



Special - Regular Meeting Agenda
City Council

Steve Tate - Mayor
Larry Carr - Mayor Pro Tem
Rich Constantine - Council Member
Caitlin Jachimowicz - Council Member
Rene Spring - Council Member

Wednesday, November 15, 2017 5:30 PM

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

SPECIAL/REGULAR MEETING

(5:30 P.M. Workshop/ 7:00 P.M. Regular Meeting)

SPECIAL MEETING

5:30 P.M.

CALL TO ORDER

(Mayor Tate)

ROLL CALL ATTENDANCE

DECLARATION OF POSTING AGENDA

Per Government Code Section 54954.2
(Deputy City Clerk Wilson)

WORKSHOP

1. HIGH SPEED RAIL WORKSHOP

Recommendation:

The purpose of the High Speed Rail workshop is to review the findings of the Highway 101 Corridor Study by Michael Baker and Associates, provide an update on consultant-related work for the project, and receive a schedule update from the California High Speed Rail Authority.

CLOSED SESSION

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Authority: Government Code 54957(b)(1)

Title: City Attorney

RECONVENE

CLOSED SESSION ANNOUNCEMENT

REGULAR MEETING

7:00 P.M.

The City Council has adopted a policy that regular meetings shall not continue beyond 11:00 p.m. unless extended by a majority of the City Council.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Mayor Pro Tem Carr

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PROCLAMATIONS

Proclaiming the month of November as Philanthropy Month

PRESENTATIONS

YAC Presentation - Asset #41 - Positive Cultural Identity

Santa Clara Valley Water District - Anderson Dam Project and Water Levels Update

PUBLIC COMMENT

Members of the public are entitled to address the City Council concerning any item within the Morgan Hill City Council's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda. (See additional noticing at the end of this agenda)

ADOPTION OF AGENDA

CONSENT CALENDAR

Items appearing on the Consent Calendar are considered routine and may be approved by one motion. Pursuant to City Council Policies and Procedures (CP 97-01), any member of the Council or public may request to have an item removed from the Consent Calendar for comment and action.

Time Estimate for Consent Calendar: 1 - 10 Minutes

2. APPROVE SERVICE MAINTENANCE AGREEMENT WITH SALINAS PUMP COMPANY

Recommendation:

Approve and authorize the City Manager to execute a three-year agreement with Salinas Pump Company in the amount of \$275,000 for on-call routine and emergency repair, maintenance, and rehabilitation of the City's water wells and pump stations.

3. APPROVE PURCHASE OF A CARGO VAN WITH AN UPFIT

Recommendation:

1. Approve purchase of a new Cargo Van with an Upfit from Downtown Ford Sales in the amount of \$39,292.32; and
2. Authorize City Manager to approve purchase order in the amount of \$39,292.32 with Downtown Ford Sales.

4. APPROVE CONCEPTUAL PLAN FOR JACKSON PARK PLAYGROUND ENHANCEMENTS AND APPROPRIATION FOR MATCHING PROJECT FUNDS

Recommendation:

1. Approve conceptual plans for Jackson Park playground enhancements and direct staff to solicit bids; and
2. Adopt resolution approving an appropriation of \$72,327 from the Park Impact Fund (Fund 301) for matching funds.

5. AUTHORIZE EXECUTION OF LETTER OF INTENT FOR THE PURCHASE OF AN AGRICULTURAL CONSERVATION EASEMENT ON PROPERTY LOCATED ON APN 728-06-019, HENDRY DRIVE

Recommendation:

Authorize the City Manager to execute a Letter of Intent for the purchase of an agricultural conservation easement.

6. SITE REVIEW, SR2017-0011: W. MAIN – MH LIBRARY: REQUEST FOR A SITE, ARCHITECTURAL AND LANDSCAPE PLAN APPROVAL OF A 6,434-SQUARE FOOT ADDITION TO THE MORGAN HILL LIBRARY LOCATED AT 660 WEST MAIN ST.

Recommendation:

Adopt resolution approving the Design Permit for the Library Expansion project.

7. ACCEPTANCE OF SUBDIVISION PUBLIC IMPROVEMENTS - GIOVANNI DEVELOPMENT - TRACT NO. 9971

Recommendation:

1. Accept the subdivision public improvements for Giovanni Development – Tract No. 9971;
2. Authorize the Director of Engineering and Utilities or his designee to sign a Notice of Completion; and
3. Direct the City Clerk to file the Notice of Completion with the Recorder of Santa Clara County.

8. FINAL MAP APPROVAL OF WALNUT GROVE ESTATES - TRACT NO. 10422

Recommendation:

1. Approve the Final Map;
2. Authorize the City Manager to execute the Subdivision Improvements Agreement with Newland Homes, LLC and SiliconSage Builders, LLC;
3. Authorize the City Manager to execute a Stormwater Best-Management-Practices (BMP) Operation and Maintenance Agreement pending review and approval by the City Attorney; and
4. Authorize the recordation of the Final Map, Subdivision Improvements Agreement, and the Stormwater BMP Operation and Maintenance Agreement.

9. FINAL MAP APPROVAL OF EVERGREEN RENTAL

Recommendation:

1. Approve the Parcel Map;
2. Authorize the City Manager to execute the Improvement Agreement with MH Evergreen Multi, LLC;
3. Authorize the City Manager to execute a Stormwater Best-Management-Practices (BMP) Operation and Maintenance Agreement pending review and approval by the City Attorney; and
4. Authorize the recordation of the Parcel Map, Improvement Agreement, and the Stormwater BMP Operation and Maintenance Agreement.

10. FINAL MAP APPROVAL OF EVERGREEN FOR SALE - TRACT NO. 10403

Recommendation:

1. Approve the Final Map;
2. Authorize the City Manager to execute the Subdivision Improvements Agreement with MH Evergreen 74, LLC;
3. Authorize the City Manager to execute a Stormwater Best-Management-Practices (BMP) Operation and Maintenance Agreement pending review and approval by the City Attorney; and
4. Authorize the recordation of the Final Map, Subdivision Improvements Agreement, and the Stormwater BMP Operation and Maintenance Agreement.

11. ADOPT ORDINANCE APPROVING ZONING AMENDMENT ZA 2017-0004 CHANGING THE ZONING DESIGNATION OF AN APPROXIMATELY 1.745-ACRE SITE LOCATED ON THE WEST SIDE OF DEL MONTE AVENUE OPPOSITE MATHILDA COURT (ASSESSOR PARCEL NUMBERS 767-16-013, -043) FROM RE 100,000 RESIDENTIAL ESTATE DISTRICT TO R-1 7,000 SINGLE FAMILY MEDIUM DENSITY RESIDENTIAL DISTRICT

Recommendation:

Waive the reading, adopt Ordinance No. 2263, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

12. APPROVE THE NOVEMBER 1, 2017 MEETING MINUTES

Recommendation:

Approve Minutes.

OTHER BUSINESS

13. REVIEW OF CITY COUNCIL MEETING SCHEDULE

Recommendation:

1. Review and adjust the City Council meeting schedule as deemed appropriate; and
2. Approve 2018 City Council meeting schedule.

Estimated Time: 10 Minutes

14. APPROVE AGREEMENT WITH CAL-SOAP FOR COLLEGE SCHOLARSHIP PROGRAM

Recommendation:

Authorize the City Manager to enter into an agreement between the City of Morgan Hill and the California Student Opportunity and Access Program (South County Cal-SOAP) to provide a \$25,000 college scholarship to a Morgan Hill student, for a maximum contract amount of \$26,000 with administrative fees.

Estimated Time: 5 Minutes

15. AWARD OF OUTDOOR SPORTS CENTER ARTIFICIAL TURF REPLACEMENT PROJECT

Recommendation:

1. Adopt resolution amending the Fiscal Year 2017-18 Budget appropriating \$217,000 from the Park Maintenance Fund (302) for the Outdoor Sports Center Artificial Turf Replacement Project for a total budget of \$1,567,000;
2. Award contract to Astroturf USA, Inc. in the amount of \$1,475,437 for the Outdoor Sports Center Artificial Turf Replacement Project;
3. Authorize expenditure of construction contingency funds not to exceed \$51,000; and
4. Authorize the City Manager to execute and administer the construction contract with Astroturf USA, Inc.

Estimated Time: 15 Minutes

16. 2016 WATER LOSS AUDIT REPORT

Recommendation:

Receive report on 2016 Water Loss Audit Report.

Estimated Time: 10 Minutes

17. POLICE RESOURCES REPORT

Recommendation:

Accept report on Police resources and update on Public Safety Master Plan recommendations.

Estimated Time: 30 Minutes

PUBLIC HEARING

18. AN ORDINANCE OF THE CITY OF MORGAN HILL ALLOWING EXISTING RESIDENTIAL DEVELOPMENT PROJECTS WITH A COMMENCEMENT OF CONSTRUCTION REQUIREMENT TO UTILIZE THE EXERCISE OF ALLOTMENT PROVISION PROVIDED WITHIN THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) ORDINANCE SECTION 18.78.160 OF THE MORGAN HILL MUNICIPAL CODE

Recommendation:

1. Open/close public hearing;
2. Waive the first and second reading of the Ordinance; and
3. Introduce the Ordinance.

Estimated Time: 10 Minutes

19. ADOPT WAGE THEFT PREVENTION ORDINANCE

Recommendation:

1. Open/close public hearing;
2. Waive the first and second reading of the Wage Theft Prevention Ordinance; and
3. Introduce the Ordinance.

Estimated Time: 15 Minutes

FUTURE COUNCIL INITIATED AGENDA ITEMS

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

ADJOURNMENT

NOTICE

Any documents produced by the City and distributed to the majority of the City Council less than 72 hours prior to an open meeting, will be made available for public inspection at the City Clerk's Counter at City Hall located at 17575 Peak Avenue, Morgan Hill, CA, 95037 and at the Morgan Hill Public Library located at 660 West Main Avenue, Morgan Hill, California, 95037 during normal business hours. (Pursuant to Government Code 54957.5)

PUBLIC COMMENT

Members of the Public are entitled to directly address the City Council concerning any item that is described in the notice of this meeting, before or during consideration of that item. If you wish to address the Council on any issue that is on this agenda, please complete a speaker request card located in the foyer of the Council Chambers, and deliver it to the Minutes Clerk prior to discussion of the item. You are not required to give your name on the speaker card in order to speak to the Council, but it is very helpful. When you are called, proceed to the podium and the Mayor will recognize you. If you wish to address the City Council on any other item of interest to the public, you may do so by during the public comment portion of the meeting following the same procedure described above. Please limit your comments to three (3) minutes or less.

Please submit written correspondence to the Minutes Clerk, who will distribute correspondence to the City Council.

Persons interested in proposing an item for the City Council agenda should contact a member of the City Council who may plan an item on the agenda for a future City Council meeting. Should your comments require Council action, your request may be placed on the next appropriate agenda. Council discussion or action may not be taken until your item appears on an agenda. This procedure is in compliance with the California Public Meeting Law (Brown Act) Government Code §54950.

City Council Policies and Procedures (CP 03-01) outlines the procedure for the conduct of public hearings. Notice is given, pursuant to Government Code Section 65009, that any challenge of Public Hearing Agenda items in court, may be limited to raising only those issues raised by you or on your behalf at the Public Hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to the Public Hearing on these matters.

The time within which judicial review must be sought of the action by the City Council, which acted upon any matter appearing on this agenda is governed by the provisions of Section 1094.6 of the California Code of Civil Procedure.

For a copy of City Council Policies and Procedures CP 97-01, please contact the City Clerk's office (408) 779-7259, (408) 779-3117 (fax) or by email michelle.wilson@morganhill.ca.gov.

AMERICANS WITH DISABILITIES ACT (ADA)

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (408)779-7259, (408)779-3117 (fax) or by email michelle.wilson@morganhill.ca.gov. Requests must be made as early as possible and at least two-full business days before the start of the meeting



Sustainable Morgan Hill Vision

Morgan Hill is a socially responsible, environmentally conscious, and economically sound community that embraces inclusiveness with participation by all.

CITY COUNCIL ONGOING PRIORITIES

Enhancing Public Safety · Protecting the Environment · Maintaining Fiscal Responsibility ·
Supporting Our Youth, Seniors, and Entire Community · Fostering a Positive Organizational Culture ·
Preserving and Cultivating Public Trust · Preserving Our Cultural Heritage

2017 STRATEGIC PRIORITIES

High Speed Rail

Inclusiveness

Infrastructure

Regional Initiatives

Telecommunications

2017 STRATEGIC PRIORITIES:



High Speed Rail

The City of Morgan Hill will directly advocate for our community's needs through our communications, discussions, and decisions. We will continue to engage the community, the High Speed Rail Authority, our state and federal legislators, and other regional agencies to mitigate negative impacts and convey our position that the High Speed Rail Authority should only use the existing Highway 101 right-of-way to avoid all impacts to residents, schools, and businesses. Should the Authority decide the 101 right-of-way is not feasible, we will strongly advocate for the route with the least impact on Morgan Hill.



Inclusiveness

We will celebrate the diversity, history, and culture of our community. Through City Council workshops, community meetings, and researching successes in other communities, the City will listen to and collaborate with the community to define how inclusiveness will be further woven into our community's fabric and to increase public participation. The City's communications, services, public spaces, and projects will embrace all community members as partners, advancing our vision of being a socially responsible community.



Infrastructure

The City will review its streets, parks, and public facilities infrastructure needs initially by updating its 2014 infrastructure study to quantify the funding gap. We will identify potential funding options as ongoing revenue is insufficient to fund our vital community assets at a sustainable level without significantly impacting existing service levels that our community has come to expect. Morgan Hill will actively work with the Valley Transportation Agency, the County, and the State to secure funding for the Santa Teresa extension and road maintenance. We will continue to work closely with our community to inform them of the needs and engage them to find an affordable and sustainable solution.



Regional Initiatives

City Council and staff will focus on influencing regional decisions that benefit Morgan Hill. This regional involvement will include, but not be limited to, partnering with the League of California Cities, Valley Transportation Authority, Santa Clara Valley Water District, Cities Association of Santa Clara County, the City of Gilroy, Santa Clara County, Morgan Hill Unified School District, the Local Agency Formation Commission, the Open Space Authority, and Silicon Valley Clean Energy to advance projects that further Sustainable Morgan Hill.



Telecommunications

The City will collaborate with the private sector to explore ways to provide fast, reliable access and wireless connectivity for residents and businesses. The 2016 Telecommunications Infrastructure and Economic Development Blueprint reports will be the foundation for continuing discussions with broadband providers, public utilities, and other infrastructure service providers in developing an implementation plan for growing our telecommunications infrastructure. The plan will be used to signal Morgan Hill's support for business expansion.



CITY COUNCIL STAFF REPORT

MEETING DATE: November 15, 2017

PREPARED BY: Edith Ramirez, Economic Development Director
APPROVED BY: City Manager

HIGH SPEED RAIL WORKSHOP

RECOMMENDATION(S)

The purpose of the High Speed Rail workshop is to review the findings of the Highway 101 Corridor Study by Michael Baker and Associates, provide an update on consultant-related work for the project, and receive a schedule update from the California High Speed Rail Authority.

LINKS/ATTACHMENTS:

1. Public Comment Correspondence

From: [John Lang](#)
To: [Angie Gonzalez](#)
Subject: FW: City Council Study Session November 15th - High Speed Rail
Date: Thursday, November 09, 2017 9:59:09 AM
Attachments: [BITEtheBULLETtrain12162016.pdf](#)
[BulletTrainTrojanHorse.pdf](#)
[BulletTrainTrojanHorse4.pdf](#)
[BulletTrainTrojanHorseII.pdf](#)
[BulletTrainTrojanHorseIII.pdf](#)
[CAHSRACritiqueByWendellCox.pdf](#)
[HSRApanaceaVShell.pdf](#)
[HSRPROFITABLE-HOWTODOIT021810.pdf](#)
[KOPP021696.HSR1.wpd.pdf](#)
[LINDSEY.Lt1.pdf](#)
[MORSHED.LT2.pdf](#)
[MORSHED.LT3.pdf](#)
[MORSHED.LT4.pdf](#)
[MORSHED.LT5.pdf](#)
[MORSHED-LEAVITT033110.LT1.pdf](#)
[TouristsPanacea.pdf](#)
[TrojanHorseCAHSR090809.pdf](#)

For the public record for the 11/15 Study Session on High Speed Rail.

From: Joseph Patrick Thompson [mailto:translaw@pacbell.net]
Sent: Thursday, November 09, 2017 8:34 AM
To: John Lang <John.Lang@morganhill.ca.gov>; Steve Tate <Steve.Tate@morganhill.ca.gov>; City Council Members City of Gilroy <allcouncilmembers@ci.gilroy.ca.us>; Mike Wasserman <askmike@garlic.com>; Shawna Freels <shawna.freels@ci.gilroy.ca.us>; Eric Howard <ehoward1965@gmail.com>; Gary Walton <gary@custom-1.com>; Tammy Brownlow <president@gilroyedc.org>; Senator Cannella <senator.cannella@senate.ca.gov>; SBC Board of Supervisors <sbcsuper@supervisor.co.san-benito.ca.us>; Sbccog <info@sanbenitocog.org>; Ignacio Velazquez <ignaciovelazquez@hotmail.com>; Brad Kava <bkava@newsmedia.com>; rhernandezcattani@newsmedia.com; mmoore@morganhilltimes.com; Casey Lucius <casey@caseylucius.com>; Marty Richman <mgr42@charter.net>; Mark Starritt <markstar@garlic.com>; Robert T. Dillon <rtdillon@garlic.com>; Benito Chapter <sanbenitochapter@yahoo.com>; areli.rios@mail.house.gov; Rep. Tom McClintock <mccclintock@tommcclintock.com>; eddie.mendoza@mail.house.gov; Jon Coupal <jon@hjta.org>
Cc: Maureen Tobin <Maureen.Tobin@morganhill.ca.gov>
Subject: Re: City Council Study Session November 15th - High Speed Rail

Dear Mr. Lang,

Thank you for giving me the opportunity to make a public comment regarding this fatally flawed transport boondoggle

Identity: I am a past President of Gilroy-Morgan Hill Bar Assn., a member of the Transportation Lawyers Assn., and past Chair of TLA's Legislation Committee. I have practiced transportation law in the South County for 38 years, and have done post-doctoral study of transportation law & policy at the Norman Y. Mineta International Institute for Surface Transportation Policy Studies, and at Transportation Research Board, Georgetown U; and at the Library of Congress.
 I am a graduate of SJSU, and the University of Santa Clara Law School, and I have 52 years of transportation industry experience dating back to my Junior year at Cupertino High School when I worked for the SPRR (1964-

Attachment: Public Comment Correspondence (1499 : HSR Workshop)

1970), and later
at UPRR in San Jose (1970-1980).

My comments are personal, and not made on behalf of a client or any professional organization to which I belong.

Background: For background please refer to my previous comments, including letters to the Editor, which were published in the **Gilroy Dispatch**, and to my policy paper "ISTEA Reauthorization and the National Transportation Policy: Overlooked Externalities and Forgotten Felt Necessities," 25 **Transportation Law Journal**, pp. 87-et seq. (1997).

Summary: For a State that cannot afford adequate fire suppression, or water storage, it is bad public policy to add to the public transit boondoggles that the taxpayers (mostly motorists) already shoulder, under the worst tax/fee burdens among all the States. What CAHSRA is doing, which is not what voters voted for in Prop. 1A in 2008, is contrary to the conclusions of both the President's Blue Ribbon Commission on Transport Funding, and the California Transportation Commission. Both of them concluded that we ought to fund transport with "user fees." Giving away transit rides, by any mode, with fares near zero, diverting the costs to motorists' gas & diesel taxes, is unfair, unsound, and unsustainable transport policy. Taxing people out of their cars is a public policy plunging us down the Road to Serfdom, intended to cripple our State's economy. We already pay our taxes for many wasteful boondoggles like Amtrak, Caltrain, ACE Train, BART, Lite Rail, County Transit, when it would be much cheaper for taxpayers if we just purchased each transit rider his own BMW, or paid his taxi fare, or his Uber fare.

Conclusion: California's voters voted for self-sufficient high speed rail, not a Supermassive Black Hole added to the already intolerable public sector transit Black Holes that our lost leadership forces us to subsidize. This bad public policy is making California into Northern Venezuela. I urge local leaders to support the repeal of Prop. 1A. See my testimony before the Assembly Transportation Committee in the Capitol in support of legislation to repeal Bullet Train funding which is on You Tube. Caveat viator.

Yours truly,
Joseph P. Thompson, Esq.
(408) 848-5506 Gilroy

cc: Brad, Michael & Roseann----Use this as a Guest Editorial. Thanks. JPT

On Wednesday, November 8, 2017 11:59 PM, John Lang <John.Lang@morganhill.ca.gov> wrote:

Hi Folks,

You have registered to receive information regarding the California High Speed Rail Authority community meetings and/or City Council meetings/discussions of High Speed Rail. On Wednesday, November 15, 2017 the Morgan Hill City Council will be

conducting a Study Session on High Speed Rail. The focus of the study session is to receive an update from Michael Baker, the City's consultant on their findings associated with a high speed rail alignment that most closely aligns to Highway 101 (link to the May 2017 City Council meeting highlighting the consultant work of Michael Baker https://morganhillca.igmp2.com/Citizens/Detail_LegiFile.aspx?Frame=&MeetingID=1019&MediaPosition=9910.677&ID=1182&CssClass=). In addition, the City has reimbursement consultant agreements specific to the High Speed Rail project that will be also discussed at the Study Session.

The meeting is at City Council Chambers
17555 Peak Avenue
Morgan Hill, CA

The meeting starts at 5:30 pm and goes to 7:00 pm as it is a study session. The agenda for next Wednesday's meeting will be posted this Friday. Agenda portal: <http://morganhillca.igmp2.com/Citizens/Default.aspx>

Sincerely,

John

John Lang

Economic Development Coordinator
17575 Peak Avenue
Morgan Hill, CA 95037
408.310.4652
john.lang@morganhill.ca.gov
@CityofMorganHil @408jlang

ALL Council
Joe

OPINION

Bite the Bullet Train

From the viewpoint of history, I agree with Hon. Norm Mineta, former Secretary of Commerce for President Clinton, former Secretary of Transportation for President Bush II, former Congressman and chairman of the House Public Works & Transportation Committee, former Mayor of San Jose, we Californian's must ask ourselves "the crucial question." In 1995, shortly before leaving the House to join Lockheed-Martin, he said, "The crucial question in transportation today is: What should government do, and what should it leave to others?" I think that is still the crucial question.

Learning from our mistakes with Amtrak, Caltrain, and other government transport boondoggles, California voters voted for self-sufficient high speed rail by approving Prop. 1A in 2008.

Both the President's Blue Ribbon Commission on transport funding, and the California Transportation Commission, concluded that "user fees funding" is how we should fund transport. Simple: the users pay for the costs of their transport.

But we don't follow our own advice; we have a double standard in transport funding. Motorists, truckers and motorcyclists pay 102% of the costs of our transport, including road construction and maintenance. But transit systems' riders pay only about 1% of the fully amortized costs of their rides.

Why do we allow this double standard? It's contrary to the policy adopted by both the Federal and California State governments.

Our professed transport funding policy is sound, sustainable self-sufficient transport. Our conduct in making motorists, truckers and motorcyclists pay 99% of the cost of public transit by all modes is not.

So, since the California High Speed Rail Authority is acting in direct violation of the California voters' decision in 2008, and contrary to the funding policy recommendations of the Federal and State transport Commissions, we ought to do what Florida voters did: repeal our vote, and

LETTERS

terminate the taxpayer-subsidized Frankenstein.

The correct answer to Secretary Mineta's "crucial question" is private sector, not public sector. If we put enough UPS, Fedex and Postal Service tonnage on the Bullet Train, then we would not need to ask taxpayers for a dime. The profits the taxpayers had from the original land grant railroads can be exceeded if we follow Lincoln's decision to reject public ownership of the transcontinental railroads in 1864. We saw the wisdom in his decision when we nationalized the Nation's railroads during WWI, and saw the government run the railroads to a halt, unable to move. We forgot his decision when Congress created the North American Passenger Rail Corporation (Amtrak), when Congressmen stood in the House and promised that Amtrak would be "self-sufficient" in three years. 46 years later Amtrak remains a Black Hole consuming billions of taxpayers' dollars that we must borrow from foreign investors, e.g., China.

Unless we stop the CAHSRA's Bullet Train, its losses will make Amtrak, Caltrain, VTA Light Rail and bus transit look profitable. We must stop putting our credit card transit debt on the backs of our children and grandchildren.

The first priority "shovel ready" infrastructure job facing us is to bury the Bullet Train. Caveat viator.

JOSEPH P. THOMPSON, ESQ.
Gilroy

Attachment: Public Comment Correspondence (1499 : HSR Workshop)

JOSEPH P. THOMPSON
 Attorney at Law
 8339 Church Street, Suite 112, Gilroy, CA 95020
Post Office Box 154, Gilroy, CA 95021-0154
 Telephone (408) 848-5506; Fax (408) 848-4246
 E-Mail: TransLaw@PacPell.Net

Fax (408) 842-2206

January 28, 2004

Editor

The *Dispatch*

6400 Monterey Road

Gilroy, CA 95020

Re: Bullet Train or Trojan Horse?

Dear Editor,

When Amtrak was formed in 1970, Congressmen promised that it would be profitable in three years. Well, after 33 years, taxpayers have paid \$31 billion in subsidies, with no end in sight. As *Traffic World* reported, that is a stack of \$100 bills higher than the World Trade Center stood. Supporters of the Bullet-in-the-Brain train will make profit building and operating it, just as VTA does operating Black Hole Lite Rail. However, taxpayers will be the losers. The galley slaves will need to quicken their strokes so that the recipients of their labors will enjoy their rides. Will Rod be successful in converting us to a socialist society, living in concrete high-rise Diredonominiums like the USSR's "affordable housing"? Until Rod was appointed to HSRA, they had projected a \$900 million annual operating loss (truth probably doubles their estimate), but now they project a profitable operation. "Profitable" in the same definition of VTA's "profit." I do not swallow this big lie. Do you?

As with Caltrain, Lite Rail, and Amtrak, taxicabs and limousines would be cheaper for the taxpayers. But have we learned anything from the history of the last Century? If we defeated the USSR, then why are we adopting their philosophy?

I appeared before the High Speed Rail Commission (before it became an "authority") five times and told the commissioners that if they put enough Fedex, UPS, and Postal Service tonnage on their train, then they would not need to ask the taxpayers for a dime. Instead of following a capitalist model, they insist (with Bechtel Corporation's—the builder—support) that California must have a Soviet-style horizontal elevator. Well, if voters believe that B.S., then they deserve to wear this albatross around their necks. But ask yourselves, do our children and grandchildren deserve the consequences of our compulsive spending disorder? Are we building the future for them, or welcoming a monster Trojan Horse? *Caveat viator.*

Very truly yours,

JOSEPH P. THOMPSON

Candidate: American Society of Transportation & Logistics

Attachment: Public Comment Correspondence (1499 : HSR Workshop)

Member: Legislation Committee, Transportation Lawyers Assn.

