	T-Note 0.25 9/30/2023	91282CDA6	0.250	9/30/2023		1,000,000.00	981,170.00	978,906.25	153	4.518
Treasury	T-Note 0.375 10/31/2023	91282CDD0	0.375	10/31/2023		1,000,000.00	977,660.00	976,015.63	184	4.552
Treasury	T-Note 0.5 11/30/2023	91282CDM0	0.500	11/30/2023		1,000,000.00	974,690.00	973,906.25	214	4.478
Treasury	T-Note 2.25 12/31/2023	912828V23	2.250	12/31/2023		1,000,000.00	982,660.00	982,968.75	245	4.694
Treasury	T-Note 2.25 3/31/2024	91282CEG2	2.250	3/31/2024		2,000,000.00	1,953,760.00	1,945,937.50	336	4.561
Treasury	T-Note 4.375 10/31/2024	91282CFQ8	4.375	10/31/2024		2,000,000.00	1,959,300.00	1,979,218.75	550	5.030
Sub Total / Average	Treasury Note		1.701			10,000,000.00	9,803,460.00	9,751,953.13	310	4.673
Total / Average			2.564			176,495,327.66	171,888,499.32	176,041,100.79	73	2.785

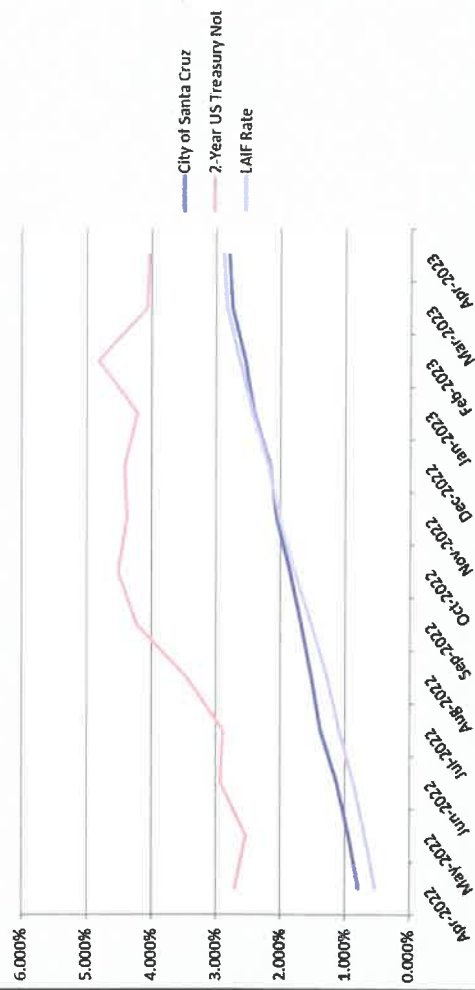
**Projected Cash Flow from Maturing Investments**



**Historical Portfolio Yields At April Month End**



**Benchmark and Portfolio Yields**





INFORMATION REPORT

COUNCIL MEETING

6/13, 2023

DATE: June 13, 2023

TO: City Manager  
DEPARTMENT: Finance  
SUBJECT: Transient Occupancy Tax

APPROVED:

DATE:

06-07-23

This report provides additional information about our Transient Occupancy Tax collection and audit process.

Audits of short-term rentals are handled by our internal staff, currently a Senior Accountant and an Accounting Technician. We use compliance software to assist in identifying short-term rentals. Over 60 different short-term rental platforms are scanned 3-5 times a week at different times, day, night, and weekends, looking for rental listings within the City limits. Once an address is identified, the listing location and owner are identified through GIS, County assessor records, and realtor websites to verify they are within City limits. These identified listings are saved in a database that is searchable and reviewable by us. We have gone through the list of over 463 active listings, removed duplicate listings for the same address, bed and breakfasts, hotels, long-term rentals, and expired listings and confirmed all but a very small number of the remaining 284 active or pending short-term rental properties.

Over the last eight years, we have performed almost 200 full audits of hotels and short-term rentals and brought in over \$1.4M. This is on top of the additional on-going revenue generated by bringing these operators into compliance.

In addition to full audits, we ensure compliance by contacting registered properties that have not submitted a tax return for several months and educating operators about the correct method to calculate the tax owed when we see irregularities in the tax report filed.

The question of entering into a voluntary collection agreement (VCA) with Airbnb was raised at the FY 2023 budget hearings and the Finance Department provided the attached memo in response to that inquiry. In August 2022 our legal department initiated conversations with Airbnb regarding entering into a VCA. While these types of agreements can make it easier for operators to remit taxes, there is a distinct disadvantage to the City. Operators can opt out of the service and since there is no detailed reporting provided by Airbnb, we have no way of verifying which operators are remitting tax, and which are not. Airbnb was the only platform offering this type of agreement and they felt that it put them at a competitive disadvantage by making their listings appear more expensive. **Therefore, they no longer offer VCA's to jurisdictions.**

We are confident that with our current strategy we have identified non-compliant properties and are maximizing our Transient Occupancy Tax revenue.