HERE'S WHAT I SAID TO YOU BEFORE THE ELECTION. BUT YOU ONLY PUBLISH GARBAGE BS-BALONEY FROM THE UNCONSTITUTIONAL JOINT POWER AUTHORITIES, RE-HASHING THEIR PRESS RELEASES. WHY? YOU READERS DESERVE TO KNOW THE TRUTH IN TRANSPORTATION. WHY WON'T YOU PUBLISH IT? JPT

JOSEPH P. THOMPSON

Attorney at Law

8339 Church Street, Suite 112, Gilroy, CA 95020

Post Office Box 154, Gilroy, CA 95021-0154

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E-Mail: TransLaw@PacPell.Net

Fax (831) 637-4107

October 4, 2008

Editor editor@freelancenews.com

The *Hollister Free Lance*

Hollister, CA 95023

Re: Prop. 1A November Ballot: Bullet Train or Trojan Horse?

Dear Editor,

A new, independent study of the Bullet Train proposal concludes that the annual operating deficit will be \$4.17 billion, which will be another tax burden on the backs of taxpayers whose backs are already broken. Bond debt service will be extra on top of that.

Passenger rail service does not reduce highway congestion. Freight rail service does. Generating electricity for Bullet Train will cause more pollution than traffic reduction produces.

We don't have Japan's density. We don't want and can't afford French socialism. It is folly to attempt their countries' "solutions" which won't work here in USA.

Why can't we learn from history? Do we really want to believe the liars' false predictions, again? Amtrak is a failed experiment, except to subsidy recipients who don't pay for their rides (99% of total costs), while motorists pay 100% of their own costs, and subsidize the Amtrak riders.

When Amtrak was formed in 1970, Congressmen promised that it would be profitable in three years. Well, after 38 years, taxpayers have paid \$40++ billion in subsidies, with no end in sight. As *Traffic World* reported, that is a stack of \$100 bills higher than the World Trade Center stood. Supporters of the Bullet-in-the-Brain train will make profit building and operating it, just as VTA does operating Black Hole Lite Rail. However, taxpayers will be the losers. The galley slaves will need to quicken their strokes so that the recipients of their labors will enjoy their rides. Will Rod be successful in converting us to a socialist society, living in concrete high-rise Dirodonominiums like the USSR's "affordable housing"? Until Rod was appointed to HSRA, they had projected a \$900 million annual operating loss (truth probably doubles their estimate), but now they project a profitable operation. "Profitable" in the same definition of VTA's "profit." I do not swallow this big

lie. Do you? It would be cheaper for taxpayers if we bought an airline. We could buy all outstanding stock of both American Airlines and Continental Airlines for less than the Prop. 1A bond principal. We could buy Southwest Airlines stock for less. If we did then we'd have lower budget deficits; transport less harmful to the environment and less burdensome for crushed to smithereens California taxpayers.

As their financial reports show with Caltrain, Lite Rail, and Amtrak, taxicabs and limousines would be cheaper for the taxpayers than paying rail passenger service. But have we learned anything from the history of the last Century? If we defeated the USSR, then why are we adopting their philosophy?

I appeared before the High Speed Rail Commission (before it became an "authority") five times and told the commissioners that if they put enough Fedex, UPS, and Postal Service tonnage on their train, then they would not need to ask the taxpayers for a dime. Instead of following a capitalist model, they insist (with Bechtel Corporation's—the builder—support) that California must have a Soviet-style horizontal elevator. Well, if voters believe that B.S., then they deserve to wear this albatross around their necks. But ask yourselves, do our children and grandchildren deserve the consequences of our compulsive spending disorder? Are we building the future for them, or welcoming a monster Trojan Horse?

Vote "NO" on Soviet-style Bullet Train—we cannot afford it.

Caveat viator.

Very truly yours,
JOSEPH P. THOMPSON

Member: SBCCOG Citizens Rail Advisory Committee
Candidate: American Society of Transportation & Logistics
Member: Legislation Committee, Transportation Lawyers Assn.

JOSEPH P. THOMPSON

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July 9, 2008

Editor editor@gilroydispatch.com

The ***Dispatch***

6400 Monterey Road

Gilroy, CA 95020

Re: Prop. 1 November Ballot: Bullet Train or Trojan Horse?

Dear Editor,

When Amtrak was formed in 1970, Congressmen promised that it would be profitable in three years. Well, after 38 years, taxpayers have paid \$40++ billion in subsidies, with no end in sight. As ***Traffic World*** reported, that is a stack of \$100 bills higher than the World Trade Center stood. Supporters of the Bullet-in-the-Brain train will make profit building and operating it, just as VTA does operating Black Hole Lite Rail. However, taxpayers will be the losers. The galley slaves will need to quicken their strokes so that the recipients of their labors will enjoy their rides. Will Rod be successful in converting us to a socialist society, living in concrete high-rise Dirodonominiums like the USSR's "affordable housing"? Until Rod was appointed to HSRA, they had projected a \$900 million annual operating loss (truth probably doubles their estimate), but now they project a profitable operation. "Profitable" in the same definition of VTA's "profit." I do not swallow this big lie. Do you? It would be cheaper for taxpayers if we bought an airline; less harmful to the environment; less burdensome for crushed taxpayers.

As with Caltrain, Lite Rail, and Amtrak, taxicabs and limousines would be cheaper for the taxpayers. But have we learned anything from the history of the last Century? If we defeated the USSR, then why are we adopting their philosophy?

I appeared before the High Speed Rail Commission (before it became an "authority") five times and told the commissioners that if they put enough Fedex, UPS, and Postal Service tonnage on their train, then they would not need to ask the taxpayers for a dime. Instead of following a capitalist model, they insist (with Bechtel Corporation's—the builder—support) that California must have a Soviet-style horizontal elevator. Well, if voters believe that B.S., then they deserve to wear this albatross around their necks. But ask yourselves, do our children and grandchildren deserve the consequences of our compulsive spending disorder? Are we building the future for them, or welcoming a monster Trojan Horse? ***Caveat viator.***

Very truly yours,

JOSEPH P. THOMPSON

Candidate: American Society of Transportation & Logistics

Attachment: Public Comment Correspondence (1499 : HSR Workshop)

Member: Legislation Committee, Transportation Lawyers Assn.

EDITOR:

THE CITY MANAGER'S RESPONSE AT THE LAST GOVERNMENT REVIEW COMMITTEE MEETING AT THE GILROY CHAMBER OF COMMERCE TO MY QUESTION ABOUT SPENDING ANOTHER \$400,000 OF TAXPAYERS MONEY TO STUDY THE "DOWNTOWN ROUTE" FOR THE BULLET TRAIN BEING A WASTE OF THE TAXPAYERS' MONEY WAS MADE IN ERROR. HE SAID THAT UPRR HAD NEVER PROTESTED AGAINST BULLET TRAIN USING ITS PROPERTY. JUST THE CONTRARY, UPRR HAS FROM THE OUTSET OF THE BOONDOGGLE PLANNING BY THE RADICAL SOCIALISTS ADAMANTLY ASSERTED ITS PROPERTY RIGHTS TO PROHIBIT TRESPASSERS. AND SINCE UPRR'S EMINENT DOMAIN AUTHORITY TRUMPS THE BULLET TRAIN'S EMINENT DOMAIN AUTHORITY, PLANNING TO TRESPASS ON UPRR'S PROPERTY IS A CONSPIRACY TO COMMIT A CRIME. IT'S ALSO LUNATIC EVIDENCE THAT THE WASTRELS WHO ARE PISSING-AWAY OUR MONEY ON MARXIST-LENINIST-STALINIST SCHEMES ARE RUINING OUR STATE. WHERE IS THE OUTRAGE FROM GRC AND CHAMBER LEADERSHIP ABOUT THIS GANG-RAPE OF THE TAXPAYERS? FOR US TO SPEND \$400,000 TO PAY BULLET TRAIN FOR THE FURTHER STUDY OF THE "DOWNTOWN ALIGNMENT" MEANS THAT WE MUST PAY 9.9 TIMES \$400,000 = \$3,960,000 TO SACRAMENTO TO GET THE \$400,000 BACK TO PAY BULLET TRAIN. THE SMOKE-SCREEN RAISED BY COMMUNISTS AT VTA-COG TO CONCEAL THIS GANG-RAPE OF TAXPAYERS IS TOLERATED AND ACCEPTED BY LOCAL GOVERNMENT LEADERS, WHO OUGHT TO BE RECALLED FROM OFFICE FOR ALLOWING THIS ABUSE TO CONTINUE. PLEASE LET YOUR READERS KNOW THE TRUTH IN TRANSPORT.

JPT

JOSEPH P. THOMPSON

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October 4, 2008

Editor editor@freelancenews.com

The **Hollister Free Lance**

Hollister, CA 95023

Re: Prop. 1A November Ballot: Bullet Train or Trojan Horse?

Dear Editor,

A new, independent study of the Bullet Train proposal concludes that the annual operating deficit will be \$4.17 billion, which will be another tax burden on the backs of taxpayers whose backs are already broken. Bond debt service will be extra on top of that.

Passenger rail service does not reduce highway congestion. Freight rail service does.

Attachment: Public Comment Correspondence (1499 : HSR Workshop)

Generating electricity for Bullet Train will cause more pollution than traffic reduction it produces.

We don't have Japan's density. We don't want and can't afford French socialism. It is folly to attempt their countries' "solutions" which won't work here in USA.

Why can't we learn from history? Do we really want to believe the liars' false predictions, again? Amtrak is a failed experiment, except to subsidy recipients who don't pay for their rides (99% of total costs), while motorists pay 100% of their own costs, and subsidize the Amtrak riders.

When Amtrak was formed in 1970, Congressmen promised that it would be profitable in three years. Well, after 38 years, taxpayers have paid \$40++ billion in subsidies, with no end in sight. As *Traffic World* reported, that is a stack of \$100 bills higher than the World Trade Center stood. Supporters of the Bullet-in-the-Brain train will make profit building and operating it, just as VTA does operating Black Hole Lite Rail. However, taxpayers will be the losers. The galley slaves will need to quicken their strokes so that the recipients of their labors will enjoy their rides. Will Rod be successful in converting us to a socialist society, living in concrete high-rise Dirodonominiums like the USSR's "affordable housing"? Until Rod was appointed to HSRA, they had projected a \$900 million annual operating loss (truth probably doubles their estimate), but now they project a profitable operation. "Profitable" in the same definition of VTA's "profit." I do not swallow this big lie. Do you? It would be cheaper for taxpayers if we bought an airline. We could buy all outstanding stock of both American Airlines and Continental Airlines for less than the Prop. 1A bond principal. We could buy Southwest Airlines stock for less. If we did then we'd have lower budget deficits; transport less harmful to the environment and less burdensome for crushed to smithereens California taxpayers.

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Caveat viator.

Very truly yours,

JOSEPH P. THOMPSON

Member: SBCCOG Citizens Rail Advisory Committee

Candidate: American Society of Transportation & Logistics

Member: Legislation Committee, Transportation Lawyers Assn.

Editor: this was published in Orange County Register Wednesday, June 14, 2006. Please publish again for Gilroy & Morgan Hill raped taxpayers, about to be re-screwed by utopian insanity by Bullet Train. The author is one of the Nation's top transport policy men.

Joe Thompson

Gilroy

(408) 848-5506

1. **Taking taxpayers for a ride California focus**

Proposed state high-speed rail system would cost too much to do too little

There has been considerable discussion about the proposed California High Speed Rail project. California taxpayers are being subjected to grandiose claims about reduced traffic congestion and cost-effective alternatives to flying and driving.

The HSR system, which would connect Los Angeles, San Francisco, San Diego, Sacramento and areas in between, would require as a down payment a \$10 billion bond issue that voters may consider as soon as November. The California High Speed Rail Authority says the system could cost much more – \$37 billion. Reality is more like \$75 billion.

Luckily, the Assembly last month passed a bill that would delay the bond election until 2008. That bill is now in the Senate Appropriations Committee, where there is no clear indication whether it will come to a vote anytime soon. However, there is evidence the Assembly's caution is justified, and the Senate should follow its lead.

First, the HSR system is likely to cost much more than advertised. Cost projections for large transportation projects are notoriously inaccurate. Boston's two-decade "Big Dig" racked up three times its projected cost, even after accounting for inflation. Across the country, transit megaprojects have escalated in cost after approval; these are not isolated cases.

What's more, it appears these overruns are not accidental. Research by Bengt Flyvbjerg of the University of Aalborg (Denmark) published in the Journal of the American Planning Association demonstrates these projects routinely surpass estimated costs due to "strategic misrepresentation." Planners and proponents underestimate costs in hopes of obtaining project approvals that would otherwise be impossible.

As a Los Angeles County transportation commissioner, I witnessed costs escalate for the Blue Line light rail from Los Angeles to Long Beach eventually exceeding three times original projections (inflation-adjusted). At no point did anyone seriously question the increases, because the taxpayers had already committed to the project. There was simply no incentive to keep costs down. Why should we expect the HSR project to be any different?

Flyvbjerg and others also have found that ridership estimates tend to be overstated. The Los Angeles Red Line subway even today carries less than one-half the ridership that was projected when we approved it.

Ridership is important because the California high-speed rail system is advertised as not needing its operations subsidized by taxpayers. But this claim is likely based on an overestimation of the ridership and an underestimation of the operating costs. Amtrak's high-speed Acela service between Washington, D.C., and New York City carries little more than one-tenth the passengers that proponents promise for the California system, despite serving a larger market. So it is likely taxpayers will need to keep their checkbooks open indefinitely to subsidize HSR operation.

All this would be irrelevant if we needed such a system. The California HSR has been touted as a strategy for reducing highway congestion. In fact, projections indicate that traffic congestion along the rail corridors will still increase 26 percent by 2020, even with the high-speed trains. Without them the increase by 2020 would be 31 percent.

Claims of reduced air traffic congestion are similarly flawed. Most air travel between the San Francisco Bay Area and Southern California already avoids the busy San Francisco International and Los Angeles International airports, and their share of travel is declining. Planners delude themselves into believing HSR will take away half of air traffic volume. But last year Amtrak said its New York-to-Washington high-speed service lost ridership to stronger airline competition. Planners assume airlines will stand idly by as their customers jump on the train. In fact, airlines will compete, and compete hard.

Much has been made of HSR's purported cost-effectiveness, with claims that highway improvements would cost more than twice as much as the rail project. But the highway alternative would produce four times the congestion relief, making it twice as cost-effective, even without the inevitable cost escalations for high-speed rail.

Thus, for California, the question is not whether high-speed rail would be nice – it would be. The fundamental question is whether it is worth the tens of billions it could cost. At this point, there is every reason to believe this project would be, quite simply, a waste of money.

EDITOR: Please publish this letter that I sent to you on 3/2/03:

JOSEPH P. THOMPSON
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E-Mail: TransLaw@PacBell.Net
March 2, 2003

Fax (408) 842-2206
Editor
The *Dispatch*
6400 Monterey Road
Gilroy, CA 95020

Re: Downtown Gilroy and Soviet-Style Transportation Policy

Dear Editor,

Could it be that our government intends to oust UP from its right-of-way through downtown Gilroy, supplanting it with Soviet-style Bullet Train and Son-of-Amtrak Caltrain? With VTA's Ministry of Truth touting Gilroy as its newest land-use planning (i.e., Sovietized) poster child, will we see an end to the history of private-sector railroads here? How many jobs will that kill-off? How much commerce will we lose if the VTA-led socialist-communist scheme is crammed down on us? The malignant tumor of socialism-communism is being stimulated by Politico-Transit Alliance advocates in our local government, our County government, and our State government, so will small business owners be able to stop this socialistic train wreck? We've seen the canneries go bankrupt and close their gates. The Black Hole Frankenstein "transit hub," where empty buses stop so public-sector union drivers can rest from the tedium of transporting empty seats around town, is growing—who knows where the socialist policy will stop? If we don't stop runaway government now, how will our children or grandchildren ever stop it? Where is an elected leader with the guts to fight back for us? I believe that it is time for us to retake our government away from the socialist small business killers. *Caveat viator!*

Very truly yours,

JOSEPH P. THOMPSON

Member, Executive Committee, Debtor-Creditor-Bankruptcy Section Santa Clara County Bar Assn.

Member, Legislation Committee, Transportation Lawyers Assn.

Member, Association for Transportation Law, Logistics & Policy

Member, SBC Citizens Rail Advisory Committee

Candidate, American Society of Transportation & Logistics

Winner, AST&L's Best Research Paper Award 1997

Past-President, Gilroy-Morgan Hill Bar Assn.

Attachment: Public Comment Correspondence (1499 : HSR Workshop)

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August 24, 2007

Editor

Email: editor@garlic.com, editor@gilroydispatch.com

The *Dispatch*

6400 Monterey Road
Gilroy, CA 95020

Re: **Bullet Train: Tourists' Panacea, Taxpayers' Hell**

Dear Editor,

The proposal to build the Bullet Train in California is proof that socialists have taken-over our government. Based on past cost overruns, the price tag on this extreme boondoggle is about \$75-\$80 billion in today's dollars. Paid back interest on these bonds will also burden our children and grandchildren and great-grandchildren will billions more. Annual operating losses will exceed those of all Lite Rails combined. Fares won't cover 1% of operating expenses, estimated at \$1 billion/year. Bond debt will bury us.

Technology exists to build it, but how do we pay the construction costs, and operating costs? It's technologically incompatible with existing railroads, so it will need BART-like right-of-way. Eminent domain power, included in the legislation creating it, ensures that it will plow through Gilroy and Morgan Hill and any other place, regardless of opposition. But it cannot cross the UPRR's tracks because the Class I railroads' eminent domain trumps Bullet Train's eminent domain power, according to UP's top commerce counsel on the West Coast. Tourists will ride it, but enjoy a 99% taxpayer subsidy for rides that will cost more than those on the Concorde Supersonic Jets. Local small business owners will pick-up the tab, maybe getting 10% back from tourist dollars if we're lucky.

In 1970 Congressmen stood up in Congress and proclaimed that Amtrak would be "self-sufficient in three years." Yeh. By 9/11/01 taxpayers had thrown about \$30 billion in subsidies down that black hole, but did we have adequate airport security?

In 1863 General Granville Dodge, who was later UPRR's top civil engineer, and who discovered the Sherman Pass over the Continental Divide, was summoned to the White House. He later said that he told the President that the government should own and operate the transcontinental railroad. Lincoln, who as a young member of the Illinois Legislature had seen government owned railroads in Eastern and Midwestern States go bust and shutdown operations in the 1830's and 1840's, said no. He said that private enterprise must do it, although the government would assist with

When will we ever learn?

Attachment: Public Comment Correspondence (1499 : HSR Workshop)

development incentives (my words, not his). They did it. And what did taxpayers receive in the deal? They got about \$460 million (measured in 1940 dollars) more than the value of the land granted to the railroad corporations because of Section 22 in the original Interstate Commerce Act (lower freight rates for government shipments).

A hundred years ago the Progressive Movement, led by William Jennings Bryan, sought nationalization of the railroads and other industries, but their passion was rejected by voters.

When the railroads were nationalized in 1917 during the Administration of Woodrow Wilson, government genius so botched-up shipping that rail traffic came to a standstill. That experiment failed, just as Lincoln predicted it would. In the Transportation Act of 1920 the railroads were de-nationalized, and came to be the envy of the world's nations today; the backbone of our nation's commerce.

Instead of making taxpayers pay for Bullet Train, like we pay for County Transit, Caltrain, Amtrak, Lite Rail, etc., etc., while motorists are paying 100% of their own transport costs, seeing our politicians rewarding transit wastefulness, why not use the unlimited power of capitalism? Have you been on I-5 lately to see the uninterrupted 24-7 tonnage flowing North-South in California? I appeared before the Bullet Train commission five times over the last decade and told them that if they put enough UPS, Fedex and Postal Service tonnage on their trains, then they would not need to ask the taxpayers for a dime. Did they listen?

Like Amtrak's promoters, their pie-in-the-sky predictions show that they did not listen, nor did they learn from history, either United States or world history in the last century and one-half. So, hold on for the ride, and warn your children and grandchildren, our leaders will strap taxpayers to the rocket to Hell. We'll be paying unimaginable sums to attempt what Lenin, Trotsky, Stalin and the USSR failed to achieve, despite all their promises to their citizens that socialism could bring utopia. If they fund it with gas taxes, be prepared to see \$10/gallon for gas at the pumps. They'll tax motorists out of their cars, leaving them to ride our Trojan Horses, and bike or walk the rest of the way.

Caveat Viator!

Respectfully yours,
JOSEPH P. THOMPSON, ESQ.

Member, Executive Committee, Debtor-Creditor-Bankruptcy Section, SCCBA
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Member, Association for Transportation Law, Logistics & Policy
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Post-Doctoral Student, Transportation Law & Policy

When will we ever learn?

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February 18, 2010

Editor and Editorial Board

Email: editor@garlic.com, editor@gilroydispatch.com

The ***Dispatch***

6400 Monterey Road

Gilroy, CA 95020

Re: MyBulletTrain: Profitable for who?

Dear Editor,

Bullet Train blitzkrieg, multi-million dollar campaign, using taxpayers' money to sell them on the boondoggle claims that it will be profitable. Yeh, but for whom? The planners, consultants, ad men, bond salesmen, foreign equipment manufacturers. The bankruptcy of all State-owned railroads in the USA in 1830's ought to tell us something about the right way to build a railroad. The American experience with nationalization of the railroads in 1918, the collapse of the USSR, and the world-wide privatization revolution of the 1990's should teach us a valuable lesson in railroad building. The insolvency of Amtrak, Caltrain. The bankruptcy last month of the Las Vegas Monorail, etc.—lessons abound from our history, but will we learn from them?

Sustainable rail transport hinges on the bottom line on the balance sheet; do revenues exceed costs? If we use VTA government-style accounting methods, we won't see a sustainable Bullet Train. We have to use the same accounting used by the world's most successful railroads, UP, BNSF, CSX, etc., America's Class One Railroads. If you lose money moving passengers, then you have to make-up your losses by moving freight. Intermodal tonnage on Bullet Trains, moved on separate trains during non-peak commute hours is how I've told the California High Speed Rail Commission, now High Speed Rail Authority, to do it. If the taxpayers purchase the infrastructure for the Bullet Train's owners, it will be like financing the Interstate Highway System, and the State Highways, for the trucking industry.

Transport me as a tourist, and I'll need a 99% fare subsidy. But transport me as a deceased traveller, and my estate, or relatives, have to pay 100% of the cost of moving the dead freight. So, to create a sustainable Bullet Train, you have to think like railroaders, not horizontal elevators in communist nations.

Why do our leaders want to grow bigger government, when common sense people, e.g., Editorial Board of Gilroy Dispatch, say we should be doing just the opposite? Do we have leaders who give a damn about the harm their decisions inflict? Why do we tolerate such hypocrites?

Attachment: Public Comment Correspondence (1499 : HSR Workshop)

Caveat Viator!

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February 16, 1996

The Honorable Quentin Kopp
 CALIFORNIA STATE SENATE
 2057 Capitol Building
 Sacramento, CA 95814

Re: California Transportation Policy

Dear Senator Kopp,

While the need for high speed passenger trains in California, and the entire Nation, is obvious to any student of transportation, it appears to me that the HSR Commission is completely ignoring the only viable alternative to providing them.

Instead of using the existing railroads, staying with private enterprise, which past generations bequeathed to us, the Commission seems to be hypnotized by socialism. At a time when privatization around the world is correcting the mistakes of publicly-owned transportation, e.g., Australia, Canada, New Zealand, England, Western Europe, etc., the Commission seems to be falling under the fatal attraction of a ruinous fiscal belief that cost does not matter.

Do we have the ability to learn from our history? Will we ignore it and be condemned to follow the course of the Soviet Union? HSTPS Executive Director Ron Diridon, addressing the students at SJS, said that transportation decisions hinge on three things, "Finance, finance, finance." Rather, I believe it hinges on policy, because the latter predetermines the former.

The legislative findings in SCR 6 are undoubtedly true, but the solution currently being proposed by the Commission is a nightmare, which, if brought into existence, will certainly plunge us down the path followed by the Soviet Union.

Why not consider changing policy to attain the same goal? Why seek to ruin California's economy in a search for "finance," when by adherence to the nation's transportation policy, and its rail transportation policy, we could have bullet trains without spending tax dollars? If this country had adhered to these national policies since the end of WWII, would we have seen thousands of miles of

Attachment: Public Comment Correspondence (1499 : HSR Workshop)

Hon. Quentin Kopp
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page 2

track abandoned? Would we have invested untold billions in the creation of the interstate highway system? Would we be addicted to automobiles today? Are we in denial about our addiction, which blinds us to our violation of our own national transportation policies?

If the law said: (1) freeze truck lengths, (2) prohibit triples, (3) return weight limits to something that would not break concrete freeways, (4) reverse the intercity freight trend since WWII, then how much less money would we need for such things as: (1) highway maintenance, (2) fuel, (3) injury, death, property damage expenses? If policy were made by wiser men than we seem to have had in charge since the end of WWII, would we have (1) cleaner air, (2) less highway congestion, (3) lower health care costs?

If the government is in control, why not set transportation policy and tell each mode what it was going to do based on decisions favorable to the people? If we can move freight profitably, but not passengers, then why not mix the two in one revenue stream to attain satisfactory corporate profit levels? Divorcing rail passenger from rail freight in 1970 was a big policy mistake, and some in Congress seem to have recognized that now by enacting legislation requiring Amtrak to break-even in seven years. Of course, without the freight revenues it can never do so in the face of highway and airline competition, and the vast federal subsidies given to those modes.

The solution lies in equal treatment by government of the different modes, and in freight revenue subsidizing the unprofitable passenger fares, just as earlier generations, who faced these same decisions, learned. While it might come as a shock to the Commission's staff and members, we have railroads. The trouble is that we ignore them and have favored their competitors with billions of dollars of subsidies. Our policy makers apparently prefer our citizens to use four times as much fuel to move our freight, and to sit on congested freeways, rather than establish transportation policy which capitalizes on the inherent advantages of the railroads. Amazingly, the stated policy is already in the statutes, but in practice we do not follow it! Why?

The Commission's current study suffers from myopic concentration on a fantasy, rather than realistic appreciation for the wisdom of earlier generations. Why are the Commissioners not investigating the obvious solution of using our railroads to accomplish this goal? French and Japanese transit systems, like

Hon. Quentin Kopp
February 16, 1996
page 3

those in this Country, operate at a huge loss, requiring taxpayer subsidies of ever more scarce tax dollars.

Instead of trying to imagine millions and billions of dollars, this needs to be put in terms that are understandable, and revealed to the voters for what it is. For example, when Amtrak was formed in 1970 it was cheaper to send a passenger from LA to NY by taxi, and pay the cabby a \$100 tip, than to send him by Amtrak. When METRO was built in Washington, D.C., it was cheaper for each rider to be furnished with a Mercedes than to ride public transit. For BART, the riders could have two BMW's and the taxpayers were better off.

Of course, these solutions are just as stupid as the ones our decision makers and planners gave us. The arrogance of today is to forget the wisdom of the past. Who gained by selling those cars, building those interstate highways?

Harvey Levine's seminal work, National Transportation Policy: A Study of Studies, ought to be required reading for both the Commissioners and the staff, not to mention our decision makers.

When we needed a transcontinental railroad, did we opt for government-owned railroads? Whenever WWI's demands caused nationalization of the railroads, did we keep them that way? Does government owned business work in the long run? Do we want to go the same way as the Soviet Union?

No!

When I testified 2/2/96 before the Commission in Fresno, I showed them the Harvard doctoral dissertation by John D. Donahue, The Privatization Decision (1989), and reminded them of the Wall Street Journal special edition on privatization that was published in October. I said that if they were a board of directors of a corporation then they would have been terminated. They did not effectively cross-examine the experts brought before them by their own staff. They did not realize that the "profits" displayed by the French Officials were for a trunk line route, and that the truth is that system-wide the French experience is no better than that of the best American public transit system. They are considering borrowing billions to create a line that will require \$800 million annually just to service the debt (bonds) it creates! There can be no doubt that Big Brother's slogan pales in comparison with this proposal: "WAR IS PEACE, FREEDOM IS SLAVERY, IGNORANCE IS STRENGTH."

Attachment: Public Comment Correspondence (1499 : HSR Workshop)

Hon. Quentin Kopp
February 16, 1996
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As I said to Mr. Mineta, we are, I believe, about half nationalized and half free-enterprise in transportation. Can this situation last? It is not unlike an earlier period in our history:

"If we could first know where we are, and whither we are tending, we could better judge what to do, and how to do it. We are now far into the fifth year since a policy was initiated with the avowed object and confident promise of putting an end to slavery agitation. Under the operation of that policy, that agitation has not only not ceased, but has constantly augmented. In my opinion, it will not cease until a crisis shall have been reached and passed.

A house divided against itself cannot stand."

At this point, too, we are at a crucial stage of evolution in the nation's history: We are a house divided.

The Lincoln administration decided that our railroads would be privately owned, with construction financed by government-backed securities. Today we appear to have rejected the policy of free-enterprise ownership because we continually create "authorities" and "agencies" to own and operate our rail passenger mode. The same is true with bus transportation. Now I hear that Amtrak will be moving freight. We have abandoned not only thousands of miles of rail, but as a nation we have also abandoned the policy of private ownership of transportation. Our elected officials boast about what they have done, but not one of them will tell you how much it costs per passenger (or per passenger-mile) to transport people by bus or rail. Deregulation during the past 15 years has rendered the private transportation sector a virtual graveyard. So where are we, and where are we going? How can we have nationalized industry and reduce the budget deficit?

To paraphrase Mr. Lincoln, if we could first know where we are, and "whither we are tending," we could better judge what to do, and how to do it. Our national transportation policy was initiated with the "avowed object" and confident promise of creating a sound national transportation system. Under the operation of that policy,

Hon. Quentin Kopp
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one national goal is to make the county competitive on the global arena. In my opinion, it will not happen until a crisis shall have been reached and passed.

Today we are at a point where we are half slave to public ownership of transportation, and half free-enterprise. The trend, however, runs counter to private ownership. Reversing the trend becomes increasingly difficult as we commit vast resources of our society to nationalized modes.

Again to paraphrase, I believe that the nation's transportation system "cannot endure permanently half slave and half free." I do not expect the nation will be dissolved; I do not expect the house to fall; but I do expect it will cease to be divided. It will become all one thing, or all the other. Either the opponents of nationalization will arrest the further spread of it, and place it where the public mind shall rest in the belief that it is in the course of ultimate extinction, or its advocates will push it forward till it shall become alike in all modes of transportation.

We will then have arrived at the stage of development, and an experience similar to that of the demise of the Soviet Union must ultimately follow because government-owned industry does not work in the long-run. Great Britain and other western European countries, Canada, Australia and New Zealand are all privatizing previously nationalized industries because they have realized the truth in this. Nevertheless, our elected representatives push for more government-owned transportation modes each passing year.

Today we could send six passengers by limousine from Gilroy to San Jose cheaper than it costs us to send them on Caltrain. Yet if private industry moved those passengers and a fair share of the available freight tonnage, the burden on the taxpayers would lessen, road congestion, health care costs, and air pollution would decline. Local government would enjoy another source of tax revenue.

Since WWII, creation of the interstate highway system has diverted a greater percentage of intercity freight traffic away from the rails each passing year. Separating freight from passengers on the railroads was a decision rejecting earlier generations' investments, and plunging us along a course toward Soviet-style industry, and we know how well that system worked. I

Hon. Quentin Kopp
February 16, 1996
page 6

keep asking our elected officials: If government ownership of industry failed in the Soviet Union, then why are we trying it? promoting it? How can America compete in "global markets" if it is saddled with deadweight nationalized transportation modes?

The Emperor has no clothes! We cannot afford to borrow billions to build a rail passenger line that loses millions each year. This is especially true when we have an existing alternative that will not cost the taxpayers any money at all. All it takes is someone strong enough to enforce the nation's transportation policies that are already on the books. We need not reinvent government to accomplish this goal, but rather, merely keep this a government of, by, and for the people.

Thank you for giving me an opportunity to make this comment. My formal response to the Commission will follow as soon as I complete it.

Respectfully yours,

JOSEPH P. THOMPSON

Encl.

cc: Hon. Henry Mello
cc: Hon. Dean R. Dunphy
cc: Hon. Peter Frusetta
cc: Commissioners
cc: Executive Director Daniel S. Leavitt
cc: Rod Diridon, IISTPS

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Attachment: Public Comment Correspondence (1499 : HSR Workshop)

JOSEPH P. THOMPSON

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January 15, 2003

FAX (916) 653-2134

Honorable R. Kirk Lindsey, Chairman

California Transportation Commission

1120 N Street, P.O. Box 942873 (MS-52)

Sacramento, CA 94273-0001

Re: Transportation Funding Crisis Workshop Jan. 17, 2003

Dear Mr. Lindsey,

Thank you for sending notice of the CTC's funding issues workshop and for inviting public comment regarding the State's fiscal "crisis." It was a pleasure meeting you at the CTC's meeting in San Jose at the Fairmont Hotel last month. Congratulations on becoming Chairman of the CTC. One cannot help but sense the irony in a trucking company CEO being CTC's chairman when our chickens are coming home to roost. At Mr. Lawrence's invitation I addressed the CTC in December 2001 at the PUC in San Francisco on the subject of intermodal transportation infrastructure improvements for the State, and although I cannot attend the workshop on the 17th of this month, I would like to offer my recommendations.

1. Author. I have 39 years experience in transportation industry (trucking and railroad). I am a post-doctoral student of transportation law and policy. I am a member of the Transportation Lawyers Association, and serve on TLA's legislation, intermodal, arbitration and freight claims committees. I am also a member of the Association for Transportation Law, Logistics & Policy, and a candidate for the American Society of Transportation & Logistics.

2. Background. For additional background, please refer to my paper that I presented to the CTC and handed to Mr. Remen at the CTC's meeting at the PUC in San Francisco, December, 2001.

3. Official Record. Will you please direct your staff to include these remarks as part of CTC's official records.

4. Summary. In response to your call for public comment on the current "funding crisis", I once again give my conclusions reached six years ago during debate on ISTEA reauthorization. *See*, "ISTEA Reauthorization and the National Transportation Policy," 25 *Transportation Law Journal*, pp. 87-*et seq.* (1997), and "ISTEA Reauthorization and the National Transportation Policy:

Recommendations to CTC Re:
Transportation Funding "Crisis"

Overlooked Externalities and Forgotten Felt Necessities,” *Transportation Lawyer* (Dec. 1997). A copy of the former is enclosed for your ready review, although I previously submitted it to you in December 2001.

5. Recommendations. The CTC should first frame the fundamental issue facing it, which was identified by Transportation Secretary Mineta while he was serving as Chairman of the Surface Transportation Committee in the House of Representatives: *“The crucial question in transportation today is: What should government do and what should it leave to others?”*

Governor Davis’ call for “structural reform” should focus CTC on Secretary Mineta’s “crucial question.” The answer that CTC gives to Governor Davis and Secretary Mineta will shape the solution for our transportation “funding crisis,” and the future of transportation in California.

These issues are also pending in the 108th Congress as it takes up the subject of reauthorization legislation for Transportation Equity Act for the 21st Century (TEA-21). Please refer to my recommendations to USDOT dated 8-23-02 on this issue (see copy enclosed).

Rather than a band-aid approach to the “funding crisis,” I recommend that CTC strive to achieve “structural reform” in the basic approach that we take to the for-hire carriage of passengers. I believe that CTC should have no “sacred cows” immune from this search and rescue mission. Like waking-up with a hangover, California must swear-off its former excesses.

The Emperor Transit First is stark naked. Unremunerative fares yield insolvent carriers, of both passengers and freight. Deficits piled on top of deficits bring predictable results. Farebox recovery rates that fail to cover fully allocated costs produce a result which does not surprise transportation students or history students. Such public-sector transit systems are not “going broke” in California (or elsewhere), they were conceived insolvent, born bankrupt, and kept operating only with massive blood transfusions from the taxpayers. No member of CTC should be surprised at the present “funding crisis” because we have intentionally navigated the State to this destination, one in which California’s deficit exceeds that of all other States’ combined deficits. We asked for it; we demanded it, even if it meant damning future generations into decades of debt. Bankrupt operations, bankrupt carriers, bankrupt policies, are the result of our myopia. Increasing insolvent transit systems’ operations undermine our financial capability to build and repair transportation infrastructure. Their growing demands have reached a predictable breakingpoint. We must look into the mirror and recognize the problem staring back at us.

There has been occurring a world-wide “privatization revolution” as described by the *Wall Street Journal*, special edition 10-2-95, yet we have steered a contrary course of nationalization, statism, and public-ownership. Only a hypocrite would feign surprise at arriving at our present destination of fiscal “crisis.”

**Recommendations to CTC Re:
Transportation Funding “Crisis”**

CTC and California must ask itself this question if it wants to be cured: “Why did Canada, Mexico, Great Britain, Australia, New Zealand, and many other nations denationalize their publicly-owned transportation industries during the past 25 years?”

We must ask ourselves, if we truly want to bring permanent relief to this and future generations of Californians: “If all of the USSR’s Five Year Plans were such raving successes, then why did the USSR collapse in revolution?”

Why should we adopt the Marx-Engels-Lenin-Trotsky-Stalin theory of government when our Founders placed its foundations on Adam Smith’s theory? Did the USSR win the Cold War, or did we win it? If we defeated the USSR, then why should we adopt their failed economic philosophy?

Answering Governor Davis’ “structural reform” challenge, answering Secretary Mineta’s “crucial question,” learning the lessons of the history of the past century, CTC and California must recognize the error of our policies, unless we have no intention of solving the “funding crisis.” Phony efforts of “reform” will just be wheel-spinning in mud—wasted motion. Genuine “reform” means going back to American free-enterprise in transportation, personal responsibility, not transit welfare. Our galley slaves, i.e., taxpayers, are beyond the breaking point. Our policies have burdened the taxpayers under unsustainable loads. Like overloaded trucks, our axles are breaking. Bankruptcies are at historic highs, both business and individual. Small business failure rates are at 80% on average during the first five years. *Traffic World*’s report that more than 10,000 trucking companies (with 20 or more trucks) either filed for bankruptcy protection or closed during the last two years illustrates what plight business owners are bearing from our ill-conceived government policies. Did you ever think you’d live to see PG&E, United Airlines, and Consolidated Freightways in bankruptcy? We are killing the goose to steal her eggs, but what will our children eat?

The fallacy in our current transport policy can be shown by comparing fares paid to move a 200 pound box with fares paid to move a 200 pound man. The shipper of the former pays 100% of his carrier’s fare; but a passenger on public-sector transit (bus or rail) pays only for the first two pounds, and the taxpayers are expected to pay for 198 pounds (applying generally accepted accounting principles, not the Enron-style accounting method our Legislature authorized for transit agencies’ financial reporting).

“Structural reform” of this unsound policy must be approached in the same manner as Great Britain accepted under the administration of Margaret Thatcher—privatization of nationalized industry. Keeping the *status quo* will only mire us further in misery. Flatboats, bullet trains, rickshaws, lunar escalators, i.e., any mode of transport, must charge user fees (fares) that are remunerative, unless we want to see it fail in the long run. Refer to my letter to HSRA’s former Chairman enclosed.

***Recommendations to CTC Re:
Transportation Funding “Crisis”***

William Jennings Bryan and the Populists were wrong, just as Marx & Engels were, as government nationalization of the railroads proved during World War I.

Neither CTC nor California should be surprised by the “crisis” resulting from this fallacy (or lunacy) in our transport policy. Do we have the will power to reform our policy, or will we take the same route as did the USSR? I pray that God will give you and your fellow Commissioners the wisdom and courage to make a course correction for California now, before it is too late.

Caveat Viator!

Respectfully yours,

JOSEPH P. THOMPSON, ESQ.

Encl. [Article; Letters]

Attachment: Public Comment Correspondence (1499 : HSR Workshop)

***Recommendations to CTC Re:
Transportation Funding “Crisis”***

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March 23, 2009

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 High Speed Rail Authority
 925 L Street, Suite 1425
 P. O. BOX 942874, MS-74
 Sacramento, CA 95814

Re: Public Comment HSRA's Environmental Impact Report SF-San Jose-Gilroy-Merced

Dear Mr. Morshed,

Thank you for allowing members of the public to comment on HSRA's EIR for the San Francisco-San Jose-Gilroy-Merced Segment.

Identity of Author. I am a graduate of San Jose State University, and have done post-doctoral study of transportation law and policy at the Mineta Institute at SJSU. I write only for myself, and not on behalf of a client or organization, but merely to express my personal reply to the EIR for the segment that includes Gilroy, where I have practiced law for more than 30 years.

Background. I here refer to and incorporate by reference: (1) my letter to you dated 3/10/04; (2) letter dated 2/23/09, amended 3/13/09, from Mr. J.S. Jerry Wilmoth, UPRR; (3) Map CA-13, CA-17a&b, and CA-18, *Railroad Atlas of North America, California and Nevada*, pp. 18, 22-23; and Wendell Cox & Adrian T. Moore, *The California High Speed Rail Proposal: A Due Diligence Report*, Reason Foundation, Sept. 2008; Legislative Analyst's Office, *The High-Speed Rail Authority*, March 17, 2009 (see copies enclosed).

Summary. The crucial question facing us with HSR's proposal was concisely stated by the Honorable Norman Y. Mineta: "The crucial question in transportation today is: What should government do, and what should it leave to others."¹ The sound, sustainable answer to Secretary Mineta's "crucial question" lies in the private sector; not in the public sector. With free enterprise as a foundation, high speed rail's owners and investors can combine profitable freight revenue with losing passenger fares, rather than asking the maxed-out taxpayers of California for more tax subsidies for yet another public-sector passenger mode of travel.

¹Joseph P. Thompson, "ISTEA Reauthorization and the National Transportation Policy," 25 *Transportation Law Journal*, pp. 87-*etseq.* (1997).

Comment: Funding Source for Operations. The current proposal does not satisfy the requirements of sound railroading, while it adheres to the tax-dependent method of finance akin to Amtrak, Caltrain and urban mass transit, with only a very small fraction of the overall expenses paid for by the patrons. The underlying assumption that taxpayers can continue to pony-up the subsidies for more government-owned transport is wrong. History shows the proposal to be fatally flawed. All of the State-owned railroads in the Nation failed in 1837-1840. Lincoln knew personally about those failures, so when General Granville Dodge recommended to the President in 1864 that the government own the transcontinental railroad, Lincoln said “no.” His theory, which ultimately worked, was that private enterprise own the railroads, but that the government would aid in their construction. When the Nation’s railroads were nationalized during World War I, it only took 18 months before the government’s mismanagement had brought all our railroads to a screeching halt. So, Congress reversed its previous decision and de-nationalized our railroads. In 1970 during debates in Congress on formation of the National Railroad Passenger Corporation (Amtrak), some members promised that Amtrak “would be profitable in three years.” Amtrak has failed to break even, and requires ever-increasing tax subsidies to continue its operations. Our Nation paid dearly for Amtrak’s subsidies because on 9/11/01 we did have Amtrak, but we did not have adequate airport security.

The north-south tonnage flows in California, on Hwy. I-5, US 101, and Hwy. 99, represent a source of funding that could, in a private-sector model, duplicate and exceed taxpayers’ subsidies in the public-sector model as proposed in the EIR. The French government has announced that it will have Fedex freight transported by that nation’s HSR starting next year, so those with experience in operating HSR in Europe have apparently resorted to freight revenue as a source of funding. We could reduce air pollution, traffic congestion, and road and bridge support deterioration and maintenance expenses if we diverted some of that tonnage onto HSR. I have said this to the HSRA since before its creation when it was a Commission.

I believe that reliance on tax subsidies ought to be deemed unfeasible, given the tax/fee burdens already imposed on Californians by all levels of government, not to mention the even larger burdens which our generation is imposing on future generations.

Rather, the manner in which railroads were originally created, and funded, freight revenue combined with losing passenger fares, ought to be the funding formula upon which the HSR is created and maintained.

As the LAO’s Report states (page 5), the HSR service should “not require an operating subsidy.” A feasible “funding source . . . for future years . . .” (page 6, LAO’s Report) exists now and will exist into the future: freight revenue. As with freight moving in the bellies of airliners, HSR can transport freight, thereby decreasing air pollution because the fuel savings per ton/mile is about 75% compared with rubber tires hauling freight on concrete or asphalt. The profit made moving freight can offset the losses sustained transporting passengers. Overnight shipments between Northern and Southern California can be transported without interfering with daytime, commute hours.

Comment: UP’s Property Rights.

In addition to those aspects identified by Cox and Moore (“Reason Report”), the UP’s Coast Main Line, which is part of its incomparable interstate railroad, and considered by many to be the best railroad in the whole world, if not in America, is entirely its to own, for its shareholders’ benefit. The Nation’s national security and interstate commerce justify the position paramount to lesser entities, the States, and local government, which the courts have repeatedly upheld on federal preemption grounds. A look at the Maps of UP’s tracks in the SF Peninsula, San Jose, and South Bay

Area show that the current HSRA proposal is impossible without UP's consent. Since UP has not given its consent (Mr. Wilmoth's Letter enclosed), the proposed route is not a legally possible route, even if the HSRA could find the tax subsidy money to operate it as currently proposed.

Conclusion. I believe that Secretary Mineta was right. However, HSRA's answer is wrong for California, and impossibly burdensome for its taxpayers in this and future generations. By following our predecessors' example, and having learned from their mistakes, we can have sound, sustainable HSR in California.

Caveat Viator!

Respectfully yours,

JOSEPH P. THOMPSON, ESQ.

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January 5, 2010

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 Sacramento, CA 95814

Re: Public Comment HSRA's Environmental Impact Report SF-San Jose-Gilroy-Merced

Dear Mr. Morshed,

Thank you for allowing members of the public to comment on HSRA's second (judicially-required) EIR for the San Francisco-San Jose-Gilroy-Merced Segment.

Identity of Author. I am a graduate of San Jose State University, and have done post-doctoral study of transportation law and policy at the Mineta Institute at SJSU. I write only for myself, and not on behalf of a client or organization, but merely to express my personal reply to the EIR for the segment that includes Gilroy, where I have practiced law for more than 30 years.

Background. I here refer to and incorporate by reference: (1) my letters to you dated 3/23/09 and 3/10/04; (2) letter dated 2/23/09, amended 3/13/09, from Mr. J.S. Jerry Wilmoth, UPRR; (3) Map CA-13, CA-17a&b, and CA-18, *Railroad Atlas of North America, California and Nevada*, pp. 18, 22-23; and Wendell Cox & Adrian T. Moore, *The California High Speed Rail Proposal: A Due Diligence Report*, Reason Foundation, Sept. 2008; Legislative Analyst's Office, *The High-Speed Rail Authority*, March 17, 2009 (see attached to my letter to you 3/23/09).

Summary. Lenin convinced his fellow countrymen that Marx & Engels were right, with Trotsky's help, and Stalin's "persuasion" tactics. Did that make his philosophy right? No. Just like Lenin, CAHSRA's proponents are wrong. You remind me of heroin addicts who refuse to admit their addiction. Revelations since the election show what a disastrous idea you have proposed for this sad State, dominated by radical socialists in our Legislature, the League of California Cities, and the California State Association of Counties, and the public transit agencies and their public-sector unions. I think that history will be just as kind to the CAHSRA's proponents as it's been to Lenin. The people of California will rue the day that the Trojan Horse was approved in the guise of the Bullet Train.

As I said before, "The crucial question facing us with HSR's proposal was concisely stated by the Honorable Norman Y. Mineta: "The crucial question in transportation today is: What should

government do, and what should it leave to others.”¹ The sound, sustainable answer to Secretary Mineta’s “crucial question” lies in the private sector; not in the public sector. With free enterprise as a foundation, high speed rail’s owners and investors can combine profitable freight revenue with losing passenger fares, rather than asking the maxed-out taxpayers of California for more tax subsidies for yet another public-sector passenger mode of travel.

Comment: Funding Source for Operations. The current proposal does not satisfy the requirements of sound railroading, while it adheres to the tax-dependent method of finance akin to Amtrak, Caltrain and urban mass transit, with only a very small fraction of the overall expenses paid for by the patrons. The underlying assumption that taxpayers can continue to pony-up the subsidies for more government-owned transport is wrong. History shows the proposal to be fatally flawed. All of the State-owned railroads in the Nation failed in 1837-1840. Lincoln knew personally about those failures, so when General Granville Dodge recommended to the President in 1864 that the government own the transcontinental railroad, Lincoln said “no.” His theory, which ultimately worked, was that private enterprise own the railroads, but that the government would aid in their construction. When the Nation’s railroads were nationalized during World War I, it only took 18 months before the government’s mismanagement had brought all our railroads to a screeching halt. So, Congress reversed its previous decision and de-nationalized our railroads. In 1970 during debates in Congress on formation of the National Railroad Passenger Corporation (Amtrak), some members promised that Amtrak “would be profitable in three years.” Amtrak has failed to break even, and requires ever-increasing tax subsidies to continue its operations. Our Nation paid dearly for Amtrak’s subsidies because on 9/11/01 we did have Amtrak, but we did not have adequate airport security.

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I believe that reliance on tax subsidies ought to be deemed unfeasible, given the tax/fee burdens already imposed on Californians by all levels of government, not to mention the even larger burdens which our generation is imposing on future generations.

Rather, the manner in which railroads were originally created, and funded, freight revenue combined with losing passenger fares, ought to be the funding formula upon which the HSR is created and maintained.

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can offset the losses sustained transporting passengers. Overnight shipments between Northern and Southern California can be transported without interfering with daytime, commute hours.

Comment: UP's Property Rights.

In addition to those aspects identified by Cox and Moore ("Reason Report"), the UP's Coast Main Line, which is part of its incomparable interstate railroad, and considered by many to be the best railroad in the whole world, if not in America, is entirely its to own, for its shareholders' benefit. The Nation's national security and interstate commerce justify the position paramount to lesser entities, the States, and local government, which the courts have repeatedly upheld on federal preemption grounds. A look at the Maps of UP's tracks in the SF Peninsula, San Jose, and South Bay Area show that the current HSRA proposal is impossible without UP's consent. Since UP has not given its consent (Mr. Wilmoth's Letter enclosed), the proposed route is not a legally possible route, even if the HSRA could find the tax subsidy money to operate it as currently proposed.

Conclusion. I believe that Secretary Mineta was right. However, HSRA's answer is wrong for California, and impossibly burdensome for its taxpayers in this and future generations. By following our predecessors' example, and having learned from their mistakes, we can have sound, sustainable HSR in California.

Caveat Viator!"

Respectfully yours,

JOSEPH P. THOMPSON, ESQ.

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November 10, 2010

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P. O. BOX 942874, MS-74
Sacramento, CA 95814

Re: Public Comment HSRA's Environmental Impact Report SF-San Jose-Gilroy-Merced

Dear Mr. Morshed,

Referring to my letter to you (copy enclosed), I am enclosing my supplemental remarks about the EIR for the SF-San Jose-Gilroy-Merced Segment.

Will you please add this supplement to the official record of these proceeds.

Future generations must know that you were warned.

Respectfully yours,

JOSEPH P. THOMPSON, ESQ.

Attachment: Public Comment Correspondence (1499 : HSR Workshop)

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January 6, 2012

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P. O. BOX 942874, MS-74
Sacramento, CA 95814

Re: Public Comment HSRA's Re-Revised Environmental Impact Report SF-San Jose-Gilroy-Merced

Dear Mr. Morshed,

Referring to my letters to you (copies enclosed), why are you ignoring truth in transportation? Why are you ignoring sound railroading? Why are you ignoring history? Why are you ignoring the will of the voters of California? Why are you ignoring the legislation from our State Legislature signed into law by our State Governor?

Please include these remarks as part of your official record of proceedings and these enclosed supplemental remarks about the re-revised EIR for the SF-San Jose-Gilroy-Merced Segment.

You remind me of the public sector transit advocates and supporters who cram taxpayer-funded transit down our throats so that public sector transit welfare recipients and public sector union employees and joint power authorities staff can enjoy our blood regardless of the damage that it does to our State. Like addicts who refuse to admit their addiction, you seem Hell-bent on your Leninism even though history, both world-wide and American and North American railroad history proves that your concept is fatally flawed and is not sound nor sustainable. I repeat what I said to the High Speed Rail Commission and then State Senator Quinten Kopp: High Speed Rail can only work in the private-sector. Otherwise, you'll just stick another blood-sucking leech on us like Amtrak, Caltrain, Lite Rail, and other public-sector boondoggles that fail every place, and every time that they've been tried around the world.

Respectfully yours,

JOSEPH P. THOMPSON, ESQ.

Encl.

Attachment: Public Comment Correspondence (1499 : HSR Workshop)

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March 31, 2010

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 P. O. BOX 942874, MS-74
 Sacramento, CA 95814

Re: Public Comment HSRA's Court-Ordered Amended Environmental Impact Report SF-San Jose-Gilroy-Merced

Dear Mr. Morshed,

Thank you for allowing members of the public to comment on HSRA's Court-ordered amended EIR for the San Francisco-San Jose-Gilroy-Merced Segment.

Identity of Author. I am a graduate of San Jose State University, and have done post-doctoral study of transportation law and policy at the Mineta Institute at SJSU. I write only for myself, and not on behalf of a client or organization, but merely to express my personal reply to the amended EIR for the segment that includes Gilroy, where I have practiced law for 31 years.

Background. I here refer to and incorporate by reference my letter to you dated 3/23/09 (copy enclosed—with attachments).

Summary. Facing reality is difficult if you refuse to admit your addicted—in this case to taxpayers' subsidies for a fatally-flawed railroad. Your idea has been proven wrong by examples in history, e.g., USSR, Amtrak, Caltrain, etc. Notwithstanding history, economics, and the sorry state of this State's budget, from present to the foreseeable future, you insist on persisting with the same mistaken assumptions, same erroneous concept, same flawed scheme to run your railroad by taxing us into oblivion. Well, others have already beaten you to it, and we're flat broke, and the next generation has been decimated by radical socialist spending, and even worse for the subsequent generation. As I said to the HSRC, and to HSRA.

Conclusion. As I said previously, I believe that Secretary Mineta was right. However, HSRA's answer is wrong for California, and impossibly burdensome for its taxpayers in this and future generations. By following our predecessors' example, and having learned from their mistakes, we can have sound, sustainable HSR in California.

Caveat Viator!

Respectfully yours,

JOSEPH P. THOMPSON, ESQ.

Encl.

Attachment: Public Comment Correspondence (1499 : HSR Workshop)

JOSEPH P. THOMPSON
 Attorney at Law
 8339 Church Street, Gilroy, CA 95020
 Telephone (408) 848-5506; Fax (408) 848-4246
 E-mail: TransLaw@PacBell.Net

March 23, 2009

Fax: 916-322-0827
 Mr. Mehdi Morshed, Exec. Dir.
 High Speed Rail Authority
 925 L Street, Suite 1425
 P. O. BOX 942874, MS-74
 Sacramento, CA 95814

Re: Public Comment HSRA's Environmental Impact Report SF-San Jose-Gilroy-Merced

Dear Mr. Morshed,

Thank you for allowing members of the public to comment on HSRA's EIR for the San Francisco-San Jose-Gilroy-Merced Segment.