Prepared by:

Elizabeth Cabell  
Finance Director

Attachment: June 7, 2022 Memo from Finance to City Council

FN FYI 30219



## MEMORANDUM

DATE: June 7, 2022

TO: City Council

FROM: Bobby Magee, Interim Director of Finance

SUBJECT: Short Term Rental Transient Occupancy Tax Collection

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During the 2022-23 Budget Hearings, Councilperson Golder inquired as to why the City does not collect Transient Occupancy Taxes (TOT) on short term rentals in a manner similar to Santa Cruz County. After researching the matter, the Finance Department has found the following:

Some cities and counties have entered into voluntary collection agreements with Airbnb, which allows Airbnb to collect and remit transient occupancy taxes directly to the government entity and, thereby, bypass the rental operator. The City of Santa Cruz has elected not to enter into such an agreement. Currently, Airbnb is the only firm known that offers this type of service; other rental reservation companies do not offer this type of arrangement where the taxes are paid directly to the government. However upon request of the home owner, many of these companies will collect the tax on the owner's request and will then remit the tax back to the owner, who must then report and pay the local government.

If the City were to contract with Airbnb, they would remit all collected TOT payments to the City in one lump sum payment without any accompanying detail. Airbnb does not provide any information such as the amount collected for individual operators, the number of operators collected from, the number of nightly rentals, or specific categories, such as gross rents, exemptions, net rents, and tax paid. The lack of information provided by Airbnb makes determining whether Airbnb is submitting the correct amount of tax due virtually impossible. As such, the Finance Department previously made the decision to retain control over auditing functions of these properties by collecting the tax directly from each individual operator.

If you have any questions or need additional information, please contact me at (831) 420-5055 or at [bmagee@cityofsantacruz.com](mailto:bmagee@cityofsantacruz.com).



INFORMATION REPORT

COUNCIL MEETING

6/13, 2023

DATE: June 13, 2023

TO: City Manager  
DEPARTMENT: Finance  
SUBJECT: Investment Strategy

APPROVED: 

DATE: 06.08.23

This report provides additional information about our Pooled Cash Investment Strategy.

**Background**

It is the responsibility of the Finance Department to manage and invest the City's cash resources. This responsibility is regulated by an Investment Policy crafted in accordance with State Government Code and adopted by the City Council. The Policy delineates the allowable investment vehicles that the City may use for surplus cash not needed for current operations. The primary objectives of a successful municipal investment program are best described by the acronym SLY: safety, liquidity, and yield. The order of these principles is key with yield being the least important of the three. Safety and liquidity are the paramount objectives.

**Safety and Liquidity**

The City invests the bulk of its surplus cash in the State's Local Agency Investment Fund. As of May 31, 2023, \$101M (or 55.6%) of the City's \$182M investment pool is deposited in LAIF. LAIF is a short-term investment pool with an average life/maturity of less than one year. It primarily invests in government securities but also invests in commercial paper, corporate bonds, and financial institution certificates of deposit. LAIF is a very attractive investment vehicle. It is considered safe, as well as highly liquid. The City can withdraw up to \$10M with same day notice by 10:00AM using the State's web portal. For withdrawals in excess of \$10M, 24-hour notice is required. LAIF's average monthly yield for May 2023 was 2.993%.

The City also invests heavily in U.S. treasury notes and federal agency bonds. These are safe and highly rated investment options. The City currently holds \$12M in treasury notes and \$69M in bonds issued by four federal agencies: Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association. Per the City's Investment Policy, there is no dollar or percentage limit on the total amount the City can invest in treasuries and federal agency bonds. The policy does limit the maximum that can be purchased from any one federal agency bond issuer to 25% of the fair market value of the total portfolio. The City is also limited to purchasing bonds with maturities of 5 years or less.

Federal agency bonds and treasuries are acquired through two brokers at FHN Financial and Stifel, Nicolaus & Co. The City has worked with each of these brokers for over ten years and has developed a trusted relationship with both investment professionals.

**Current Investment Strategy**

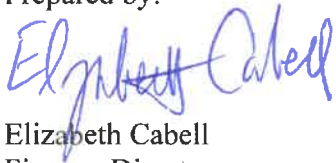
As market interest rates started to rise post-pandemic, the Finance Department began moving surplus cash not needed for current operations and reserves out of LAIF and into higher yielding, allowable investments. By capturing additional yield, staff hoped to alleviate some of the City's budgetary pressures and offset the costs of rising inflation.

First, it was determined that the City had more cash in LAIF than the amount needed to maintain sufficient liquidity. Staff then reinvested \$35M in federal agency bonds in \$1M-\$2M increments with maturities of 5 years or less with varying maturity dates that both complement and build out the existing portfolio ladder. Next, staff set a goal of reinvesting another \$40M, of which \$26M has been invested to date in treasuries and federal agency bonds.

Investment activities and pooled portfolio yields are reported to the Council on a monthly and quarterly basis.

The City is working on an RFP for an Investment Advisor. The goal is to have a team working with us to manage our portfolio, assist with cash flow/maturity analysis, evaluate risk, develop strategies that minimize the impact on the portfolio, review and update the City's Investment Policy incorporating directives from the City's Climate Action Plan and Health in All Policies policy. Our portfolio is currently managed by City staff with multiple responsibilities. Having an investment advisor will allow us to have dedicated resources assisting us achieve our goals.

Prepared by:



Elizabeth Cabell  
Finance Director