Identity of Author. I am a graduate of San Jose State University, and have done post-doctoral study of transportation law and policy at the Mineta Institute at SJSU. I write only for myself, and not on behalf of a client or organization, but merely to express my personal reply to the EIR for the segment that includes Gilroy, where I have practiced law for more than 30 years.

Background. I here refer to and incorporate by reference: (1) my letter to you dated 3/10/04; (2) letter dated 2/23/09, amended 3/13/09, from Mr. J.S. Jerry Wilmoth, UPRR; (3) Map CA-13, CA-17a&b, and CA-18, *Railroad Atlas of North America, California and Nevada*, pp. 18, 22-23; and Wendell Cox & Adrian T. Moore, *The California High Speed Rail Proposal: A Due Diligence Report*, Reason Foundation, Sept. 2008; Legislative Analyst's Office, *The High-Speed Rail Authority*, March 17, 2009 (see copies enclosed).

Summary. The crucial question facing us with HSR's proposal was concisely stated by the Honorable Norman Y. Mineta: "The crucial question in transportation today is: What should government do, and what should it leave to others."¹ The sound, sustainable answer to Secretary Mineta's "crucial question" lies in the private sector; not in the public sector. With free enterprise as a foundation, high speed rail's owners and investors can combine profitable freight revenue with losing passenger fares, rather than asking the maxed-out taxpayers of California for more tax subsidies for yet another public-sector passenger mode of travel.

¹Joseph P. Thompson, "ISTEA Reauthorization and the National Transportation Policy," 25 *Transportation Law Journal*, pp. 87-*etseq.* (1997).

Comment: Funding Source for Operations. The current proposal does not satisfy the requirements of sound railroading, while it adheres to the tax-dependent method of finance akin to Amtrak, Caltrain and urban mass transit, with only a very small fraction of the overall expenses paid for by the patrons. The underlying assumption that taxpayers can continue to pony-up the subsidies for more government-owned transport is wrong. History shows the proposal to be fatally flawed. All of the State-owned railroads in the Nation failed in 1837-1840. Lincoln knew personally about those failures, so when General Granville Dodge recommended to the President in 1864 that the government own the transcontinental railroad, Lincoln said “no.” His theory, which ultimately worked, was that private enterprise own the railroads, but that the government would aid in their construction. When the Nation’s railroads were nationalized during World War I, it only took 18 months before the government’s mismanagement had brought all our railroads to a screeching halt. So, Congress reversed its previous decision and de-nationalized our railroads. In 1970 during debates in Congress on formation of the National Railroad Passenger Corporation (Amtrak), some members promised that Amtrak “would be profitable in three years.” Amtrak has failed to break even, and requires ever-increasing tax subsidies to continue its operations. Our Nation paid dearly for Amtrak’s subsidies because on 9/11/01 we did have Amtrak, but we did not have adequate airport security.

The north-south tonnage flows in California, on Hwy. I-5, US 101, and Hwy. 99, represent a source of funding that could, in a private-sector model, duplicate and exceed taxpayers’ subsidies in the public-sector model as proposed in the EIR. The French government has announced that it will have Fedex freight transported by that nation’s HSR starting next year, so those with experience in operating HSR in Europe have apparently resorted to freight revenue as a source of funding. We could reduce air pollution, traffic congestion, and road and bridge support deterioration and maintenance expenses if we diverted some of that tonnage onto HSR. I have said this to the HSRA since before its creation when it was a Commission.

I believe that reliance on tax subsidies ought to be deemed unfeasible, given the tax/fee burdens already imposed on Californians by all levels of government, not to mention the even larger burdens which our generation is imposing on future generations.

Rather, the manner in which railroads were originally created, and funded, freight revenue combined with losing passenger fares, ought to be the funding formula upon which the HSR is created and maintained.

As the LAO’s Report states (page 5), the HSR service should “not require an operating subsidy.” A feasible “funding source . . . for future years . . .” (page 6, LAO’s Report) exists now and will exist into the future: freight revenue. As with freight moving in the bellies of airliners, HSR can transport freight, thereby decreasing air pollution because the fuel savings per ton/mile is about 75% compared with rubber tires hauling freight on concrete or asphalt. The profit made moving freight can offset the losses sustained transporting passengers. Overnight shipments between Northern and Southern California can be transported without interfering with daytime, commute hours.

Comment: UP’s Property Rights.

In addition to those aspects identified by Cox and Moore (“Reason Report”), the UP’s Coast Main Line, which is part of its incomparable interstate railroad, and considered by many to be the best railroad in the whole world, if not in America, is entirely its to own, for its shareholders’ benefit. The Nation’s national security and interstate commerce justify the position paramount to lesser entities, the States, and local government, which the courts have repeatedly upheld on federal preemption grounds. A look at the Maps of UP’s tracks in the SF Peninsula, San Jose, and South Bay

Area show that the current HSRA proposal is impossible without UP's consent. Since UP has not given its consent (Mr. Wilmoth's Letter enclosed), the proposed route is not a legally possible route, even if the HSRA could find the tax subsidy money to operate it as currently proposed.

Conclusion. I believe that Secretary Mineta was right. However, HSRA's answer is wrong for California, and impossibly burdensome for its taxpayers in this and future generations. By following our predecessors' example, and having learned from their mistakes, we can have sound, sustainable HSR in California.

Caveat Viator!

Respectfully yours,

JOSEPH P. THOMPSON, ESQ.

JOSEPH P. THOMPSON

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August 24, 2007

Editor

Email: editor@garlic.com, editor@gilroydispatch.com

The ***Dispatch***

6400 Monterey Road

Gilroy, CA 95020

Re: Bullet Train: Tourists' Panacea, Taxpayers' Hell

Dear Editor,

The proposal to build the Bullet Train in California is proof that socialists have taken-over our government. Based on past cost overruns, the price tag on this extreme boondoggle is about \$75-\$80 billion in today's dollars. Paid back interest on these bonds will also burden our children and grandchildren and great-grandchildren will billions more. Annual operating losses will exceed those of all Lite Rails combined. Fares won't cover 1% of operating expenses, estimated at \$1 billion/year. Bond debt will bury us.

Technology exists to build it, but how do we pay the construction costs, and operating costs? It's technologically incompatible with existing railroads, so it will need BART-like right-of-way. Eminent domain power, included in the legislation creating it, ensures that it will plow through Gilroy and Morgan Hill and any other place, regardless of opposition. But it cannot cross the UPRR's tracks because the Class I railroads' eminent domain trumps Bullet Train's eminent domain power, according to UP's top commerce counsel on the West Coast. Tourists will ride it, but enjoy a 99% taxpayer subsidy for rides that will cost more than those on the Concorde Supersonic Jets. Local small business owners will pick-up the tab, maybe getting 10% back from tourist dollars if we're lucky.

In 1970 Congressmen stood up in Congress and proclaimed that Amtrak would be "self-sufficient in three years." Yeh. By 9/11/01 taxpayers had thrown about \$30 billion in subsidies down that black hole, but did we have adequate airport security?

In 1863 General Granville Dodge, who was later UPRR's top civil engineer, and who discovered the Sherman Pass over the Continental Divide, was summoned to the White House. He later said that he told the President that the government should own and operate the transcontinental railroad. Lincoln, who as a young member of the Illinois Legislature had seen government owned railroads in Eastern and Midwestern States go bust and shutdown operations in the 1830's and

When will we ever learn?

Attachment: Public Comment Correspondence (1499 : HSR Workshop)

1840's, said no. He said that private enterprise must do it, although the government would assist with development incentives (my words, not his). They did it. And what did taxpayers receive in the deal? They got about \$460 million (measured in 1940 dollars) more than the value of the land granted to the railroad corporations because of Section 22 in the original Interstate Commerce Act (lower freight rates for government shipments).

A hundred years ago the Progressive Movement, led by William Jennings Bryan, sought nationalization of the railroads and other industries, but their passion was rejected by voters.

When the railroads were nationalized in 1917 during the Administration of Woodrow Wilson, government genius so botched-up shipping that rail traffic came to a standstill. That experiment failed, just as Lincoln predicted it would. In the Transportation Act of 1920 the railroads were de-nationalized, and came to be the envy of the world's nations today; the backbone of our nation's commerce.

Instead of making taxpayers pay for Bullet Train, like we pay for County Transit, Caltrain, Amtrak, Lite Rail, etc., etc., while motorists are paying 100% of their own transport costs, seeing our politicians rewarding transit wastefulness, why not use the unlimited power of capitalism? Have you been on I-5 lately to see the uninterrupted 24-7 tonnage flowing North-South in California? I appeared before the Bullet Train commission five times over the last decade and told them that if they put enough UPS, Fedex and Postal Service tonnage on their trains, then they would not need to ask the taxpayers for a dime. Did they listen?

Like Amtrak's promoters, their pie-in-the-sky predictions show that they did not listen, nor did they learn from history, either United States or world history in the last century and one-half. So, hold on for the ride, and warn your children and grandchildren, our leaders will strap taxpayers to the rocket to Hell. We'll be paying unimaginable sums to attempt what Lenin, Trotsky, Stalin and the USSR failed to achieve, despite all their promises to their citizens that socialism could bring utopia. If they fund it with gas taxes, be prepared to see \$10/gallon for gas at the pumps. They'll tax motorists out of their cars, leaving them to ride our Trojan Horses, and bike or walk the rest of the way.

Caveat Viator!

Respectfully yours,
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Member, Association for Transportation Law, Logistics & Policy
Candidate, American Society of Transportation & Logistics
Winner, AST&L's Best Research Paper Award 1997
Past-President, Gilroy-Morgan Hill Bar Assn.
Post-Doctoral Student, Transportation Law & Policy

When will we ever learn?

Editor: this was published in Orange County Register Wednesday, June 14, 2006. Please publish again for Gilroy & Morgan Hill raped taxpayers, about to be re-screwed by utopian insanity by Bullet Train. The author is one of the Nation's top transport policy men.

Joe Thompson

Gilroy

(408) 848-5506

1. **Taking taxpayers for a ride California focus**

Proposed state high-speed rail system would cost too much to do too little

There has been considerable discussion about the proposed California High Speed Rail project. California taxpayers are being subjected to grandiose claims about reduced traffic congestion and cost-effective alternatives to flying and driving.

The HSR system, which would connect Los Angeles, San Francisco, San Diego, Sacramento and areas in between, would require as a down payment a \$10 billion bond issue that voters may consider as soon as November. The California High Speed Rail Authority says the system could cost much more – \$37 billion. Reality is more like \$75 billion.

Luckily, the Assembly last month passed a bill that would delay the bond election until 2008. That bill is now in the Senate Appropriations Committee, where there is no clear indication whether it will come to a vote anytime soon. However, there is evidence the Assembly's caution is justified, and the Senate should follow its lead.

First, the HSR system is likely to cost much more than advertised. Cost projections for large transportation projects are notoriously inaccurate. Boston's two-decade "Big Dig" racked up three times its projected cost, even after accounting for inflation. Across the country, transit megaprojects have escalated in cost after approval; these are not isolated cases.

What's more, it appears these overruns are not accidental. Research by Bengt Flyvbjerg of the University of Aalborg (Denmark) published in the Journal of the American Planning Association demonstrates these projects routinely surpass estimated costs due to "strategic misrepresentation." Planners and proponents underestimate costs in hopes of obtaining project approvals that would otherwise be impossible.

As a Los Angeles County transportation commissioner, I witnessed costs escalate for the Blue Line light rail from Los Angeles to Long Beach eventually exceeding three times original projections (inflation-adjusted). At no point did anyone seriously question the increases, because the taxpayers had already committed to the project. There was simply no incentive to keep costs down. Why should we expect the HSR project to be any different?

Flyvbjerg and others also have found that ridership estimates tend to be overstated. The Los Angeles Red Line subway even today carries less than one-half the ridership that was projected when we approved it.

Ridership is important because the California high-speed rail system is advertised as not needing its operations subsidized by taxpayers. But this claim is likely based on an overestimation of the ridership and an underestimation of the operating costs. Amtrak's high-speed Acela service between Washington, D.C., and New York City carries little more than one-tenth the passengers that proponents promise for the California system, despite serving a larger market. So it is likely taxpayers will need to keep their checkbooks open indefinitely to subsidize HSR operation.

All this would be irrelevant if we needed such a system. The California HSR has been touted as a strategy for reducing highway congestion. In fact, projections indicate that traffic congestion along the rail corridors will still increase 26 percent by 2020, even with the high-speed trains. Without them the increase by 2020 would be 31 percent.

Claims of reduced air traffic congestion are similarly flawed. Most air travel between the San Francisco Bay Area and Southern California already avoids the busy San Francisco International and Los Angeles International airports, and their share of travel is declining. Planners delude themselves into believing HSR will take away half of air traffic volume. But last year Amtrak said its New York-to-Washington high-speed service lost ridership to stronger airline competition. Planners assume airlines will stand idly by as their customers jump on the train. In fact, airlines will compete, and compete hard.

Much has been made of HSR's purported cost-effectiveness, with claims that highway improvements would cost more than twice as much as the rail project. But the highway alternative would produce four times the congestion relief, making it twice as cost-effective, even without the inevitable cost escalations for high-speed rail.

Thus, for California, the question is not whether high-speed rail would be nice – it would be. The fundamental question is whether it is worth the tens of billions it could cost. At this point, there is every reason to believe this project would be, quite simply, a waste of money.

EDITOR: Please publish this letter that I sent to you on 3/2/03:

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March 2, 2003

Fax (408) 842-2206

Editor

The *Dispatch*

6400 Monterey Road

Gilroy, CA 95020

Re: Downtown Gilroy and Soviet-Style Transportation Policy

Dear Editor,

Could it be that our government intends to oust UP from its right-of-way through downtown Gilroy, supplanting it with Soviet-style Bullet Train and Son-of-Amtrak Caltrain? With VTA's Ministry of Truth touting Gilroy as its newest land-use planning (i.e., Sovietized) poster child, will we see an end to the history of private-sector railroads here? How many jobs will that kill-off? How much commerce will we lose if the VTA-led socialist-communist scheme is crammed down on us? The malignant tumor of socialism-communism is being stimulated by Politico-Transit Alliance advocates in our local government, our County government, and our State government, so will small business owners be able to stop this socialistic train wreck? We've seen the canneries go bankrupt and close their gates. The Black Hole Frankenstein "transit hub," where empty buses stop so public-sector union drivers can rest from the tedium of transporting empty seats around town, is growing—who knows where the socialist policy will stop? If we don't stop runaway government now, how will our children or grandchildren ever stop it? Where is an elected leader with the guts to fight back for us? I believe that it is time for us to retake our government away from the socialist small business killers. *Caveat viator!*

Very truly yours,

JOSEPH P. THOMPSON

Member, Executive Committee, Debtor-Creditor-Bankruptcy Section Santa Clara County Bar Assn.

Member, Legislation Committee, Transportation Lawyers Assn.

Member, Association for Transportation Law, Logistics & Policy

Member, SBC Citizens Rail Advisory Committee

Candidate, American Society of Transportation & Logistics

Winner, AST&L's Best Research Paper Award 1997

Past-President, Gilroy-Morgan Hill Bar Assn.

Attachment: Public Comment Correspondence (1499 : HSR Workshop)

EDITOR: Please publish this letter that I sent to you on 8/24/07:

JOSEPH P. THOMPSON

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Fax (408) 842-2206

August 24, 2007

Editor

Email: editor@garlic.com, editor@gilroydispatch.com

The *Dispatch*

6400 Monterey Road

Gilroy, CA 95020

Re: **Bullet Train: Tourists' Panacea, Taxpayers' Hell**

Dear Editor,

The proposal to build the Bullet Train in California is proof that socialists have taken over our government. Based on past cost overruns, the price tag on this extreme boondoggle is about \$75-\$80 billion in today's dollars. Paid back interest on these bonds will also burden our children and grandchildren and great-grandchildren will billions more. Annual operating losses will exceed those of all Lite Rails combined. Fares won't cover 1% of operating expenses, estimated at \$1 billion/year. Bond debt will bury us.

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transcontinental railroad. Lincoln, who as a young member of the Illinois Legislature had seen government owned railroads in Eastern and Midwestern States go bust and shutdown operations in the 1830's and 1840's, said no. He said that private enterprise must do it, although the government would assist with development incentives (my words, not his). They did it. And what did taxpayers receive in the deal? They got about \$460 million (measured in 1940 dollars) more than the value of the land granted to the railroad corporations because of Section 22 in the original Interstate Commerce Act (lower freight rates for government shipments).

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When will we ever learn?



CITY COUNCIL STAFF REPORT

MEETING DATE: November 15, 2017

PREPARED BY: Inga Alonzo, Management Analyst
APPROVED BY: City Manager

APPROVE SERVICE MAINTENANCE AGREEMENT WITH SALINAS PUMP COMPANY

RECOMMENDATION(S)

Approve and authorize the City Manager to execute a three-year agreement with Salinas Pump Company in the amount of \$275,000 for on-call routine and emergency repair, maintenance, and rehabilitation of the City's water wells and pump stations.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety

2017 Strategic Priorities

Infrastructure

REPORT NARRATIVE:

The City of Morgan Hill operates 17 water wells and 10 booster stations to provide the City's municipal water needs. Maintenance of the pumping systems that drive the wells and booster stations is provided by qualified vendors, and funds for a maintenance services agreement are included in the approved FY 2017-18 Utilities budget.

A Request for Proposal (RFP) was issued on September 21, 2017 to select a service provider for maintenance, repair, rehabilitation, and emergency servicing for the City's water wells and pump stations. The RFP was advertised in both the Morgan Hill Times and the San Jose Mercury News. Additionally, it was posted to the City's website, Public Purchase, and the Santa Clara and San Francisco builders exchange. The City received one responsive proposal for this RFP from Salinas Pump Company, in the not-to-exceed amount of \$275,000. Current State of California Department of Industrial Relations (DIR) registration was confirmed before the submittal was reviewed. Staff then closely reviewed the proposal. Salinas Pump Company meets the City's licensing requirements and RFP requirements for this work. The Utilities Division has experience with the selected service provider's work and is confident in its ability to perform this scope of work.

The City's wells are equipped with a combination of submersible and vertical turbine pumps; ranging in size from 40 to 150 horsepower. Pump depth ranges from 220 feet to 290 feet and pump columns range in size from 6 inches to 10 inches in diameter. The maintenance of these well pumps includes the removal and replacement of pumps, well casing removal, repairs and installations, water well video inspections, electric motor repairs, and a variety of replacement parts.

The booster stations contain 32 pumps ranging in size from 3 hp to 150 hp. Maintenance of this equipment includes repair and/or replacement of pumps and motors, valves, meters, and miscellaneous mechanical and electrical parts, and testing and calibration of the pump systems.

Staff recommends the award of the pump maintenance services contract to Salinas Pump Company. These types of services are very specialized and the few contractors that perform these services are busy at this time which is why staff believes only one proposal was received. As stated above, staff believes that the proposal received was reasonable and has had positive experience with Salinas Pump in the past.

COMMUNITY ENGAGEMENT: Inform

This report serves to inform the public of the recommended agreement for water wells and pump station maintenance services.

ALTERNATIVE ACTIONS:

City Council could decide to not approve the agreement and direct staff to start a new RFP process for the pump maintenance services. Staff does not believe that a new RFP process would result in more proposals or less cost.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On October 1, 2014, Council approved an agreement with Salinas Pump Company for water well services in the amount of \$387,292.

FISCAL AND RESOURCE IMPACT:

Funds for this maintenance services agreement were budgeted in Fiscal Year 2017-18 for Water Operations (Fund 650); no further appropriation of funds is necessary. Subsequent years are subject to budget appropriations by the City Council.

CEQA (California Environmental Quality Act):

Continuing administrative or maintenance activities are not considered projects for environmental review under CEQA.

LINKS/ATTACHMENTS:

1. Salinas Pump City Maintenance Service Agreement
2. Salinas Pump Submittal

MAINTENANCE SERVICE AGREEMENT SALINAS PUMP COMPANY

THIS AGREEMENT is entered into and becomes effective on _____ (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and Salinas Pump Company a California corporation ("SERVICE PROVIDER") hereinafter referred to collectively as "Parties." In consideration of the promises and the mutual covenants contained in this Agreement, the Parties agree as follows:

1. **City Authority.** This Agreement is entered into pursuant to action of the Morgan Hill City Council taken on _____, _____, 20____.
2. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date of this Agreement until December 31, 2020 at which time SERVICE PROVIDER'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both Parties to this Agreement.
3. **Scope of Service.** The services to be performed by SERVICE PROVIDER shall be On-Call Water Well and Pump Station Repairs, Maintenance and Rehabilitation as further described in **Exhibit A.**
4. **Compensation.** SERVICE PROVIDER shall be compensated as follows:
 - 4.1. **Amount.** \$275,000.00. Total compensation to SERVICE PROVIDER under this Agreement during its initial term set forth in Section 2 above shall not exceed Two-Hundred Seventy-Five Thousand dollars and shall be billed based on the rate and basis set forth in **Exhibit B.** If the City Manager extends the term of this Agreement for up to one year pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to SERVICE PROVIDER during that extended term period, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement and provided further that in no event shall such maximum compensation allowed during the extended term period exceed an additional five percent (5%) above the compensation allowed to be paid to SERVICE PROVIDER during the initial term of this Agreement.
 - 4.2. **Billing.** SERVICE PROVIDER shall provide CITY with an invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by SERVICE PROVIDER on a monthly basis unless otherwise specified in Exhibit B. Payment will be made to SERVICE PROVIDER within thirty (30) days of receipt of invoice by CITY. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY's judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.
5. **Termination.** CITY or SERVICE PROVIDER shall have the right to terminate this Agreement, without cause, by giving thirty (30) days' written notice or less under urgent circumstances. Upon such termination, SERVICE PROVIDER shall submit to CITY an itemized statement of services performed for which compensation has not been paid. CITY may require SERVICE PROVIDER to complete certain work product

or documents and SERVICE PROVIDER shall deliver to CITY all documents in its possession without additional compensation to SERVICE PROVIDER. The City Manager is authorized to terminate this AGREEMENT on behalf of CITY.

6. **Performance of Work.** SERVICE PROVIDER represents that it is qualified by virtue of experience, training, education, and expertise to accomplish these services. Services shall be performed by SERVICE PROVIDER in accordance with professional practices in a manner consistent with a level of care, competence and skill exercised by qualified members of SERVICE PROVIDER'S profession. By delivery of completed work, SERVICE PROVIDER certifies that the work conforms to the requirements of this Agreement and all applicable federal, state and local laws. SERVICE PROVIDER shall perform all work and services under this Agreement in conformance with the time schedule set forth on **Exhibit C**, "Schedule of Performance," attached hereto and incorporated herein by this reference. The City Manager is authorized on behalf of CITY to modify the timeframes set forth on the Schedule of Performance within the term of this Agreement. If SERVICE PROVIDER desires to leave or store any of SERVICE PROVIDER's equipment at a CITY site while SERVICE PROVIDER is performing work or service pursuant to this Agreement, SERVICE PROVIDER will first obtain the consent of the City Manager, or his delegate, to do so, and any such storage shall occur only in the manner and location allowed by such CITY official and entirely at SERVICE PROVIDER's sole risk.

7. **Hazardous Materials.** Without limiting any other requirement or obligation of SERVICE PROVIDER under this Agreement, if SERVICE PROVIDER needs to use any material or chemical considered to be a hazardous material under any federal, state or local law, regulation or policy, SERVICE PROVIDER agrees to fully and timely abide by and comply with all laws, regulations and policies pertaining to the use, transport, removal, handling, disposal or other activity related to any and all such materials or chemicals. Prior to commencement of work or services under this Agreement, SERVICE PROVIDER shall provide CITY with a complete list of the hazardous materials SERVICE PROVIDER reasonably anticipates it may need to use to provide the services of SERVICE PROVIDER under this Agreement, together with the reasonably anticipated quantities thereof, if requested by CITY.

8. **Insurance Requirements.** SERVICE PROVIDER shall procure and provide proof of the insurance coverage required by this section in the form of certificates and endorsements. The required insurance must cover the activities of SERVICE PROVIDER, including its subcontractors, employees and agents, relating to or arising from the performance of any work or service under this Agreement, and must remain in full force and effect at all times during the period covered by this Agreement. The coverages may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or "umbrella" policies, provided each such policy complies with the requirements set forth herein. SERVICE PROVIDER further understands that CITY reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to SERVICE PROVIDER, at any time as deemed necessary to protect the interests of CITY.

8.1. **Insurance Types and Amounts.**

8.1.1. **Commercial General Liability (CGL).** SERVICE PROVIDER shall maintain CGL against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) for bodily injury or death to any one person for any one accident or occurrence and at least one million dollars (\$1,000,000.00) for property damage, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

8.1.2. **Automobile Liability.** SERVICE PROVIDER shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if SERVICE PROVIDER does not own

automobiles, then SERVICE PROVIDER shall maintain Hired/Non-owned Automobile Liability) against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) for bodily injury or death to any one person for any one accident or occurrence and at least one million dollars (\$1,000,000.00) for property damage, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

8.1.3. Workers' Compensation Insurance and Employer's Liability. SERVICE PROVIDER shall maintain Workers Compensation coverage, as required by law, in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater. If SERVICE PROVIDER is self-insured, SERVICE PROVIDER shall provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.

8.1.4. Pollution (Environmental) Liability. If the performance of SERVICE PROVIDER's work or service under this Agreement involves hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases or hazardous materials, SERVICE PROVIDER shall procure and maintain Pollution Liability covering the contractor's liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous materials. Such coverage shall be in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

8.1.5. Professional Liability.

8.1.5.1. If the performance of SERVICE PROVIDER's work or service under this Agreement involves professional and/or technical services (examples include, but are not limited to, architects, engineers, land surveyors, and appraisers), SERVICE PROVIDER shall procure and maintain either a claims made or occurrence Errors and Omission liability insurance in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater. Further, if SERVICE PROVIDER maintains a claims-made policy, SERVICE PROVIDER shall provide written evidence of such insurance to CITY for at least five (5) years after the completion of work performed under this Agreement.

8.1.5.2. If the performance of SERVICE PROVIDER's work or service under this Agreement relates to Information Technology or related services (examples include, but are not limited to computer programmers, software designers, hardware engineers, or other systems consultants), SERVICE PROVIDER shall procure and maintain a claims made Errors and Omission liability insurance, including Cyber Liability and Data

Breach, in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

8.1.5.3. If the performance of SERVICE PROVIDER's work or service under this Agreement involves contact with minors, SERVICE PROVIDER shall procure and maintain Sexual Abuse and Molestation insurance in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to SERVICE PROVIDER under SERVICE PROVIDER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

- 8.2. **Endorsements.** SERVICE PROVIDER shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below:

8.2.1. **General Liability.**

8.2.1.1. The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds;

8.2.1.2. the insurer waives the right of subrogation against the City of Morgan Hill and CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and,

8.2.1.3. insurance shall be primary non-contributing.

8.2.2. **Workers Compensation.**

The insurer waives the right of subrogation against the City of Morgan Hill and CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

- 8.3. **Qualification of Insurers.** All insurance required pursuant to this Agreement must be issued by a company licensed and admitted, or otherwise legally authorized to carry out insurance business in the State of California, and each insurer must have a current A.M. Best's financial strength rating of "A" or better and an financial size rating of "VII" or better.

- 8.4. **Certificates.** SERVICE PROVIDER shall furnish CITY with copies of all policies or certificates as outlined herein, whether new or modified, promptly upon receipt. No policy subject to SERVICE PROVIDER's agreement with CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein

Certificate Holder address:

City of Morgan Hill
Attn: Risk Management
17575 Peak Avenue

Morgan Hill, CA 95037

9. **Non-Liability of Officials and Employees of CITY.** No official or employee of CITY shall be personally liable for any default or liability under this Agreement.

10. **Compliance with Law.**

10.1. SERVICE PROVIDER and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. SERVICE PROVIDER and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, sexual orientation, national origin, mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.

10.2. Without limiting the provisions of Section 10.1 above, each worker performing work under this Agreement shall be paid at a rate not less than the prevailing wage as defined in Sections 1771 and 1774 of the Labor Code. The prevailing wage rates are available online at <http://www.dir.ca.gov/dlsr>. SERVICE PROVIDER shall post a copy of the applicable prevailing rates at the Worksite. Pursuant to Labor Code Section 1775, SERVICE PROVIDER and any Subcontractor shall forfeit to CITY as a penalty up to two hundred dollars (\$200.00) for each calendar day, or portion thereof, for each worker paid less than the applicable prevailing wage rate. SERVICE PROVIDER shall also pay each worker the difference between the applicable prevailing wage rate and the amount actually paid to that worker.

10.3. DIR Registration. CITY will not accept a Bid Proposal from or enter into a contract with a SERVICE PROVIDER, without first receiving proof to the satisfaction of CITY that SERVICE PROVIDER and its subcontractors are registered with the California Department of Industrial Relations to perform public work under Labor Code Section 1725.5, subject to limited legal exceptions. Under Labor Code section 1771.4, this Agreement is subject to compliance monitoring and enforcement by the California Department of Industrial Relations.

11. **Independent Contractor.** SERVICE PROVIDER is an independent contractor and not an agent or employee of CITY.

12. **Confidentiality.** All data, documents, or other information received by SERVICE PROVIDER from CITY or prepared in connection with SERVICE PROVIDER'S services under this Agreement are deemed confidential and shall not be disclosed to any third party by SERVICE PROVIDER without prior written consent by CITY.

13. **Conflict of Interest and Reporting.** SERVICE PROVIDER shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.

14. **Notices.** All notices shall be personally delivered or mailed, via first class mail to the below listed address. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

Address of SERVICE PROVIDER is as follows:

Salinas Pump Company
21935 Rosehart Way

Salinas, CA 93908

Address of CITY is as follows:

Engineering & Utilities Director	with a copy to:
City of Morgan Hill	City Clerk
17575 Peak Avenue	City of Morgan Hill
Morgan Hill, CA 95037	17575 Peak Avenue
	Morgan Hill, CA 95037

15. **Licenses, Permits and Fees.** SERVICE PROVIDER shall obtain a City of Morgan Hill Business License, all permits and licenses to the extent required by ordinances, codes and regulations of the federal, state and local government.

16. **Maintenance of Records.**

16.1. **Maintenance.** SERVICE PROVIDER shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and CITY rules and ordinances related to services provided under this Agreement. SERVICE PROVIDER shall maintain records for a period of at least 3 years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the 3 year period, then SERVICE PROVIDER shall retain said records until such action is resolved.

16.2. **Access to and Audit of Records.** CITY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of SERVICE PROVIDER and its subcontractors related to services under this Agreement. Pursuant to Government Code Section 8546.7, if this Agreement involves the expenditure of public funds in excess of \$10,000, the Parties to this Agreement may be subject, at the request of CITY or as part of any audit of CITY, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

16.3. **Ownership of Work Product.** All documents or other information developed or received by SERVICE PROVIDER for work performed under this Agreement shall be the property of CITY. SERVICE PROVIDER shall provide CITY with copies of these items upon demand or upon termination of this Agreement.

17. **Familiarity with Work.** By executing this Agreement, SERVICE PROVIDER represents that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the work under this Agreement. Should SERVICE PROVIDER discover any conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY and shall not proceed, except at SERVICE PROVIDER'S risk, until written instructions are received from CITY.

18. **Time of Essence.** Time is of the essence in the performance of this Agreement.

19. **No Assignment.** Neither this Agreement nor any portion shall be assigned by SERVICE PROVIDER, without prior written consent of CITY. Any attempted assignment not first approved by CITY shall be void and, at CITY's option, shall terminate this Agreement effective as of the date of such attempted assignment.

20. **Attorney Fees.** In any legal action, dispute or arbitration arising out of or relating to this Agreement, the prevailing party shall be entitled to an award of its reasonable attorney fees, costs and expenses incurred.

21. **Defense and Indemnification.**

21.1. **Defense and Indemnification.** SERVICE PROVIDER shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the performance of this Agreement or the failure to comply with any obligations contained in this Agreement by SERVICE PROVIDER, and/or its agents, officers, employees, subcontractors, or independent contractors ("CLAIM").

21.2. **Exceptions.** SERVICE PROVIDER is not required to indemnify INDEMNITEES against liability for bodily injury, property damage or personal injury, or any other loss, damage or expense arising from the sole negligence or willful misconduct of CITY.

21.3. **Not limited by insurance.** The indemnity, defense and hold harmless provisions of this Agreement apply to all CLAIMS alleged against an INDEMNITEE, regardless of whether any insurance policies are applicable. Policy limits do not act as a limitation upon the amount of indemnification or defense to be provided by SERVICE PROVIDER.

21.4. **Right to Offset.** CITY shall have the right to offset against any compensation due SERVICE PROVIDER under this Agreement any amount due CITY from SERVICE PROVIDER as a result of SERVICE PROVIDER's failure to pay CITY promptly any indemnification arising under this Section (21) and any amount due CITY from SERVICE PROVIDER arising from SERVICE PROVIDER's failure either to (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

21.5. **Interpretation.** This Section shall constitute an agreement or contract of indemnity, incorporating the interpretations under California Civil Code Section 2778. It is expressly understood and agreed that the obligation of SERVICE PROVIDER to indemnify the INDEMNITEE shall be as broad and inclusive as permitted by the laws of the State of California and shall survive termination of this Agreement.

22. **Entire Agreement; Modification; Conflicting Provisions.** This Agreement constitutes the entire Agreement between the Parties and supersedes any previous agreements, oral or written. This Agreement may be modified or provisions waived only by a subsequent mutual written agreement executed by CITY and SERVICE PROVIDER. If the provisions contained in the main body of this Agreement conflict with any provision contained in an exhibit to this Agreement, the provisions of the main body of this Agreement shall govern and control over any provision contained in an exhibit to this Agreement.

23. **Governing Law and Venue.** This Agreement shall be construed in accordance with the laws of the State of California. This Agreement was entered into and is to be performed in the County of Santa Clara. Any action or dispute arising out of this Agreement shall only be brought in Santa Clara County.

24. **Interpretation.** This Agreement is a negotiated document and shall be deemed to have been drafted jointly by the Parties, and no rule of construction or interpretation shall apply against any particular Party based on a contention that the Agreement was drafted by one of the Parties including, but not limited to,

California Civil Code § 1654, the provisions of which are hereby waived. This Agreement shall be construed and interpreted in a neutral manner.

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

26. **Binding Agreement.** Notwithstanding the provisions of Section 19 above, this Agreement shall bind any and all successors in interest, legal representatives and/or other permitted assignees or transferees of SERVICE PROVIDER in the same manner as if those successors in interest, legal representatives or other permitted assignees or transferees had entered into this Agreement originally.

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27. **Authority to Execute.** Those individuals who are signing this Agreement on behalf of entities represent and warrant that they are, respectively, duly authorized to sign on behalf of the entities and to bind the entities fully to each and all of the obligations set forth in this Agreement.

IN WITNESS THEREOF, these Parties have executed this Agreement on the day and year shown below.

AS SET FORTH IN CA. CORP. CODE § 313, TWO SIGNATURES ARE REQUIRED FOR CALIFORNIA CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
 (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:

CITY OF MORGAN HILL

City Clerk/Deputy City Clerk

City Manager

Michelle Wilson

Christina J. Turner

Print Name

Print Name

Date:

Date:

APPROVED AS TO FORM:

Salinas Pump Company

City Attorney

By:

Donald A. Larkin

Title:

Print Name

Print Name and Title of Signer.

If Corporate: Chairman, President or Vice President

Date:

Date:

By:

Title:

Print Name and Title of Signer.

If Corporate: Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer

Date:

515945
 Contractor's License Number(s) (if applicable)

Expiration Date(s)

Seal:

EXHIBIT A SCOPE OF SERVICES

Task 1 Well Services

The City of Morgan Hill has 17 wells. The well equipment includes a combination of submersible and vertical turbine pumps; ranging in size from 40 to 150 horsepower. Pump depth range from 220 feet to 290 feet and pump columns range in size from 6 inches to 10 inches in diameter. The work includes well pump pulling and installations, water well rehabilitations, well casing removal, repairs and installations, water well video inspections, electric motor repairs, and repair services on various types of pumps and motors at various locations throughout the City. The Contractor shall provide all necessary heavy duty equipment, such as, but not limited to, drilling rig, pump rig, flatbed truck, boom truck, tractor trailer to complete the as requested including transportation to and from Contractor's facility to each City worksite.

Pump Removal/Installation and Servicing

The Contractor shall be qualified to perform water well pumps removal and installation. At the initial setup for pulling a well pump, the Contractor shall perform lockout/tagout of the electrical and hydraulic systems.

Well Video Survey Service

The Contractor shall perform water well video inspections using color video equipment with side scan and down-hole survey views. Videos shall be produced in electronic MP4 format in standard definition with a pixel resolution of 640 x 480 pixels or at higher resolutions. Ability to perform these surveys at higher resolutions will be given higher consideration.

The video survey unit shall simultaneously transpose the City's name, well name, footage and the date of inspection on the monitor screen and the video record. A footage counter/recorder shall read in feet and be accurate within 2 percent of the actual footage.

The video survey camera shall be capable of right angle or normal downhole viewing with a change in camera lens or mechanical movement of the camera. At the direction of the City, the Contractor must be able to provide right angle viewing to view any casing section in a direct elevation view.

Well Rehabilitation and Treatment Services

The Contractor shall be qualified to provide well rehabilitation and treatment services. Furnish all portable engine-driven pumps, necessary to perform well redevelopment and rehabilitation. Costs for temporary piping, sound proofing, and related equipment require approval by the Project Manager.

To perform these tasks, the Contractor shall have the capability to perform mineral analysis, chemical treatment, water quality testing, zone testing, well casing patches and similar casing repairs/improvements, and mechanical treatment on well casings. All chemicals used in treating wells shall be State approved for the purpose intended, must be National Sanitation Foundation (NSF) approved.

The Contractor's estimates shall include the typical type and concentration of chemicals (acids, inhibitors, polymers, neutralizers, etc.) to be/used; the appropriate contact time for the chemicals; and the typical procedure for introducing, mixing, and neutralizing chemicals in the well. In addition, the name(s) and phone numbers of any company(ies) that will supply the treatment chemicals shall

be provided. Completed Material Safety Data Sheets (MSDS) for all chemicals used shall include the methods of mechanical treatment (dual swab, wire/nylon brush, sonar jetting, etc.).

Over the duration of this contract the City has scheduled to following well work items:

- FYE 18 – Dunne #2 and Main #2 Wells
- FYE 19 – Diana #3 and Nordstrom Wells
- FYE 20 – Diana #2 and Diana #4 Wells

Task 2 Pump Station Services

The City of Morgan Hill has 10 pump stations with approximately 32 pumps within the City limits maintained by City staff. There is a combination of pumps ranging in size from 3 hp to 150 hp. The pump stations are a combination of split case, close coupled and can turbine pumps. The City also utilizes Variable Frequency Drive motor systems at several of the stations. The City expects the following types of work will be performed under this task:

1. Repair and/or replacement of pumps and motor
2. Replacement of existing above ground and buried yard valves with new
3. manual and/or electric operated valves including all related piping and parts.
4. Repair/replacement of flow meters including all related piping and parts.
5. Replacement of pump and station control valves including all related piping
6. and parts.
7. Repair or replacement of auxiliary mechanical or electrical equipment. The City reserves the right to furnish replacement well or booster pump motors.
8. Electrical disconnect and hookup of repaired or replacement equipment.
9. Repairs or modifications of well heads as required.
10. Testing of parts, equipment, or material.
11. Measure, set, and recheck field pump impeller lateral settings and field
12. verification of pump and equipment operation.
13. Demolition or removal of existing structures

Over the duration of this contract the City has scheduled to following pump work items:

- FYE 18 – Replace 1 vertical turbine pump and 1 horizontal pump (based on annual condition assessment)
- FYE 19 – Replace 1 vertical turbine pump and 1 horizontal pump (based on annual condition assessment)
- FYE 20 – Replace 1 vertical turbine pump and 1 horizontal pump (based on annual condition assessment)

**EXHIBIT B
SCHEDULE OF COMPENSATION RATES**

This is a time and materials agreement. See Attached Fee Schedules.

**EXHIBIT B
SCHEDULE OF COMPENSATION RATES**

FEE SCHEDULES

General Labor and Equipment Rates

Labor Fees

Classification	Prevailing Wage (PW) Hourly Rate	PW-Overtime Rate (OT)	PW Double Time (DT) Rate	Contractor Mark-Up in Percentage	Fully Burdened Rate	Fully Burdened OT Rate	Fully Burdened DT Rate
Laborers-On site							
General Foreman	12.70	19.05	25.40	246	88.00	132.00	176.00
Foreman	12.70	19.05	25.40	246	88.00	132.00	176.00
Crew Leader	12.70	19.05	25.40	246	88.00	132.00	176.00
Crew Member	10.50	15.75	21.00	319	88.00	132.00	176.00
Welder	23.19	34.78	46.38	89.7	88.00	132.00	176.00
Equipment Operator	12.70	19.05	25.40	246	88.00	132.00	176.00
Laborers-In Your Shop							
General Foreman							
Foreman	SAME AS ABOVE						
Crew Leader							
Crew Member							
Welder							

Equipment Fees

DESCRIPTION	MAKE/MODEL /YEAR	HOURLY RATE	OVERTIME RATE	LOCATION AFTER HOURS
Pump or Well Rig	FORD/F650/2009	50.00	75.00	Salinas
Crane (15-20 Ton Size)	Various	350.00	525.00	↓
Back Hoe	JCB	195.00	292.50	
Dump Truck (12 Yard Minimum)	FORD/F750/2015	175.00	262.50	
Pick-up Truck	FORD/F550/2016	30.00	45.00	

Parts Mark-up Fee

Percentage mark-up to supply parts as needed	% <u>38</u>
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Billing Rates for Various Tasks (prevailing wages apply)

General Pump Pulling and Installation	
Mobilization & Demobilization	\$ <u>2500</u> /LS
Two (2) men, rig, and service truck	\$ <u>256</u> /hr
Each additional employee	\$ <u>88</u> /hr
Well Rehabilitation	
Mobilization & Demobilization	\$ <u>2850</u> /LS
Aqua Clear PFD Method (Estimated Hours:)	
Two (2) men comb. Rig service truck/Chemical trailer	\$ <u>299</u> /hr
Bore Blast Method (Estimated Hours: <u>Varies</u>)	
Two (2) men comb. Rig service truck/Bore blast trailer/Nitrogen gas	\$ <u>400</u> /hr
Well Repair	
Well Tear Down & Inspection	
Two (2) men comb. Rig service truck	\$ <u>291</u> /hr
Rebuild Bowl (Estimated Hours: <u>36</u>)	\$ <u>88</u> /hr
Well Cleanout Work	
Cable tool method (wire brush)	
Two (2) men comb. Rig service truck	\$ <u>291</u> /hr
Airlift Method	
Two (2) men, rig and service truck	\$ <u>291</u> /hr
Air compressor charge	\$ <u>185</u> /hr
Large Crane: 40-ton with two (2) men	\$ <u>450</u> /hr

Smaller Cranes

One (1) man and hydraulic crane - 5-ton	\$ <u>266</u> /hr
One (1) man and hydraulic crane - 8-ton	\$ <u>266</u> /hr
One (1) man and rotary crane - 10-ton	\$ <u>266</u> /hr

Field Service

One (1) man and delivery truck	\$ <u>118</u> /hr
One (1) man and service truck	\$ <u>118</u> /hr
Two (2) men and service truck	\$ <u>206</u> /hr
Two (2) men and welding truck	\$ <u>206</u> /hr
Electrician	\$ <u>98</u> /hr

Shop Labor

General shop labor	\$ <u>85</u> /hr
Premium shop labor	\$ <u>88</u> /hr
Machine shop labor	\$ <u>88</u> /hr
Metal spray labor	\$ <u>88</u> /hr
Welding shop labor	\$ <u>88</u> /hr

Closed Circuit Well Television with electronic MP4 copies

\$ 1450 LS

Wire brush, Bail Well, or Swab rental

\$ 291 /hr

NPDES Compliance

(Baker Tanks, Neutralizing Equip. Lab Fees, fabrication)

\$ 9030 LS

**EXHIBIT C
SCHEDULE OF PERFORMANCE**

All regular work is to be completed yearly on an on-call as needed basis.

24 hour Emergency service will be on an on-call basis.

Over the duration of this contract the City has scheduled to following well work items:

- FYE 18 – Dunne #2 and Main #2 Wells
- FYE 19 – Diana #3 and Nordstrom Wells
- FYE 20 – Diana #2 and Diana #4 Wells

Over the duration of this contract the City has scheduled to following pump work items:

- FYE 18 – Replace 1 vertical turbine pump and 1 horizontal pump (based on annual condition assessment)
- FYE 19 – Replace 1 vertical turbine pump and 1 horizontal pump (based on annual condition assessment)
- FYE 20 – Replace 1 vertical turbine pump and 1 horizontal pump (based on annual condition assessment)

Confidential Proposal

for

City of Morgan Hill

On-Call Services for Water Well & Pump Station Repairs,
Maintenance and Rehabilitation



Presented by Salinas Pump Company

October 26, 2017

Salinas Pump Company

Proposal Requirements:

- Firm Name: Salinas Pump Company
- Additional Contact Info: Aaron Thornton : Office 831-422-4522; email: aaron@salinaspump.com
- Drilling Contractor C-57, Machinery & Pumps C-61 License #515945
- Salinas Pump Company was incorporated in 1986. The Principals have been doing business in the Salinas Valley and surrounding areas since the 70's.
- We propose to provide the On-Call Services for Water Well & Pump Station Repairs, Maintenance and Rehabilitation as outlined on the proposed Scope of Work.
- Facilities Capabilities: Our Office is staffed Monday through Saturday to respond to client needs. We employ an answering service to route calls after hours to our cell phones. We have computer capabilities which include but are not limited to email and fax, as well as 24 hour emergency jobsite service. Our full service Machine shop is onsite and includes lathes, mill, welders and our own fulltime machinist who is dedicated to our client repair work. We are fully capable of modifying existing parts or fabricating custom parts.
- Equipment Capabilities: We have several Pump Rigs with capacities up to 22 tons. In addition, we have an Autocrane that is capable of getting into difficult or awkward pump locations. We have miscellaneous support equipment that includes a test pump, dump truck, water truck, backhoe and all relevant support equipment. We employ a fulltime mechanic who keeps our modern fleet well maintained and ready to go.
- Personnel & Technical Capabilities: Salinas Pump Company currently employs 18 people with a combined experience in the industry of 200 years. Our pump installers have an average length of service to Salinas Pump Company of 15 years. Our employees possess various industry certificates involving training in Well and Pump Maintenance and Repair. We provide ongoing training in order to keep up-to-date on NEW and evolving industry standards. We are capable of providing onsite welding services and electrical services for pump motors and control centers. Key personnel include active owners and managers who participate in the day to day decisions. Technical information such as pump curves, data sheets and evaluations are available and can be provided through email, fax or hand delivery. Through our long standing relationships with our suppliers, we have access to industry experts who can be valuable resources.

- Sales Capabilities: Include but are not limited to Pumps, Motors, Column Pipe, Shafts, Valves, loaner motors and other water system related materials. Availability is dependent on specific items, however we have a working inventory on hand to immediately complete most repairs.
- Salinas Pump Company has the ability and willingness to respond to all urgent needs whether it is during the week or after hours on a weekend or a holiday. Our company has rotating teams of on-call employees that are available to address emergencies as they occur 24/7. Our on-call emergency service is offered exclusively to our clients.
- Salinas Pump Company currently possesses all licenses, permits and insurance coverage's required by this proposal. In addition to the minimum coverage requirements outlined in the proposal, Salinas Pump has excess liability insurance of \$6,000,000.00. Salinas Pump has performed work for the City of Morgan Hill since 1991 without incident. Insurance certificates have been attached for your reference.

FEE SCHEDULES

General Labor and Equipment Rates

Labor Fees

Classification	Prevailing Wage (PW) Hourly Rate	PW-Overtime Rate (OT)	PW Double Time (DT) Rate	Contractor Mark-Up in Percentage	Fully Burdened Rate	Fully Burdened OT Rate	Fully Burdened DT Rate
Laborers-On site							
General Foreman	12.70	19.05	25.40	246	88.00	132.00	176.00
Foreman	12.70	19.05	25.40	246	88.00	132.00	176.00
Crew Leader	12.70	19.05	25.40	246	88.00	132.00	176.00
Crew Member	10.50	15.75	21.00	319	88.00	132.00	176.00
Welder	23.19	34.78	46.38	89.7	88.00	132.00	176.00
Equipment Operator	12.70	19.05	25.40	246	88.00	132.00	176.00
Laborers-In Your Shop							
General Foreman							
Foreman	SAME AS ABOVE						
Crew Leader							
Crew Member							
Welder							

NOTE: If your company has a schedule of labor pricing, please attach it as well as complete the above.

Equipment Fees

DESCRIPTION	MAKE/MODEL YEAR	HOURLY RATE	OVERTIME RATE	LOCATION AFTER HOURS
Pump or Well Rig	FORD/F650/2009	50.00	75.00	Salinas
Crane (15-20 Ton Size)	Various	350.00	525.00	↓
Back Hoe	JCB	195.00	292.50	
Dump Truck (12 Yard Minimum)	FORD/F750/2015	175.00	262.50	
Pick-up Truck	FORD/F550/2016	30.00	45.00	

NOTE: If your company has a fee schedule please attach it as well as complete the above.

THIS FORM MUST BE USED WHEN SUBMITTING PROPOSAL

Parts Mark-up Fee

Percentage mark-up to supply parts as needed	% <u>38</u>
--	-------------

Billing Rates for Various Tasks (prevailing wages apply)

General Pump Pulling and Installation Mobilization & Demobilization	\$ <u>2500</u> /LS
Two (2) men, rig, and service truck	\$ <u>256</u> /hr
Each additional employee	\$ <u>88</u> /hr
Well Rehabilitation Mobilization & Demobilization	\$ <u>2850</u> /LS
Aqua Clear PFD Method (Estimated Hours:)	
Two (2) men comb. Rig service truck/Chemical trailer	\$ <u>399</u> /hr
Bore Blast Method (Estimated Hours: <u>Varies</u>)	
Two (2) men comb. Rig service truck/Bore blast trailer/Nitrogen gas	\$ <u>400</u> /hr
Well Repair Well Tear Down & Inspection	
Two (2) men comb. Rig service truck	\$ <u>291</u> /hr
Rebuild Bowl (Estimated Hours: <u>36</u>)	\$ <u>88</u> /hr
Well Cleanout Work Cable tool method (wire brush)	
Two (2) men comb. Rig service truck	\$ <u>291</u> /hr
Airlift Method	
Two (2) men, rig and service truck	\$ <u>291</u> /hr
Air compressor charge	\$ <u>185</u> /hr
Large Crane: 40-ton with two (2) men	\$ <u>450</u> /hr

THIS FORM MUST BE USED WHEN SUBMITTING PROPOSAL

Smaller Cranes

One (1) man and hydraulic crane - 5-ton \$ 266 /hr
 One (1) man and hydraulic crane - 8-ton \$ 266 /hr
 One (1) man and rotary crane - 10-ton \$ 266 /hr

Field Service

One (1) man and delivery truck \$ 118 /hr
 One (1) man and service truck \$ 118 /hr
 Two (2) men and service truck \$ 206 /hr
 Two (2) men and welding truck \$ 206 /hr
 Electrician \$ 98 /hr

Shop Labor

General shop labor \$ 85 /hr
 Premium shop labor \$ 88 /hr
 Machine shop labor \$ 88 /hr
 Metal spray labor \$ 88 /hr
 Welding shop labor \$ 88 /hr

Closed Circuit Well Television with electronic MP4 copies

\$ 1450 LS

Wire brush, Bail Well, or Swab rental

\$ 291 /hr

NPDES Compliance

(Baker Tanks, Neutralizing Equip. Lab Fees, fabrication)

\$ 9030 LS

THIS FORM MUST BE USED WHEN SUBMITTING PROPOSAL

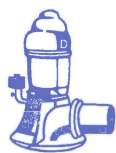
Sample Project

The following costs shall also be provided as part of this Request for Proposals, using the form below. Please complete in the columns provided, showing your costs for the services and materials described. This is not for an actual project.

Sample Well Rehabilitation Costs: For a typical well – assume all work is during regular work day hours.

Item	Units	Estimated Quantity	Unit Cost	Total
1. Mobilization/Demobilization	Lump Sum	1		\$ 2850.00
2. Placement of Chemical Solution	Batches	3		\$ 3,300.00
3. Line Brushing, Swabbing, and Bailing	Hours	8		\$ 2,328.00
4. Swab/Airlift Development	Hours	20		\$ 7,670.00
5. Water Truck	Hours	20		\$ 3,500.00
6. Materials:				
Soda Ash	Pounds	100		\$ 98.00
Sodium Hypochlorite 12 1/2 %	Gallons	5		\$ 76.00
Hydrochloric Acid 31%	Gallons	330		\$ 4,050.00
Well Renew	Gallons	45		\$ 3,900.00
7. All Labor Costs	Hours			\$
8. Site Contingency	XX	XX	XX	\$2,000.00
TOTAL ESTIMATED COST				\$ 29,772.00

THIS FORM MUST BE USED WHEN SUBMITTING PROPOSAL



Salinas Pump Company

Lic. #515945 C57, C61

1. Mike Magretto – California American Water
 - a. Waste Water Manager
 - b. 511 Forest Lodge Road, Suite 100, Pacific Grove, CA 93950
 - c. 831-646-3220
 - d. Reconditioning, redevelopment and maintenance of pumping equipment for multiple well sites. Salinas Pump provides supervision, labor, equipment and materials required for pump removal and/or pump installation, inspection, repairs and test pumping.
2. Denis Kerr – Quail Lodge Golf Club
 - a. Superintendent
 - b. 8000 Valley Greens Drive, Carmel CA 93923
 - c. 831-236-3917
 - d. Salinas Pump has provided such services as pull & install pumps including but not limited to large submersibles, line shaft turbines, centrifugal booster pumps, wire brush, swab & air clean wells. Abandonment of wells.
3. Steve Vasquez – California Water Service Company
 - a. Production Superintendent
 - b. 254 Commission Street, Salinas, CA 93901
 - c. 831-769-9726
 - d. Pull & Install pumps including but not limited to large submersibles, line shaft turbines, centrifugal booster pumps, wire brush, swab & air clean wells. Abandonment of wells.
4. William (Bill) Tarp – Triangle Farms
 - a. Owner
 - b. 235 Natividad Road, Salinas, CA 93906
 - c. 831-600-1914
 - d. Pull & Install pumps including but not limited to large submersibles, line shaft turbines, centrifugal booster pumps, wire brush, swab & air clean wells. Abandonment of wells.
5. Mike Legg – Scotts Valley Water District
 - a. Production Superintendent
 - b. 2 Civic Center Drive, Scotts Valley CA 95066
 - c. 831-443-8300
 - d. Salinas Pump provides maintenance and repairs to multiple booster stations and pumps. We work on a combination of submersible and vertical turbines, as well as, close coupled and can turbines.



CONTRACTORS
STATE LICENSE BOARD
ACTIVE LICENSE



License Number **515945**

Entity: CORP

Business Name SALINAS PUMP COMPANY

Classification(s) C57 C61/D21

Expiration Date 08/31/2019

www.cslb.ca.gov



Attachment: Salinas Pump Submittal (1485 : Approve Service Maintenance Agreement with Salinas Pump Company)

Thank you for your business license payment. You may detach the license at the perforation and please display in a conspicuous area at your place of business. Please note the following regulations regarding your business license:

TRANSFER OF LICENSE

In accordance with section 5.04.280 of City's Municipal Code, no license or permit issued under any provision of this chapter shall be in any manner transferred or assigned, or authorize any person, other than the person named in the license, to carry on the business therein named, or to transact such business in any place other than the location named.

POSTING OR DISPLAY OF LICENSE

In accordance with section 5.04.270 of the City's Municipal Code, every person having a license under the provisions of this chapter and carrying on a business at a fixed place of business, shall keep such license posted and exhibited while in force, in some conspicuous part of such place of business. Every person having such a license and not having a fixed place of business, shall carry license or permit at all times while conducting the business for which the license or permit was issued.

SEPARATE BUSINESS LOCATIONS

In accordance with the section 5.04.120 of the City's Municipal Code, a separate license must be obtained for each branch establishment or location of the business transacted and carried on and for each separate unrelated type of business at the same location, and each license shall authorize the licensee to transact and carry on only the business licensed thereby at the location or in the manner designated in such license; provided, that warehouses and distributing plants used in connection with and incidental to a business licensed under the provision of this chapter shall not be deemed to be a separate place of business or branch establishment.

LICENSE REQUIREMENT FOR CONTRACTORS THAT WORK FOR YOUR BUSINESS

In accordance with section 5.04.270 of the City's Municipal Code, if you have anyone working for you in Morgan Hill that you are not claiming as an employee (for example a dance instructor or a cosmetologist at a salon), and you issue them a 1099 tax form, they must have their own business tax certificate in the City of Morgan Hill. Their tax certificate must be posted when they are doing business.

If you have any questions, please call the business license advisor at (408) 779-7240.

Thank you for letting us serve you!

BUSINESS LICENSE CERTIFICATE

License #: 001768

This certificate shall not authorize operation of a business within the City that is otherwise prohibited by ordinance. In conformity with the provisions of the City's Municipal Code, this certificate is granted:

BUSINESS LOCATION

SALINAS PUMP COMPANY
21935 ROSEHART WAY
SALINAS, CA 93908

Valid:

7/1/2017

Expires:

6/30/2018

MAILING ADDRESS

SALINAS PUMP COMPANY
21935 ROSEHART WAY
SALINAS, CA 93908



Registration Complete! Thank you for your payment.

Your PWCR registration and payment were submitted on 08/01/2017 at 03:24 PM. If you paid by credit card, payment confirmation and registration processing will take up to 24 hours. If you paid by ACH/EFT, payment confirmation and registration processing will take up to 10 calendar days.

Registration for Fiscal Year: 2018**PWC Registration Number:** 1000037773**Contractor Legal Name:** SALINAS PUMP COMPANY INC**Contractor Legal Entity:** Corporation**Payment Amount:** \$400.00**Payment Method:** MASTERCARD**Payment Confirmation Number:** Q4TVDJFFGZPC5

State of California
APPLICATION FOR PUBLIC WORKS CONTRACTOR REGISTRATION AFFIDAVIT
DEPARTMENT OF INDUSTRIAL RELATIONS

PWCR NUMBER: 1000037773

CONTRACTOR INFORMATION

Contractor Name: SALINAS PUMP COMPANY INC

Trade Name(s):

License Type Number(s): OTHER 515945

Contractor Mailing Address:

21935 ROSEHART WAY

SALINAS

CA 93908

COUNTY: MONTEREY

Contractor Physical Address:

21935 ROSEHART WAY

SALINAS

CA 93908

COUNTY: MONTEREY

Email Address: KRISTI@SALINASPUMP.COM

**REGISTRATION
INFORMATION**

Type: Renewal
Fiscal Year: 2018

WORKERS' COMPENSATION

PROFESSIONAL EMPLOYER ORGANIZATION (PEO)

Do you lease employees through Professional Employer Organization? ☐ Yes ☒ No

INSURED BY CARRIER

Policyholder Name: SALINAS PUMP COMPANY INC

Insurance Carrier: STATE COMPENSATION INSURANCE FUND

Policy Number: 9208094-2017

Inception Date: 04/01/2014

Expiration Date: 04/01/2018

CERTIFICATION

- ☒ Yes ☐ No I certify that I do not have any delinquent liability to an employee or the state for any assessment of back wages or related damages, interest, fines, or penalties pursuant to any final judgment, order, or determination by a court or any federal, state, or local administrative agency, including a confirmed arbitration award.
- ☒ Yes ☐ No I certify that the contractor is not currently debarred under Section 1777.1 or under any other federal or state law providing for the debarment of contractors from public works.
- ☐ Yes ☒ No Section 1725.5 requires all contractors, as defined by California Labor Code section 1722.1, to be registered prior to bidding on public works projects on or after March 1, 2015, or for all public works projects awarded on or after April 1, 2015. Have you bid on a public works project after March 1, 2015, or were you awarded a public works project after April 1, 2015, without first being registered with the Department of Industrial Relations?
- ☒ Yes ☐ No I certify that one of the following is true: (1) I am licensed by the Contractors State License Board (CSLB) in accordance with Chapter 9 (commencing with Section 7000) of the Business and Professions Code; or (2) my business or trade is not subject to licensing by the CSLB.

I, AARON JAMES THORNTON the undersigned, am VICE PRESIDENT, SALINAS PUMP COMPANY INC with the authority to act for and on behalf of the above named contractor. I certify under penalty of perjury that all of the above information provided is true and correct. I further acknowledge that any untruthful information provided in this application could result in the certification being canceled.

I certify this on: 08/01/2017

Attachment: Salinas Pump Submittal (1485 : Approve Service Maintenance Agreement with Salinas Pump Company)

PWCR NUMBER: 1000037773

LEGAL ENTITY INFORMATION

LEGAL ENTITY TYPE: CORPORATION

Corporation Number: _____

Treasurer: _____

President: MARK H THORNOTN

Secretary: _____

Vice President: AARON THORNTON

CEO: _____

Agent of Service

SALINAS PUMP COMPANY21935 ROSEHART WAYSALINAS CA 93908

***SUPPLIER CLEARINGHOUSE
CERTIFICATE OF ELIGIBILITY***

CERTIFICATION EXPIRATION DATE: **October 4, 2019**

The Supplier Clearinghouse for the Utility Supplier Diversity Program of the California Public Utilities Commission hereby certifies that it has audited and verified the eligibility of:

***Salinas Pump Company Inc
Women Business Enterprise (WBE)***

pursuant to Commission General Order 156, and the terms and conditions stipulated in the Verification Application Package. This Certificate shall be valid only with the Clearinghouse seal affixed hereto.

Eligibility must be maintained at all times, and renewed within 30 days of any changes in ownership or control. Failure to comply may result in a denial of eligibility. The Clearinghouse may reconsider certification if it is determined that such status was obtained by false, misleading or incorrect information. Decertification may occur if any verification criterion under which eligibility was awarded later becomes invalid due to Commission ruling. The Clearinghouse may request additional information or conduct on- site visits during the term of verification to verify eligibility.

This certification is valid only for the period that the above firm remains eligible as determined by the Clearinghouse. Utility companies may direct inquiries concerning this Certificate to the Clearinghouse at (800) 359-7998 in Los Angeles.

VON: 10100128

DETERMINATION DATE: October 4, 2016



CERTIFICATE OF LIABILITY INSURANCE

2.b

DATE (MM/DD/YYYY)
1/27/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Barlocker Insurance Agency, Inc. License #0580438 371 Main Street Salinas CA 93901	CONTACT NAME: Oscar Huerta Shelton PHONE (A/C, No, Ext): (831) 540-4583 FAX (A/C, No): (888) 561-4927 E-MAIL ADDRESS: ohuerta@barlocker.com																					
INSURED Salinas Pump Company Aaron Thornton 21935 Rosehart Way Salinas CA 93908	<table border="1"><thead><tr><th colspan="2">INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr></thead><tbody><tr><td>INSURER A:</td><td>National Fire Insurance Company</td><td>20478</td></tr><tr><td>INSURER B:</td><td>Valley Forge Insurance Company</td><td>20508</td></tr><tr><td>INSURER C:</td><td>Transportation Insurance</td><td>20494</td></tr><tr><td>INSURER D:</td><td>Everest National Insurance</td><td>10120</td></tr><tr><td>INSURER E:</td><td></td><td></td></tr><tr><td>INSURER F:</td><td></td><td></td></tr></tbody></table>	INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A:	National Fire Insurance Company	20478	INSURER B:	Valley Forge Insurance Company	20508	INSURER C:	Transportation Insurance	20494	INSURER D:	Everest National Insurance	10120	INSURER E:			INSURER F:		
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INSURER E:																						
INSURER F:																						

COVERAGES

CERTIFICATE NUMBER: CL1712701776

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INS LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY						EACH OCCURRENCE \$ 1,000,000
	☒ COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
	☐ CLAIMS-MADE ☒ OCCUR	X	Y	4030459235	1/30/2017	1/30/2018	MED EXP (Any one person) \$ 5,000
							PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$ 2,000,000
	☒ POLICY ☐ PRO-JECT ☐ LOC						PRODUCTS - COMP/OP AGG \$ 2,000,000
B	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	☒ ANY AUTO			5082768978	1/30/2017	1/30/2018	BODILY INJURY (Per person) \$
	☐ ALL OWNED AUTOS						BODILY INJURY (Per accident) \$
	☐ HIRED AUTOS						PROPERTY DAMAGE (Per accident) \$
C	UMBRELLA LIAB ☒ OCCUR						EACH OCCURRENCE \$ 5,000,000
	☒ EXCESS LIAB ☐ CLAIMS-MADE						AGGREGATE \$ 5,000,000
	☐ DED ☒ RETENTION \$ 10,000			6024020295	1/30/2017	1/30/2018	
D	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						☒ WC STATUTORY LIMITS ☐ OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	Y/N		7600013022161	4/1/2016	4/1/2017	E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below		N/A				E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
A	R/L/B ded \$1,000			5082768964	1/30/2017	1/30/2018	E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insured. Primary and Non-contributing wording and General Liability waiver of subrogation applies.

CERTIFICATE HOLDER**CANCELLATION**

City of Morgan Hill Public Works Director 17575 Peak Avenue Morgan Hill, CA 95037	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE
	Tina Barlocker/LICOUS

Salinas Pump Company
4030459235



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
BLANKET ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS - WITH
PRODUCTS-COMPLETED OPERATIONS COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE (OPTIONAL)

Name of Additional Insured Persons Or Organizations
(As required by "written contract" per Paragraph A. below.)

Locations of Covered Operations
(As per the "written contract," provided the location is within the "coverage territory" of this Coverage Part.)

- A. Section II - Who Is An Insured is amended to include as an additional insured:
1. Any person or organization whom you are required by "written contract" to add as an additional insured on this Coverage Part; and
 2. The particular person or organization, if any, scheduled above.
- B. The insurance provided to the additional insured is limited as follows:
1. The person or organization is an additional insured only with respect to liability for "bodily injury," "property damage," or "personal and advertising injury" caused in whole or in part by:
 - a. Your acts or omissions; or
 - b. The acts or omissions of those acting on your behalf in the performance of your ongoing operations specified in the "written contract"; or
 - c. "Your work" that is specified in the "written contract" but only for "bodily injury" or "property damage" included in the "products-completed operations hazard," and only if:
 - (1) The "written contract" requires you to provide the additional insured such coverage; and
 - (2) This Coverage Part provides such coverage.
 2. We will not provide the additional insured any broader coverage or any higher limit of insurance than the least that is:
 - a. Required by the "written contract";
 - b. Described in B.1. above; or
 - c. Afforded to you under this policy.
 3. This insurance is excess of all other insurance available to the additional insured whether on a primary, excess, contingent or any other basis. But if required by the "written contract," this insurance will be primary and non-contributory relative to insurance on which the additional insured is a Named Insured.
 4. The insurance provided to the additional insured does not apply to "bodily injury," "property damage," or "personal and advertising injury" arising out of:
 - a. The rendering of, or the failure to render, any professional architectural, engineering, or surveying services, including:
 - (1) The preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
 - (2) Supervisory, inspection, architectural or engineering activities; or
 - b. Any premises or work for which the additional insured is specifically listed as an additional insured on another

endorsement attached to this Coverage Part.

C. SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS is amended as follows:

1. The Duties In The Event of Occurrence, Offense, Claim or Suit condition is amended to add the following additional conditions applicable to the additional insured:

An additional insured under this endorsement will as soon as practicable:

- (1) Give us written notice of an "occurrence" or an offense which may result in a claim or "suit" under this insurance, and of any claim or "suit" that does result;
- (2) Except as provided in Paragraph B.3 of this endorsement, agree to make available any other insurance the additional insured has for a loss we cover under this Coverage Part;
- (3) Send us copies of all legal papers received, and otherwise cooperate with us in the investigation, defense, or settlement of the claim or "suit"; and
- (4) Tender the defense and indemnity of any claim or "suit" to any other insurer or self insurer whose policy or program applies to a loss we cover under this Coverage Part. But if the "written contract" requires this insurance to be primary and non-contributory, this provision (4) does not apply to insurance on which the additional insured is a Named Insured.

We have no duty to defend or indemnify an additional insured under this endorsement until we receive from the additional insured written notice of a claim or "suit."

2. With respect only to the insurance provided by this endorsement, the first sentence of Paragraph 4.a. of the Other Insurance Condition is deleted and replaced with the following:

4. Other Insurance

a. Primary Insurance

This insurance is primary and non-contributory except when rendered excess by endorsement G-140331-C, or when Paragraph b. below applies.

- D. Only for the purpose of the insurance provided by this endorsement, **SECTION V – DEFINITIONS** is amended to add the following definition:

"Written contract" means a written contract or written agreement that requires you to make a person or organization an additional insured on this Coverage Part, provided the contract or agreement:

1. Is currently in effect or becomes effective during the term of this policy; and
2. Was executed prior to:
 - a. The "bodily injury" or "property damage"; or
 - b. The offense that caused the "personal and advertising injury"
 for which the additional insured seeks coverage under this Coverage Part.

POLICY NUMBER:4030459235
SALINAS PUMP COMPANY

COMMERCIAL GENERAL LIABILITY
CG 24 04 05 09

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:

REFER TO SCHEDULE CG2404

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph **8. Transfer Of Rights Of Recovery Against Others To Us** of **Section IV – Conditions**:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard." This waiver applies only to the person or organization shown in the Schedule above.

Attachment: Salinas Pump Submittal (1485 : Approve Service Maintenance Agreement with Salinas Pump Company)



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

4/5/2017

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

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PRODUCER Commercial Lines - (415) 644-7700 Wells Fargo Insurance Services USA, Inc. - CA Lic#: 0D08408 45 Fremont Street, Suite 800 San Francisco, CA 94105-2259	CONTACT NAME: PHONE (A/C, No, Ext): E-MAIL ADDRESS: CertRequests@wellsfargo.com FAX (A/C, No): 866.358.1487																					
INSURED Salinas Pump Company 21935 Rosehart Way Salinas CA 93908	<table border="1"> <tr> <th colspan="2">INSURER(S) AFFORDING COVERAGE</th><th>NAIC #</th></tr> <tr> <td>INSURER A:</td><td>State Compensation Insurance Fund</td><td>35076</td></tr> <tr> <td>INSURER B:</td><td></td><td></td></tr> <tr> <td>INSURER C:</td><td></td><td></td></tr> <tr> <td>INSURER D:</td><td></td><td></td></tr> <tr> <td>INSURER E:</td><td></td><td></td></tr> <tr> <td>INSURER F:</td><td></td><td></td></tr> </table>	INSURER(S) AFFORDING COVERAGE		NAIC #	INSURER A:	State Compensation Insurance Fund	35076	INSURER B:			INSURER C:			INSURER D:			INSURER E:			INSURER F:		
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INSURER B:																						
INSURER C:																						
INSURER D:																						
INSURER E:																						
INSURER F:																						

COVERAGES

CERTIFICATE NUMBER: 11675447

REVISION NUMBER: See below

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INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☐ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☐ PRO-JECT ☐ LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ OWNED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ HIRED AUTOS ONLY ☐ NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB ☐ OCCUR EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☐ RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N ☐	N/A	9208094-2017	04/01/2017	04/01/2018	X PER STATUTE ☐ OTH-ER ☐ E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Proof of Insurance

CERTIFICATE HOLDER

CANCELLATION

Morgan Hill City of
 Public Works Dept.
 17555 Peak Ave
 Morgan Hill, CA 95037

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/9/2017

2.b

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PRODUCER HUB Int'l - CAL Bronson - License #0757776 401 Fremont Street, Suite 100 Monterey CA 93940	CONTACT NAME: Patt Casion	
	PHONE (A/C, No, Ext): 831-642-4025	FAX (A/C, No): 831-920-0115
INSURED NEWMWEL-01 Newman Well Surveys DBA: Craig Newman 6080 Sherry Lee Lane Salinas CA 93907	E-MAIL ADDRESS: Patt.Casion@hubinternational.com	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: Mesa Underwriters Specialty Ins	NAIC # 36838
	INSURER B: California Automobile Insurance Co	NAIC # 38342
	INSURER C:	
	INSURER D:	
INSURER E:		
INSURER F:		

COVERAGES

CERTIFICATE NUMBER: 2080996607

REVISION NUMBER:

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INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☒ POLICY ☐ PRO-JECT ☐ LOC OTHER:		MP0004015001719	9/16/2017	9/16/2018	EACH OCCURRENCE	\$2,000,000
						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$100,000
						MED EXP (Any one person)	\$5,000
						PERSONAL & ADV INJURY	\$1,000,000
						GENERAL AGGREGATE	\$2,000,000
						PRODUCTS - COMP/OP AGG	\$2,000,000
							\$
B	AUTOMOBILE LIABILITY ☐ ANY AUTO ☐ ALL OWNED AUTOS ☒ SCHEDULED AUTOS ☒ HIRED AUTOS ☒ NON-OWNED AUTOS		BA040000017666	9/18/2017	9/18/2018	COMBINED SINGLE LIMIT (Ea accident)	\$1,000,000
						BODILY INJURY (Per person)	\$
						BODILY INJURY (Per accident)	\$
						PROPERTY DAMAGE (Per accident)	\$
							\$
	UMBRELLA LIAB ☐ OCCUR					EACH OCCURRENCE	\$
	EXCESS LIAB ☐ CLAIMS-MADE					AGGREGATE	\$
	DED ☐ RETENTION \$ ☐						\$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	☐ Y ☐ N	N/A			PER STATUTE	OTH-ER
						E.L. EACH ACCIDENT	\$
						E.L. DISEASE - EA EMPLOYEE	\$
						E.L. DISEASE - POLICY LIMIT	\$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

RE: Evidence of Insurance

CERTIFICATE HOLDER

CANCELLATION

Salinas Pump Co. 21935 Rosehart Way Salinas CA 93908	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

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CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/06/2017

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PRODUCER S and L Risk Management & Insurance Solutions 1447 Ford St. #103 Redlands, CA 92374				CONTACT NAME:		
				PHONE (A/C, No, Ext):	FAX (A/C, No):	
				E-MAIL ADDRESS:		
				INSURER(S) AFFORDING COVERAGE		NAIC #
INSURED Pacific Surveys LLC 4456 Via Saint Ambrose Claremont CA 91711				INSURER A : Colony Insurance Company		39993
				INSURER B : American Fire and Casualty Company		24066
				INSURER C : State Compensation Insurance Fund		35076
				INSURER D :		
				INSURER E :		
				INSURER F :		

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

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INSR LTR	TYPE OF INSURANCE		ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	☒	COMMERCIAL GENERAL LIABILITY			103GL0006505-06	10/6/2017	10/6/2018	EACH OCCURRENCE	\$ 2,000,000
	☐	CLAIMS-MADE ☒ OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 100,000
	☐							MED EXP (Any one person)	\$ 5,000
	☐							PERSONAL & ADV INJURY	\$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:							GENERAL AGGREGATE	\$ 3,000,000
	☐ POLICY ☒ PRO-JECT ☐ LOC			PRODUCTS - COM/PO/AGG				\$ 3,000,000	
	☐ OTHER:							\$	
B	AUTOMOBILE LIABILITY				BAA 56092128	3/1/2017	3/1/2018	COMBINED SINGLE LIMIT (Ea accident)	\$ 1,000,000
	☒	ANY AUTO						BODILY INJURY (Per person)	\$
	☐	OWNED AUTOS ONLY	☐	SCHEDULED AUTOS				BODILY INJURY (Per accident)	\$
	☐	HIRED AUTOS ONLY	☐	NON-OWNED AUTOS ONLY				PROPERTY DAMAGE (Per accident)	\$
	☐		☐						\$
	☐	UMBRELLA LIAB	☐	OCCUR				EACH OCCURRENCE	\$
	☐	EXCESS LIAB	☐	CLAIMS-MADE				AGGREGATE	\$
	☐	DED	☐	RETENTION \$					\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY				9094490-17	4/1/2017	4/1/2018	☒ PER STATUTE ☐ OTHER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)		☐ Y ☐ N	N/A				E.L. EACH ACCIDENT	\$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below							E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
								E.L. DISEASE - POLICY LIMIT	\$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Verification of coverage

CERTIFICATE HOLDER	CANCELLATION
Pacific Surveys, LLC 4456 Via St. Ambrose Claremont, CA 91711	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

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EXHIBIT B
SCHEDULE OF COMPENSATION RATES

Attachment: Salinas Pump Submittal (1485 : Approve Service Maintenance Agreement with Salinas Pump Company)



CITY COUNCIL STAFF REPORT

MEETING DATE: November 15, 2017

PREPARED BY: Inga Alonzo, Management Analyst
APPROVED BY: City Manager

APPROVE PURCHASE OF A CARGO VAN WITH AN UPFIT

RECOMMENDATION(S)

1. Approve purchase of a new Cargo Van with an Upfit from Downtown Ford Sales in the amount of \$39,292.32; and
2. Authorize City Manager to approve purchase order in the amount of \$39,292.32 with Downtown Ford Sales.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety

2017 Strategic Priorities

Infrastructure

REPORT NARRATIVE:

The Equipment Replacement Fund (Fund 790) provides for the City to budget and fund future replacement of vehicles and equipment. The Engineering and Utilities Department requests the purchase of a Cargo Van with an Upfit to replace the current water meter service truck as scheduled in the Equipment Replacement Fund.

Staff proposes to purchase a cargo van with an upfit under a cooperative purchasing arrangement. Section 3.04.180 of the Morgan Hill Municipal Code allows the purchasing officer the authority to join with other public jurisdictions in cooperative purchasing plans or programs, including, but not limited to California Communities Purchasing Program (CCPP), the California Department of General Services (CADGS), the California Multiple Award Schedule (CMAS), the National Association of Counties (NACo), National Joint Powers Alliance (NJPA), or similar arrangements or plans, as determined by the purchasing officer to be in the City's best interest. The purchasing officer may either: 1) buy directly from a vendor at a price established by a competitive bid by another jurisdiction even if the City had not joined with the public agency in a cooperative purchase; or 2) compare bids among cooperative purchasing plans or programs and choose the bid that best matches the needs of the City.

Staff prepared detailed specifications for the cargo van with a dealer upfit based on the City's needs. The dealer upfit is the addition of folding internal shelving units and a safety partition (to provide maximum security between the driver and passenger and the cargo that is being carried in the van). This modified van will allow the Utilities meter team to carry more meters and appurtenant parts in an easily accessible enclosed and secure compartment. These specifications were sent to three qualified equipment vendors (Wondries Fleet Group, Downtown Ford Sales, and National Auto Fleet Group),

who have been approved under various cooperative purchasing programs. One bid submittal was received by the City from Downtown Ford Sales under the National Joint Powers Alliance (NJPA) cooperative purchasing group contract #016015-FMC. NJPA offers a wide variety of competitively bid commodities at prices which have been assessed to be fair and reasonable. The City is a member of the NJPA purchasing cooperative and has previously purchased from its contracts.

Staff concludes the bid for the cargo van with an upfit submitted by Downtown Ford Sales complies with the specifications and performance requirements of the City. Consequently, staff is recommending that City Council accept the bid and authorize the purchase of the Downtown Ford Sales cargo van with an upfit.

COMMUNITY ENGAGEMENT: Inform

This report serves to inform the public of the recommendation to purchase the equipment for the Engineering and Utilities Department.

ALTERNATIVE ACTIONS:

The Council could choose to not approve the recommended purchase and direct staff to solicit quotes/bids through a formal bidding process.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

None.

FISCAL AND RESOURCE IMPACT:

The equipment purchase of \$39,292.32 is included in the City Council adopted FY 2017-18 budget under the Equipment Replacement Program (Fund 790).

CEQA (California Environmental Quality Act):

Continuing administrative or maintenance activities, including the replacement of equipment, is not a project subject to environmental review.

LINKS/ATTACHMENTS:

1. Invitation for Quote_2017_Cargo Van
2. Downtown Ford Sales Submittal



CORPORATION YARD
UTILITIES AND MAINTENANCE
100 EDES COURT
MORGAN HILL, CA 95037-5301
408-776-7333
FAX: 408-779-6282
WWW.MORGAN-HILL.CA.GOV

October 2017

INVITATION FOR QUOTE
CARGO VAN WITH DEALER UPFIT

The City of Morgan Hill, Engineering and Utilities Department has a requirement for a cargo van with a dealer upfit. The successful bidder will be responsible to supply and deliver a complete unit ready for service. The City's ordinance allows purchasing from public cooperative contracts such as those through NJPA or CMAS. This invitation for bid is for cooperative purchase pricing.

Instructions for delivering quote:

- **Deliver Quote By:** No later than **2:00 p.m.** on **Thursday, November 2, 2017**
- **Deliver To:** City of Morgan Hill Utilities Division, Attn: Inga Alonzo, 100 Edes Court, Morgan Hill, CA 95037 or via email to inga.alonzo@morganhill.ca.gov
- **Clearly Labeled** "INVITATION FOR QUOTE- CARGO VAN WITH DEALER UPFIT"

Quotes will be reviewed by staff within a reasonable period following receipt. Respondents need not be present for consideration of award. Incomplete bids will not be considered.

Companies submitting a quote shall maintain the appropriate license, insurance and permit requirements of the City, State and Federal governments, and other requirements of the law.

For additional information pertaining to this invitation for quote, please contact me by email at inga.alonzo@morganhill.ca.gov or at 408-310-4182.

Sincerely,

Inga Alonzo

Inga Alonzo
Public Utilities Management Analyst

Attachment: Invitation for Quote 2017_Cargo Van (1488 : Approve purchase of a Cargo Van with an Upfit)

EQUIPMENT SPECIFICATIONS

The equipment shall be new and manufacturer's standard model in current production; shall comply with all performance specifications; include all standard functions, features and accessories as advertised or otherwise represented by the Bidder and/or manufacturer. The equipment shall meet or exceed the minimum specifications and requirements listed below.

TRANSIT T-250 CONFIGURATION

- 2018 FORD TRANSIT T-250 MEDIUM ROOF, 148" WB, SINGLE SLIDING PASSENGER-SIDE CARGO DOOR, OXFORD WHITE

ENGINE / DRIVETRAIN

- 3.5L V6 ECOBOOST ENGINE
- DUAL BATTERIES (INCLUDES AUX FUSE PANEL)

FACTORY INSTALLED OPTIONS

- 110V POWER INVERTER (REQUIRES DUAL BATTERIES)
- ALL-WEATHER FLOOR MATS (REQUIRES CARPET FLOORING - FRONT)
- BACKUP ALARM
- BLUETOOTH - FACTORY SYNC
- FIXED REAR DOOR GLASS
- HEAVY DUTY TRAILER TOW PACKAGE
- HIGH CAPACITY FRONT/REAR A/C (REQUIRES REVERSE SENSING, N/A WITH SPRAY-IN CARGO AREA FLOOR LINER)
- INTERIOR UPGRADE PACKAGE-INCLUDE VINYL FRONT/REAR FLOORING, POLYPROPYLENE SIDE WALLS, DOORS, CRUISE CONTROL, AM/FM/AUX WITH SYNC HANDSFREE; BLUETOOTH, VINYL SUNVISORS WITH ILLUMINATED VANITY MIRROR (DRIVER/PASSENGER)

DEALER UPFIT

- MASTERACK – PARTITION- STEEL HINGED CENTER DOOR PART: 0TFM10
- MASTERACK – ALUMINUM FOLD-UP SHELF SYSTEM 148" LWD & ELWB PART: 02G137

CITY OF MORGAN HILL QUOTE FORM

SUBMITTED BY (Company Name) _____

Pursuant to and in accordance with the above stated Invitation for Bid, the undersigned hereby declares that they have examined the quote documents and specifications for the item(s) listed below. The undersigned proposes and agrees, if their quote is accepted to furnish the item(s) submitted below, including delivery to Morgan Hill, CA in accordance with the delivery schedule indicated below and according to the prices products/services information submitted.

Cooperative _____

Contract # _____

ITEM EST		QTY	DESCRIPTION	UNIT PRICE	EXTENDED AMOUNT
1		1	2018 FORD TRANSIT T-250 MEDIUM ROOF, 148" WB, OXFORD WHITE, SINGLE SLIDING PASSENGER-SIDE CARGO DOOR PER SPECIFICATIONS pg.2		
1		1	DEALER UPFIT PER SPECIFICATIONS pg. 2		
			DELIVERY: _____ DAYS AFTER RECEIPT OF ORDER.		
			SHALL WARRANTY THE ABOVE EQUIPMENT FOR PARTS, LABOR, AND TRAVEL FOR _____ MONTHS		
			ATTACH COPY OF WARRANTY		
			LICENSE		
			SALES TAX		
			TOTAL	\$	\$

Please specify below or attach a separate sheet listing any of the equipment specification items that cannot be supplied or for which an alternative product will be substituted (list substituted product).

DELIVERY: F.O.B. DESTINATION

Prompt Payment Discount _____% _____ Days, Net _____ Days

**CITY OF MORGAN HILL
QUOTE FORM**

SUBMITTED BY (Company Name) Downtown Ford

Pursuant to and in accordance with the above stated Invitation for Bid, the undersigned hereby declares that they have examined the quote documents and specifications for the item(s) listed below. The undersigned proposes and agrees, if their quote is accepted to furnish the item(s) submitted below, including delivery to Morgan Hill, CA in accordance with the delivery schedule indicated below and according to the prices products/services information submitted.

Cooperative _____

Contract # _____

ITEM EST		QTY	DESCRIPTION	UNIT PRICE	EXTENDED AMOUNT
1		1	2018 FORD TRANSIT T-250 MEDIUM ROOF, 148" WB, OXFORD WHITE, SINGLE SLIDING PASSENGER-SIDE CARGO DOOR PER SPECIFICATIONS pg.2	29,734 ⁻	29,734 ⁻
1		1	DEALER UPFIT PER SPECIFICATIONS pg. 2		
			DELIVERY: <u>120</u> DAYS AFTER RECEIPT OF ORDER.	6,314 ⁻	6,314 ⁻
			SHALL WARRANTY THE ABOVE EQUIPMENT FOR PARTS, LABOR, AND TRAVEL FOR <u>See below</u> MONTHS		
			ATTACH COPY OF WARRANTY		
			LICENSE	0.00	0.00
			SALES TAX	3,244.32	3,244.32
			TOTAL	\$39,292.32	\$39,292.32

Please specify below or attach a separate sheet listing any of the equipment specification items that cannot be supplied or for which an alternative product will be substituted (list substituted product).

3yr/36000 mile bumper to bumper 2018 Transit

5yr/60000 mile powertrain - 2018 Transit

1yr parts/Labor - Dealer Upfit

DELIVERY: F.O.B. DESTINATION

Prompt Payment Discount 0 % 0 Days, Net 30 Days



CITY COUNCIL STAFF REPORT

MEETING DATE: November 15, 2017

PREPARED BY: Jennie Tucker, Community Services Supervisor
APPROVED BY: City Manager

APPROVE CONCEPTUAL PLAN FOR JACKSON PARK PLAYGROUND ENHANCEMENTS AND APPROPRIATION FOR MATCHING PROJECT FUNDS

RECOMMENDATION(S)

1. Approve conceptual plans for Jackson Park playground enhancements and direct staff to solicit bids; and
2. Adopt resolution approving an appropriation of \$72,327 from the Park Impact Fund (Fund 301) for matching funds.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Fiscal Responsibility
Supporting Our Youth
Seniors
and Entire Community

2017 Strategic Priorities

Inclusiveness
Infrastructure

REPORT NARRATIVE:

The purpose of this report is to provide the City Council with an opportunity to review and consider conceptual plans for enhancing Jackson Park and to make the appropriation necessary for the project to proceed.

The Bikeways, Trails, Parks and Recreation Master Plan (Master Plan) was adopted by City Council in 2017 to implement General Plan policy direction for usable, complete, well-maintained, safe, and high-quality activities and amenities that are accessible to all ages, functional abilities, and socio-economic groups. The Master Plan includes several goals calling for the enhancement and diversification of existing City parks and the inclusion of fitness equipment in City parks. Chief among these are:

- Goal 2: Diversify the experiences in the City's parks and along its trails.
- Goal 3: Engage people of all ages and all abilities.
- Goal 4: Support the health and wellness of all community members.

Currently, Morgan Hill has 19 parks. Among them is Jackson Park, located adjacent to Jackson Academy of Math & Music in the heart of Jackson Meadows, a family-oriented neighborhood. While small, Jackson Park is the closest City park to over 5,000 Morgan Hill residents. Jackson Park provides a convenient and welcoming space for residents

of Jackson Meadows and surrounding communities to gather for outdoor recreation and fitness activities. Current amenities at the 1.3-acre park include:

- A play structure for children aged 5-12
- A sand play area
- A picnic area with concrete tables and benches, and 2 barbecues
- 3 concrete benches
- A paved concrete circular path that runs inside the park's perimeter
- A central open area with grass surface (irrigated)
- Sycamore and oak shade trees

In August of this year, City staff had the opportunity to apply for a grant through PlayCore's Center for Professional Development, GameTime, and the California Parks and Recreation Society. The goal of this *Healthy Play Initiative* grant is to provide matching funding to parks throughout the State to install a pre-approved play and recreation project that promotes best practices.

City staff worked with GameTime to develop a proposal that will add to and improve the play environment at Jackson Park. In consistency with the City's Master Plan, the improvements proposed include a net increase in play opportunities and a broadening in the inclusiveness of play environment. The proposed added amenities specifically include:

- A play structure for children aged 2-5
- Two new inclusive play pieces
 1. Merry-Go-All
 2. Expression Swing

If approved, the proposed conceptual plan will help to enhance the usability, inclusiveness, and overall appeal of Jackson Park as a space to play. This will address the unmet needs of families with children under 5 living in the neighborhood. Attached are an overview of the proposed park layout along with a closer view of the proposed new play structure.

As an additional enhancement (and alternative action) City Staff has reviewed the concept of including fitness par equipment. This equipment would be spread around the current walking path and would help appeal to the teens and adults living in the area. This addition would increase the potential for multigenerational use of the park. The fitness equipment is also included in the report packet in the layout view and the fiscal impact is discussed below.

Jackson Park was selected for the grant application for several reasons. Raising funds for the Morgan Hill Magical Bridge Inclusive Playground is the priority for the City and the City team pursued this option first. The Inclusive Playground was found to be ineligible for the grant as the entire project was required to be completed by March and funds or equipment could not be carried forward past that date. Since the Inclusive Playground was not an option, staff reviewed the next possible alternatives for sites

where the grant could be utilized. Jackson Park has had no major additions in decades and the small additions were the best option for implementing goals of the Master Plan.

In September, City staff were notified that Morgan Hill was chosen as one of the twenty-four communities across California to receive funding assistance through the *Healthy Play Initiative* grant. If completed, the playground enhancements at Jackson Park will also become part of an elite group of National Demonstration Sites, outlining the best practices in design, installation, and programming for park amenities. While the grant significantly reduces the cost of the play equipment, there are matching funds that would be required from the Park Impact Fund to cover the costs of installation.

It is believed approximately \$72,000 from the City will be necessary to complete this project. As previously stated the Inclusive Playground is the City's priority project. It is understood that \$2,000,000 in local funding will be necessary for the Inclusive Playground. While it is believed that the \$72,000 in funding for the Jackson Park Project will not impact the Inclusive Playground, it must be noted that the City may need to find and provide additional funds for the Inclusive Playground if fundraising goals are not met or costs are higher than expected for the Inclusive Playground.

COMMUNITY ENGAGEMENT: Consult

On October 10, 2017, a community meeting was held at Jackson Park. City Staff presented the conceptual plans and all attendees agreed that a play structure for children 2-5 (with two inclusive elements) and adult fitness equipment would be great additions to the park. The attendees did note they would like to see the 2-5 play structure enclosed by a fence for safety and security of that age group. Another suggestion was to group/cluster the fitness equipment together more to create more of a community atmosphere and better visual line of site if their children were playing on the playground. Attendees also requested City staff to consider adding a tall, climbable play structure geared to a wider age group and potentially adding more swings. Attendees were very interested in expanding the walking trails leading to the park and asked the City to consider adding a small off-leash dog park on the City's undeveloped property west of the park.

ALTERNATIVE ACTIONS:

1. The Council could elect to not approve the request.
2. The Council could elect to add fitness par equipment to the proposed plan.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

At the July 26, 2017 City Council Meeting, Council authorized City Staff to apply for the Healthy Play Grant for new play equipment and to return to Council with a budget amendment authorizing matching appropriation from the Park Impact Fund. The Parks and Recreation Commission was presented with the conceptual plans at the October 17th meeting and all voted in support of the staff recommendation to move forward with the project.

FISCAL AND RESOURCE IMPACT:

The total cost of the playground equipment including tax and freight is \$40,259.98. This amount will be reduced by the \$15,932.57 grant received through the program - making the net cost of the playground equipment \$24,327.41. With anticipated installation costs of \$48,000, the total estimated cost of the project to the City is \$72,327.41. If adopted, the attached resolution will amend the Adopted FY 2017-18 budget to include an appropriation from the Park Impact Fund (Fund 301) for this project.

If Council would like to add the fitness par equipment, as noted in the alternative actions, the total cost of the project to the City would be \$110,371.

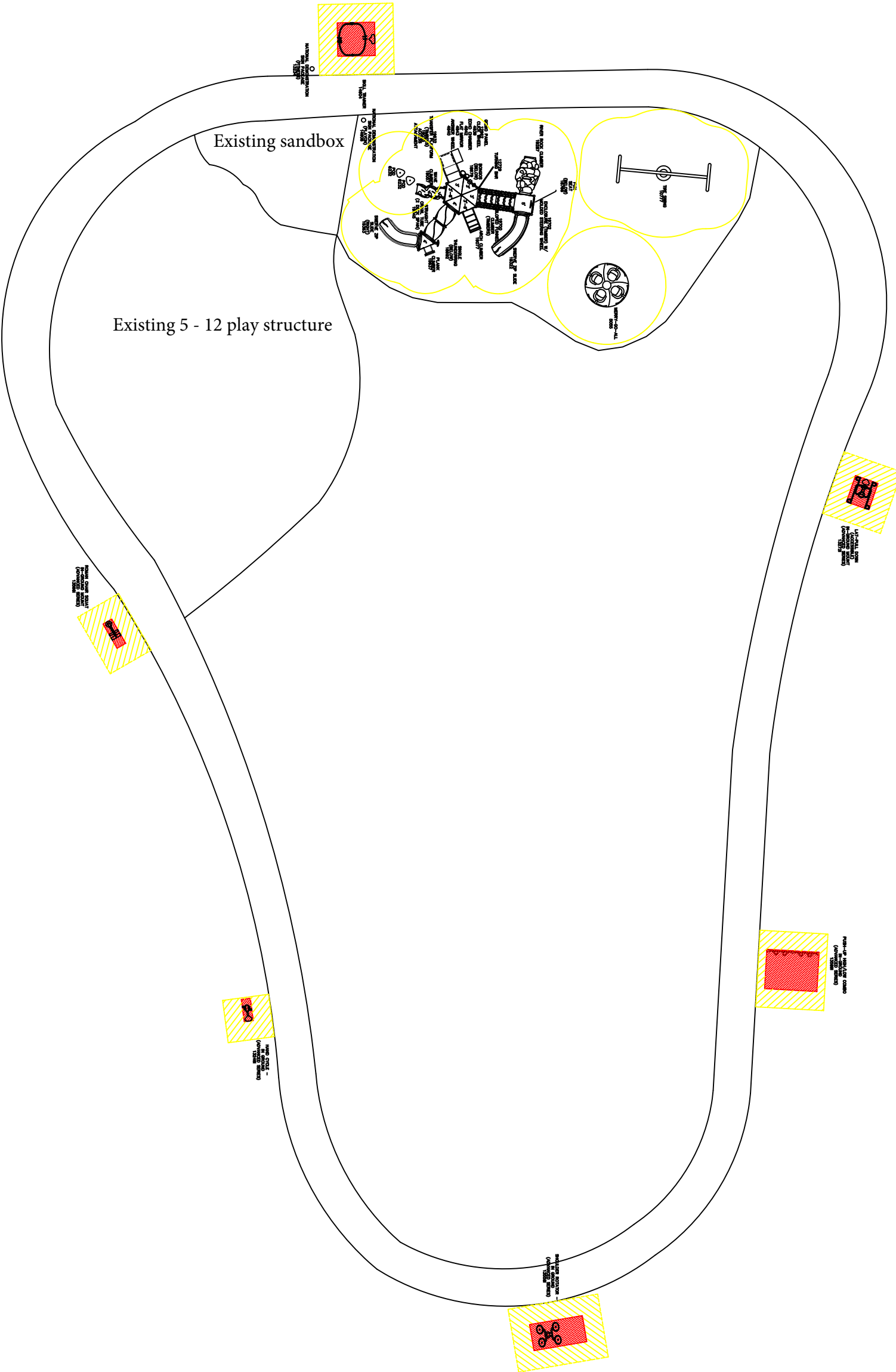
It should be noted that proceeding with this project will commit Park Impact Funds for the project and may result in minor postponements of other projects relying on Park Impact Funds.

CEQA (California Environmental Quality Act):
Categorical Exemption

This project is a minor alteration of an existing facility and is categorically exempt from CEQA per Section 15301 (Existing Facilities) of the CEQA Guidelines.

LINKS/ATTACHMENTS:

1. Jackson Park Conceptual Plans (aerial view)
2. Jackson Park Conceptual Plans (playground with inclusive elements)
3. Jackson Park Conceptual Plans (playground)
4. Jackson Park Enhancement Resolution
5. Exhibit A: Jackson Park Budget Scorecard



Attachment: Jackson Park Conceptual Plans (aerial view) (1441 : Jackson Park-Healthy Play Grant)

Location of existing play
structure and sandbox
(not depicted)

Intellectual property of GameTime, a PlayCore Company. The site shown in rendering is an interpretation and may not reflect exact site conditions.

Jackson Park
Morgan Hill, California
View 1



Intellectual property of GameTime, a PlayCore Company. The site shown in rendering is an interpretation and may not reflect exact site conditions.

Jackson Park
Morgan Hill, California
View 2

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE CITY'S FISCAL YEAR 2017-18 BUDGET IN THE PARK IMPACT FUND (FUND NO. 301) TO APPROPRIATE \$72,327 THEREFOR

WHEREAS, the City of Morgan Hill, a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California ("City"), is authorized to enter into contracts and agreements for the benefit of the City; and

WHEREAS, the reasons supporting the budget amendment described in, and that is the subject of, this Resolution are set forth in detail in that certain City Council Staff Report entitled "Approve Conceptual Plan for Jackson Park Playground Enhancements and Appropriation for Matching Project Funds" submitted for City Council consideration at its meeting of November 15, 2017, submitted to the City Council by the City Manager (the "Staff Report"), the contents of which Staff Report are incorporated herein by this reference; and

WHEREAS, recommended amendments are needed and proposed to the City's previously adopted Budget for Fiscal Year 2017-18 as set forth on Exhibit A to this Resolution, to appropriate the requisite funds to implement the actions authorized by this Resolution; and

WHEREAS, the activities allowed under this Resolution are categorically exempt under the provisions of California Environmental Quality Act of 1970 per Section 15301 (Existing Facilities); and

WHEREAS, the consideration by City Council of the adoption of this Resolution has been duly noticed pursuant to applicable laws and has been placed upon the City Council Meeting Agenda on the date set forth in the Staff Report, or to such date that the City Council may have continued or deferred consideration of this Resolution, and on such date the City Council conducted a duly noticed public meeting at which the City Council provided members of the public an opportunity to comment and be heard and considered any and all testimony and other evidence provided in connection with the adoption of this Resolution; and

WHEREAS, the City Council determines that adoption of this Resolution is in the public interest.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

Section 1. Recitals. The City Council does hereby find, determine and resolve that all of the foregoing recitals are true and correct.

Section 2. Approval and Authorization. The City Council does further resolve, order and/or direct as follows:

- a. That the City's previously adopted Fiscal Year 2017-18 Budget, as the same has been amended to date, is hereby further amended in accordance with and as reflected on Exhibit A attached hereto and incorporated herein by this reference; and
- b. That the City Clerk is hereby authorized and directed to forward a copy of this Resolution to the City's Finance Director, who is hereby authorized and directed to take all actions necessary to implement the terms of this Resolution pertaining to the Fiscal Year 2017-18 Budget of City.

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this 15th day of November 2017 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:

DATE: _____

Steve Tate, MAYOR

∞ CERTIFICATION ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No.XXXX , adopted by the City Council at the meeting held on November 15, 2017.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

Irma Torrez, CITY CLERK

Attachment: Jackson Park Enhancement Resolution (1441 : Jackson Park-Healthy Play Grant)

EXHIBIT A

AGENDA BUDGET SCORECARD

FISCAL YEAR 2017-18

ADJUSTMENT #

017

FUND:

DEPARTMENT:

OBJECT:

301	Park Impact Fund
8051	Park Development
86360	CONSTRUCTION

AGENDA DATE:

AGENDA ITEM TITLE:

11/15/17
Jackson Park Enhancements

	07/01/17 PROJECTED BEGINNING FUND BALANCE	ESTIMATED REVENUES	AMENDED APPROPRI- ATIONS	06/30/18 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	4,850,439	2,194,738	6,334,621	710,556
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	492,000	927,000	(435,000)
RECOMMENDED ACTION	-	-	72,327	(72,327)
RESULT OF RECOMMENDED ACTION	<u>4,850,439</u>	<u>2,686,738</u>	<u>7,333,948</u>	<u>203,229</u>

Attachment: Exhibit A: Jackson Park Budget Scorecard (1441 : Jackson Park-Healthy Play Grant)



CITY COUNCIL STAFF REPORT

MEETING DATE: November 15, 2017

PREPARED BY: Anthony Eulo, Program Administrator

APPROVED BY: City Manager

AUTHORIZE EXECUTION OF LETTER OF INTENT FOR THE PURCHASE OF AN AGRICULTURAL CONSERVATION EASEMENT ON PROPERTY LOCATED ON APN 728-06-019, HENDRY DRIVE

RECOMMENDATION(S)

Authorize the City Manager to execute a Letter of Intent for the purchase of an agricultural conservation easement.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment

REPORT NARRATIVE:

The purpose of this report is to provide the City Council with an opportunity to consider entering into the attached Letter of Intent (LOI) for the purchase of an agricultural conservation easement.

On November 5, 2014, the City Council adopted an Agricultural Lands Preservation Program (Program) as a component of the City's actions addressing the Southeast Quadrant (SEQ). While the related annexation in the SEQ was denied by the Santa Clara Local Agency Formation Commission, the Program remains an active and a high priority for the City. Preserving agricultural uses is specifically called out as one of the "Big Ideas" in the City's General Plan and is supported by numerous policies in the General Plan.

A key implementation activity in the Program involves securing agricultural conservation easements (ACE) on private properties through dedication, purchase, or donation. Once recorded, an ACE essentially eliminates future development or subdivision of the subject property - which ensures that the land will remain available for agricultural activities.

For the past several months, the City and its consultants have been conversing with the property owners of an undeveloped property on the east side of Morgan Hill about the City's potential purchase of an ACE on their property. The subject property, just east of Hill Road, currently supports ranching activities and provides an open viewshed into the lightly-developed eastern foothills of the community. As such, this property both supports local agriculture and provides the community with an open, rural feeling.

If approved, the attached LOI is the logical next step in the process of securing an ACE on the property. In addition to stating each party's intentions, the LOI also memorializes the proposed agreement with the landowner to share in the cost of the appraisal needed to continue the discussions. The LOI is not a purchase and sale agreement and does not obligate either party to complete the potential sale at this time. If the appraisal and negotiation process is successful, final consideration of a purchase and sale agreement and the related appropriation will be presented to the City Council for consideration at a future date.

COMMUNITY ENGAGEMENT: Inform

If and when the ACE is secured, the City's web page will be updated to reflect the additional lands under permanent conservation.

ALTERNATIVE ACTIONS:

The Council could decline to authorize the execution of the LOI which would effectively end the City's efforts to secure an ACE on this property.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The Council has considered the potential costs of securing an ACE on this property during a closed session and has provided City staff with negotiation parameters which remain confidential in accordance with provisions of the Brown Act.

FISCAL AND RESOURCE IMPACT:

Since the LOI is explicitly not legally binding, the execution of the LOI does not have a direct fiscal impact beyond the cost of the appraisal. Ultimately, if the ACE is purchased, funding for the purchase will need to be appropriated from the Agricultural Preservation and Open Space Fund (Fund 306) prior to the close of escrow. The cost of the ACE is unknown at this time and will be the result of the appraisal and negotiation process. The appraisal is expected to cost a total of \$12,000 with 50% (\$6,000) of the costs paid by the property owner.

Preserving agricultural lands is an activity included in the work program of the Community Services Department.

CEQA (California Environmental Quality Act):

Categorical Exemption

The purchase of an ACE is categorically exempt from CEQA pursuant to CEQA Guidelines section 15317 (Open Space Contracts or Easements).

LINKS/ATTACHMENTS:

1. Letter of Intent for Thomas Property 10.18.17B Signed by Thomas's



Community Services Department
17575 Peak Ave.
Morgan Hill, CA 95037
(408)779-7271
www.morganhill.ca.gov

October 18, 2017

Mr. George P. and Shelle Gale Thomas, Trustees
The George P. Thomas, Jr. and Shelle Gale Thomas Revocable Trust
PO Box 10
Morgan Hill, California 95038-0010

Re: Letter of Intent for the Potential Purchase of an Agricultural Conservation Easement on Property located on Hendry Drive in Santa Clara County, APN

Dear Mr. and Ms. Thomas:

This letter is to confirm that the City of Morgan Hill ("City" or "Buyer"), and the Santa Clara Valley Open Space Authority ("OSA" or "Easement Holder") have agreed to move forward at your request, subject to the approval of these agencies' governing bodies, to consider acquiring an agricultural conservation easement ("Easement") on the 19.98-acre property landowners partially own located on Hendry Road in Santa Clara County, consisting of assessor parcel number 728-06-019 ("Property").

We understand from our conversations with you that you intend to purchase the Property from the other landowners using some, or all, of the proceeds from a subsequent/simultaneous sale of the Easement funded by the City. In addition, you may consider expanding the conservation easement project area by selling an easement on the adjacent the 9.37-acre parcel, APN 728-06-05, that you currently own outright. If you move forward with that scenario there would be just one Easement covering both parcels, for a combined total of 29.35 acres.

Subject to City Council approval, the City of Morgan Hill will contribute acquisition funds for the purchase of the Easement, including the engagement of the conservation consultant, Tom Scharffenberger, as well as half of the appraisal cost. You will be responsible for paying the other half of the appraisal costs. All parties agree that the City's contribution to this transaction shall count as credit for future developments within the City that require agricultural mitigation.

Subject to its board approval, OSA will hold the Easement. OSA will work closely with you and the City in developing Easement terms that are acceptable to all parties.

This letter confirms that you (hereafter "Landowners") have tentatively agreed to sell the Easement on the Property to the Buyer based on the acceptance of the following conditions:

1. The City will engage the appraisal firm House Agricultural Consultants ("Appraisers") to provide an oral, Phase I appraisal values ("Preliminary Appraisal Values") of the Easement for Six Thousand Dollars. Landowners and the City will each pay half of this cost.

Attachment: Letter of Intent for Thomas Property 10.18.17B Signed by Thomas's (1490 : Thomas LOI)

2. Appraisers will appraise the following three scenarios of the Easement:
 - a. The Easement will cover only the 19.98-acre parcel, APN 728-06-019. It will allow all agricultural uses. It will allow construction of a single-family house, with a maximum size of 3,500 SF, along with residential accessory uses, as well as agricultural buildings, within a two-acre building envelope.
 - b. The Easement will cover only the 19.98-acre parcel, APN 728-06-019. It will allow all agricultural uses. It will allow the construction of agricultural buildings only, no residences, within a two-acre building envelope.
 - c. The Easement will include both the 19.98-acre parcel, APN 728-06-019 and the 9.37-acre parcel, APN 728-06-05. It will allow all agricultural uses. It will allow the continued use of the existing house and barn, with the ability to expand by 10%, and allow new residential accessory uses and agricultural structures, within a two-acre building envelope. No major structures will be allowed on APN 728-06-019.
3. If after the Preliminary Appraisal Values are determined and you would like to move forward with one of the above scenarios, the City will engage the Appraisers to complete a final Phase II appraisal ("Final Appraisal") for Six Thousand Dollars. Landowners and the City will each pay half of this cost.
4. If the Final Appraisal is acceptable to landowners, landowners agree to work with the Buyers to prepare and sign a mutually acceptable Purchase and Sale Agreement for the sale of the Easement on the Property ("Agreement"). The Agreement will set forth all the terms and conditions of the proposed sale of the Easement.
5. During the time between the date of the signing of this letter by landowners and until the parties have entered into an Agreement (as defined below) for the Easement, though no later than August 1, 2018, Landowner agrees not to market or sell the Property or the Easement to another party.
6. Prior to the close of the Easement, Landowners acknowledge that any existing financial liens against the Property (e.g. mortgages, deeds of trust, tax liens, etc.) or outstanding third-party mineral rights must be released or subordinated to the Easement.
7. Landowners acknowledge that the placement of an Easement on the Property is a complicated transaction and consulting with legal and tax counsel is strongly recommended.
8. Final approval by the City of Morgan Hill City Council and the Santa Clara Valley Open Space Authority Board of Directors will be required before closing on the Property.
9. Landowners acknowledge that the Easement will provide for a 1.0% transfer fee (e.g., applied to the full sales price, cash and non-cash value.) to be paid to the Easement holder on future sales of the Property to non-family members.
10. Landowners pledge to contribute a donation to CVFT at closing in an amount equal to five percent (5%) of the Easement values to help defray costs to administer the Easements in perpetuity.

This proposal is not legally binding on either party, but is intended to serve as the basis for negotiating and drafting a definitive Purchase and Sale Agreement for the Easement on the Property between the parties, containing the terms stated in this letter as well as other terms to be negotiated in good faith. Neither party will be legally bound unless and until a definitive

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agreement has been prepared, approved by the parties and their respective advisors, and signed and delivered by each of the parties. Until a definitive agreement is so approved, signed and delivered, either party may withdraw from negotiations at any time for any reason.

(note this letter of intent may be signed in Counterparts)

Sincerely,

Christina Turner
City Manager
City of Morgan Hill

Andrea Mackenzie
General Manager
Santa Clara Valley Open Space Authority

Read, agreed and accepted by Landowners:

The George P. Thomas, Jr. and Shelle Gale Thomas Revocable Trust:

George Preston Thomas, Jr., Trustee
Date: _____

Shelle Gale Thomas, Trustee
Date: _____

Attachment: Letter of Intent for Thomas Property 10.18.17B Signed by Thomas's (1490 : Thomas LOI)

agreement has been prepared, approved by the parties and their respective advisors, and signed and delivered by each of the parties. Until a definitive agreement is so approved, signed and delivered, either party may withdraw from negotiations at any time for any reason.

(note this letter of intent may be signed in Counterparts)

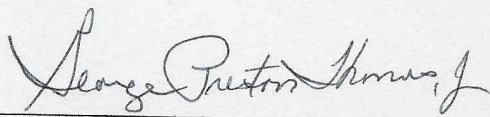
Sincerely,

Christina Turner
City Manager
City of Morgan Hill

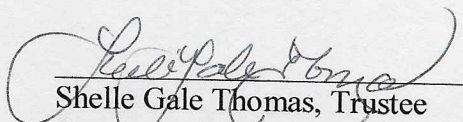
Andrea Mackenzie
General Manager
Santa Clara Valley Open Space Authority

Read, agreed and accepted by Landowners:

The George P. Thomas, Jr. and Shelle Gale Thomas Revocable Trust:



George Preston Thomas, Jr., Trustee
Date: October 23, 2017



Shelle Gale Thomas, Trustee
Date: 10/23/17



CITY COUNCIL STAFF REPORT

MEETING DATE: November 15, 2017

PREPARED BY: Terry Linder, Interim Planning Manager
APPROVED BY: City Manager

SITE REVIEW, SR2017-0011: W. MAIN – MH LIBRARY: REQUEST FOR A SITE, ARCHITECTURAL AND LANDSCAPE PLAN APPROVAL OF A 6,434-SQUARE FOOT ADDITION TO THE MORGAN HILL LIBRARY LOCATED AT 660 WEST MAIN ST.

RECOMMENDATION(S)

Adopt resolution approving the Design Permit for the Library Expansion project.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Preserving and Cultivating Public Trust

2017 Strategic Priorities

Inclusiveness

REPORT NARRATIVE:

The Morgan Hill Public Library was completed in August 2007. In 2014, the Friends of the Library commissioned a space needs study to evaluate the current floor plan and how it can be expanded to meet the current and future needs. The findings in the space needs study produced a prioritized expansion plan with preliminary cost estimates that staff utilized for inclusion in the approved Capital Improvements Program.

In August 2016, the Council awarded a consultant contract to Weston Miles Architects (WMA) to develop concept plans for the proposed library expansion. After several stakeholder meetings WMA developed conceptual plans that were reviewed by the Library and Cultural Arts Commission (LCAC) and City Council in April 2017.

Based on the feedback received from LCAC and the Council, WMA has prepared a set of design development plans that will go out for bid. Prior to advertising for bid, approval of a Design Permit is required in accordance with Municipal Code Section 18.74.030 A 11. Design Permits are typically approved by the Community Development Director however, Design Permits involving significant alterations to municipal buildings require City Council approval.

There are no significant changes in the development design plans from what the City Council reviewed in May 2017. The proposed library expansion project includes a 5,392-square foot addition to the northwest corner, and a 1,042-square foot addition to the entry area. Site alterations include the reconfiguration of the plaza located on the north side of the building, a 10-foot reduction in the 35-foot wide drive-aisle parallel to the plaza and a reconfiguration of the parking stalls that are perpendicular to the plaza.

Findings required for approval of a design permit include:

1. That the proposed construction/alterations are in substantial conformance with the General Plan, zoning ordinance, and any applicable plans adopted by the City.
2. The proposed construction/alteration is in substantial conformance with all applicable design standards and guidelines, as contained in the Design Review Handbook.
3. The construction/alteration will not have significant adverse effects on the public health, safety and welfare.

The Civic Center property, bound by Peak Ave., DeWitt Ave., Alkire Ave., and W. Main Ave., has a General Plan designation of Public Facilities and is zoned Public Facility (PF). The setback requirements applicable to the civic center site are 20 feet from any street. The proposed library additions are setback a minimum of 30 feet from the nearest street. The maximum building height for the PF zone is 35 feet. The proposed additions range from 19 to 24 feet in height. For reference, the tallest portion of the existing library building is 30 feet. The proposed site plan alterations maintain the minimum two-way drive-aisle width of 25 feet as required by the City's Off-Street Parking and Paving Standards. The reconfiguration also results in an increase in the number of parking stalls located perpendicular to the plaza from 9 to 16.

The following City Design Guidelines are applicable to the proposed library additions and site alterations:

- Encourage quality design with authentic architectural styles and details.
- Encourage roof forms that will add interest to the street scene and minimize impact of large structures.
- Encourage quality architecture with well-articulated entries, doorways, and windows.
- Minimize the apparent scale of large structures.
- Encourage articulation on all sides.
- Appropriate materials and colors to create higher quality developments.
- Encourage well thought-out project entries.
- Encourage appropriate lighting that will minimize glare, yet improve safety.
- Encourage well designed outdoor spaces for pedestrians.

The proposed building expansion will continue the existing architectural style through the use of similar proportions, changes in wall plane and the use of the same building materials (stucco, seamed metal, aluminum frame windows, and natural colors). Angled roof forms are proposed over the addition areas that match the existing angled roof elements currently found on the building thus adding visual interest to the overall building and helping to minimize the build's scale. A wire mesh material is proposed over the expanded entry providing texture and creating a focal point at the building entry. The protruding framed windows, grid patterns and proportions on the expansion areas are consistent with the ones currently found on the existing library building. The reuse of the entry trellis has yet to be determined but it is recommended that it be relocated in front of the new entry to provide additional shade within the plaza area. The book return area will move from the east side of the building to the front (north) increasing its visibility and access.

The existing public art, furniture, lighting, and tree grates will be incorporated back into the revised library entry plaza. The existing plaza has approximately 4,750 square feet of hardscape and 1,035 square feet of landscaping. The proposed project will reduce the hardscape within the plaza to approximately 3,375 square feet and increase the landscape area to 1,872 square feet. Landscape planters have been added to each side of the pedestrian entry to further delineate the pedestrian path to/from the parking lot. The five existing trees within the plaza will be preserved. As a condition of the project approval, the concrete wheel-stops and truncated domes between the parking and plaza are to be eliminated and replaced with a full formed 6-inch concrete curb as required by the City's Design Handbook. The use of the truncated domes will be limited to areas required by ADA.

To accommodate the northwest addition, an approximately 8,000 square foot area between the existing library and DeWitt Ave. will be regraded. The regrading will cause the removal of two existing trees and the existing stairway leading to DeWitt Ave. The stairway will be replaced by a 5-foot wide pathway (with lighting) leading to/from DeWitt Ave., approximately 160 feet south of the existing stairway location. The new pathway will improve ADA access to the library.

As conditions of the project approval, mitigation addressing construction noise and air quality have been included to minimize the construction impacts on the adjacent residents.

In conclusion, the proposed library additions and site alterations have been found consistent with the City's zoning code, General Plan, Design Standards and Guidelines, and will not result in a significant adverse effect on the public health, safety and welfare.

COMMUNITY ENGAGEMENT: Notices have been sent to property owners within 300 feet and notice appeared in the Morgan Hill Times on November 3, 2017.

ALTERNATIVE ACTIONS:

Council may deny Design Permit application, and provide direction to staff for design changes.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

August 24, 2016 – The City Council approved a Service Agreement for Design Professionals with Weston Miles Architects for Design and Construction Support Services for the Library Expansion Project.

April 4, 2017 – Library and Cultural Arts Commission reviewed conceptual design and forwarded recommendations to City Council.

April 5, 2017 – City Council reviewed conceptual design.

FISCAL AND RESOURCE IMPACT:

No fiscal impact associated with recommended action. The City has collected \$3,330,000 in Library Impact fees from development activity to pay for the library expansion. Library expansion is included within the Adopted Operating and Capital Improvements Program Budget (Fund 348) in FY 2016-17 and 2017-18 as project number 251015.

CEQA (California Environmental Quality Act):

The expansion project is exempt from the California Environmental Quality Act (CEQA) under Section 15301 (Existing Facilities) (e) (1) of Guidelines for CEQA and Section 21083 of the Public Resources Code.

LINKS/ATTACHMENTS:

1. Resolution
2. Plans
3. Color Board

RESOLUTION NO. 17-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A DESIGN PERMIT FOR 6434 SQUARE FOOT ADDITION TO THE MORGAN HILL LIBRARY LOCATED AT 660 WEST MAIN AVENUE IN THE PUBLIC FACILITY ZONING DISTRICT (APN773-02-006)

WHEREAS, such request was considered by the City Council at its regular meeting of November 15, 2017, at which time the City Council approved Site Review application, SR-2017-11: W. Main-City of Morgan Hill; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

NOW, THEREFORE, THE MORGAN HILL CITY COUNCIL DOES RESOLVE AS FOLLOWS:

SECTION 1. The proposed project is consistent with the Public Facility zoning designation and the General Plan.

SECTION 2. Projects approved pursuant hereto are exempt from the California Environmental Quality Act (CEQA) under Section 15301 (e) (1) of Guidelines for CEQA and Section 21083 of the Public Resources Code because the proposed project is an expansion of an existing facility meeting the following conditions:

- a) The project is consistent with the applicable Public Facility general plan designation and all general plan policies as well as with the applicable PF, Public Facility zoning designation and regulations.
- b) The proposed expansion is less than 10,000 square feet.
- c) All public services and facilities are available to the site to facilitate the maximum development permissible in the General Plan.
- d) The project site is not environmental sensitive.
- e) The site can be adequately served by all required utilities and public services.

SECTION 3. The City Council hereby finds the project to be in substantial conformance with the zoning and design guidelines and approves the Design Permit for the Library expansion, as contained in that certain series of documents dated September 7, 2017, on file in the Community Development Department, entitled "Morgan Hill Expansion" prepared by Weston Miles Architects.

SECTION 4. The approved project shall be subject to the conditions as identified in the set of standard conditions attached hereto, as exhibit "A", and by this reference incorporated herein.

PASSED, APPROVED AND ADOPTED by the City Council of the City of Morgan Hill at a regular meeting held on the 15th day of November 2017.

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

APPROVED:

ATTEST:

STEVE TATE, Mayor

IRMA TORREZ, City Clerk

Attachment: Resolution (1473 : Library Expansion)

∞ CERTIFICATION ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No. 17-0XX, adopted by the City Council at a regular meeting held on November 15, 2017.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

EXHIBIT A - STANDARD CONDITIONS

APPLICATION: SR 17-11: W. Main-City of Morgan Hill

THE FOLLOWING ARE STANDARD CONDITIONS OF APPROVAL THAT MUST BE MET PRIOR TO THE ISSUANCE OF BUILDING PERMITS AND/OR SITE DEVELOPMENT PERMITS EXCEPT AS MAY BE SPECIFIED IN THE CONDITIONS. THE APPROVAL REQUIREMENTS INCLUDE THESE REQUIREMENTS AND ANY SPECIAL CONDITIONS THAT ARE APPLIED THROUGH THE DEVELOPMENT APPROVAL PROCESS. APPLICANTS ARE REQUIRED TO SIGN THE RESOLUTION FORM INDICATING THEY UNDERSTAND AND AGREE TO IMPLEMENT THESE STANDARD CONDITIONS AND ANY SPECIAL CONDITIONS APPLIED TO THEIR PERMIT APPROVAL.

TIME LIMITS

The Design Review approval granted under this Resolution shall remain in effect for two years to November 15, 2019. Failure to obtain building permits within this term shall result in termination of approval unless an extension of time is granted with a showing of just cause prior to expiration date.

PLANNING DIVISION

SITE PLAN

1. Full form 6-inch concrete curbing shall be used in-lieu of the wheel-stops on the east and west side of entry ramp.
2. Provide a minimum sidewalk clearance of 5 feet, measured between the building and fixed objects.
3. Locations of fixtures (lighting, benches, art, etc.) should be reviewed in context of pedestrian flow and building exiting requirements.
4. Final reuse of the existing entry trellis shall be reviewed and approved by the Community Development Director prior to the issuance of a building permit.

AIR QUALITY MANAGEMENT PLAN: A management plan detailing strategies for control of noise, dust and vibration, and storage of hazardous materials during construction of the project shall be on all site development and grading plans. The intent of this condition is to minimize construction related disturbance of residents of the nearby or adjacent properties. The plan must include the following “Basic Construction Mitigation Measures” per BAAQMD:

1. All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day.
2. All haul trucks transporting soil, sand, or other loose material off-site shall be covered.
3. All visible mud or dirt track-out onto adjacent public roads shall be removed using wet power vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited.
4. All vehicle speeds on unpaved roads shall be limited to 15 mph.
5. Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to 5 minutes (as required by the California airborne

toxics control measure Title 13, Section 2485 of California Code of Regulations [CCR]). Clear signage shall be provided for construction workers at all access points.

6. All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified visible emissions evaluator.
7. Post a publicly visible sign with the telephone number and person to contact at the lead agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations.
8. Use low VOC (i.e., ROG) coatings beyond the local requirements (i.e., Regulation 8, Rule 3: Architectural Coatings).
9. Requiring that all construction equipment, diesel trucks, and generators be equipped with Best Available Control Technology for emission reductions of NOx and PM.
10. Requiring all contractors use equipment that meets CARB's most recent certification standard for off-road heavy-duty diesel engines.

ARCHITECTURAL

1. Clear or mild tint glazing shall be provided in all window areas-no mirrored glass.
2. All vents, gutters, downspouts, flashing, electrical conduits, etc. shall be painted to match the color of the adjacent surface or otherwise designed in harmony with the building exterior.
3. Soffits and other architectural elements visible from view but not detailed on the plans shall be finished in a material in harmony with the exterior of the building.

ROOF MOUNTED MECHANICAL EQUIPMENT: All roof mounted mechanical equipment shall be placed within a screened roof top enclosure or located below the parapet level and shall not be visible from the ground at any distance from the building. Cross section roof drawings shall be provided at the building permit stage indicating the relative height of the screen wall or parapet. Minimum screen height or parapet depth shall be 3 ft. or greater to match the height of any proposed equipment.

LANDSCAPE:

1. Detailed landscape planting and irrigation working drawings shall be submitted to the Community Development Department for approval prior to issuance of building permits. Detailed landscape and irrigation plans shall be submitted as part of the master building site and improvement plans.
2. All trees within approved landscape plans shall be of a minimum fifteen-gallon size. All shrubs shall be minimum five-gallon size unless otherwise approved by the Community Development Director.
3. The landscape plans shall be in conformance with the City's Water Conserving Landscape Ordinance that was developed in accordance with California law. This Ordinance restricts landscaping turf to certain areas, specifies plant selection, requires certain types of irrigation equipment, and calls for the development of comprehensive water use calculations as an aspect of the submitted landscape plans. It is strongly suggested that the project's landscape designer refer to the City's Ordinance prior to beginning development of the project's landscape plans.
4. All existing site lighting removed shall be relocated and reused on-site.

FINAL SITE DEVELOPMENT PLANS: Final site development plans shall be reviewed and approved by the Community Development Department prior to issuance of a building permit. All such plans shall include:

1. Detail depicting all concrete curbs as full formed.
2. Provision of catalogue drawings depicting the proposed parking area lighting fixtures. Exterior lighting of the building and site shall be designed so that lighting is not directed onto adjacent properties and light source is shielded from direct off-site viewing.
3. Ramps, special parking spaces, signing and other physical features for the disabled, shall be provided throughout the site for all publicly used facilities.
4. All mechanical equipment, including electrical and gas meters, post indicator valve, backflow prevention devices, etc., shall be architecturally screened from view or located interior to the building. All ground mounted utility appurtenances such as transformers shall not be visible from any public right-of-way and shall be adequately screened through the use or combination of concrete or masonry walls, berming, and landscaping. For additional screening, backflow preventers shall be painted dark green, except the fire connection which shall be painted yellow. Final method of screening shall be coordinated and detailed as part of the Third St. improvement project approval.
5. On-site lighting levels and intensity (including building, parking, security and signage lighting) shall be subject to review and approval of the Planning Division, and is subject to modification after project approval should lighting negatively impact surrounding uses.

DEFENSE AND INDEMNITY: Applicant agrees to defend and indemnify and hold City, its officers, agents, employees, officials and representatives free and harmless from and against any and all claims, losses, damages, injuries, costs and liabilities arising from any suit for damages or for equitable or injunctive relief which is filed against City by reason of its approval of this Site Review approval. In addition, applicant shall pay all pre-tender litigation costs incurred on behalf of the City including City's attorney's fees and all other litigation costs and expenses, including expert witnesses, required to defend against any lawsuit brought as a result of City's approval or approvals, but shall not be required to pay any litigation from the City. However, applicant shall continue to pay reasonable internal City administrative costs, including but not limited to staff time and expense spent on the litigation, after tender is accepted. The undersigned hereby represents that they are fully empowered by the applicant as their agent to agree to provide the indemnification, defense and hold harmless obligations, and the signature below represents the unconditional agreement by applicant to be bound by such conditions.

SIGNED COPIES OF RESOLUTION: Submit two (2) signed copies of Resolution 17- to the Planning Division prior to issuance of building permits.

HABITAT CONSERVATION PLAN: The approved project is covered under the Santa Clara Valley Habitat Plan (Habitat Plan) and subject to fees and conditions contained in the Habitat Plan.

Prior to issuance of building permits or grading permits the project shall complete and submit a Habitat Plan Application Package. All fees must be paid prior to issuance building permits or grading permits.

BUILDING DIVISION

GRADING: Prior to issuance of a building permit, the applicant shall provide site improvement plans including comprehensive grading and drainage details stamped and signed by a State Licensed Civil Engineer.

FIRE SPRINKLERS: Additions to structures or a change in occupancy require fire sprinkler protection.

BUILDING PLANS: Submit a minimum of six (5) complete sets of drawings and two sets of stamped and signed structural, soils and other supporting documents. Building plans shall be drawn at a minimum 1/4" scale. Minimum sheet size shall be 18" x 24".

ENGINEERING DIVISION

STORMWATER MANAGEMENT: This project shall comply with the California Regional Water Quality Control Board Central Coast Region Resolution No. R3-2013-0032 as documented by the Stormwater Management Guidance Manual for Low Impact Development and Post-Construction Requirements (developed from Resolution No. R-2013-0032 Attachment 1 and 2 at: http://www.waterboards.ca.gov/centralcoast/water_issues/programs/stormwater/docs/lid/lid_hydr_omod_charette_index.shtml). A copy of the guidance manual can be obtained through following URL: <http://www.morganhill.ca.gov/DocumentCenter/View/12671>.

1. Add a table showing all new and replaced impervious surfaces and corresponding square footages to determine applicability of the Stormwater Post-Construction requirements.
2. If the total impervious area is 2,500 square feet or more, refer to the applicable requirements in the Stormwater Management Guidance Manual. The project should confirm if the existing detention pond within the Civic Center complex can be used to address a portion of the stormwater requirements.

GRADING/DRAINAGE:

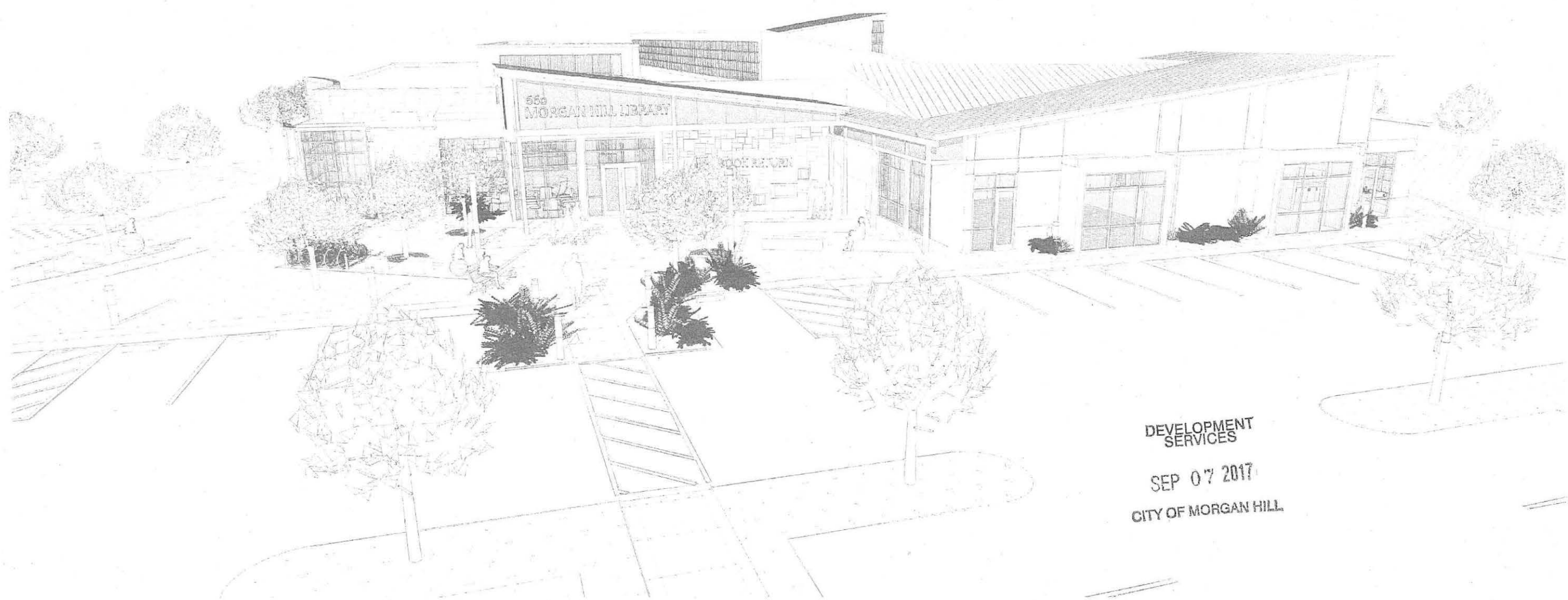
1. Show a typical cross-section at the new larger building addition including the proposed sidewalk and the landscaped area between the existing library building and Dewitt Avenue. The 2006 as-built plans for the library show the landscaped area designed to drain to inlets located at the bottom of the slope.
2. Confirm if the existing 6" perforated pipe shown on Sheet A1.2 (called out in Note 11) exists as the 2006 as-built plans for the library do not show this pipe.
3. Plans show an existing drop inlet (located near the new handicap parking stall and close to the existing pump house) remaining in the sidewalk. Label the drop inlet as existing and relocate inlet outside the sidewalk.

GENERAL:

1. Applicant shall cause the construction of all public and private improvements in accordance with the latest City Standard Drawings and Specifications. (MHMC 12.02.090 A; 17.32.010 A)
2. Obtain necessary encroachment permits from the City of Morgan Hill (MHMC 12.08.040 A)
3. Improvement plans are to show water lines, sanitary sewer, storm drain system, pavement widths, curve radius, and existing utilities.

NPDES WATER QUALITY STORMWATER MANAGEMENT

1. At grading/building permit stage, submit an Erosion and Sediment Control Plan with proposed erosion/sediment control measures.
2. State Water Resources Control Board Post Construction Requirements (PCRs): Project shall comply with the California Regional Water Quality Control Board Central Coast Region Resolution No. R3-2013-0032. Project shall provide Stormwater Control Plan Checklist and applicable calculations per the Stormwater Management Guidance Manual for Low Impact Development and Post-Construction Requirements. Project shall meet the applicable requirements of the Stormwater Management Guidance Manual for Low Impact Development and Post-Construction Requirements:
 - a. Performance Requirement 1: Site Design and Runoff Reduction
 - b. Performance Requirement 2: Water Quality Treatment
 - c. Performance Requirement 3: Runoff Retention
 - d. Performance Requirement 4: Peak Management



Attachment: Plans (1473 : Library Expansion)



MORGAN HILL LIBRARY EXPANSION

ARCHITECTURAL & SITE DESIGN REVIEW SUBMITTAL

660 W MAIN AVE,
MORGAN HILL CA, 95037



SHEET LEGEND

ARCHITECTURAL	COVER SHEET		
A1.0	OVERALL SITE PLAN	A1.4	ENLARGED SITE PLANS
A1.1	EXISTING & DEMO SITE PLAN	A1.5	ENLARGED SITE PLANS
A1.2	CONCEPTUAL GRADING/DRAINAGE PLAN	A1.6	SITE DETAILS
A1.3	SITE PLAN	A3.1	EXTERIOR ELEVATIONS
		A3.2	EXTERIOR ELEVATIONS
		A4.0	ROOF PLAN
		L1.1	LANDSCAPE PLAN

CONTACTS

OWNER	CITY OF MORGAN HILL 660 W MAIN AVE MORGAN HILL, CA 95037	ARCHITECT	WESTON MILES ARCHITECTS, INC. 17500 DEPOT STREET, SUITE #120 MORGAN HILL, CA 95037
	ATTN: YAT CHO PHONE: 1-408-779-7271 YAT.CHO@MORGANHILL.CA.GOV		ATTN: LESLEY MILES PHONE: 1-408-779-6686 LESLEY@WMARCHITECTS.COM



WESTON MILES
ARCHITECTS
Charles D. Weston, AIA Lesley L.

GENERAL NOTES

- ALL WORK SHALL BE DONE IN ACCORDANCE WITH THE FOLLOWING:
 - APPLICABLE SECTIONS OF THE STATE OF CALIFORNIA'S DEPARTMENT OF TRANSPORTATION STANDARD SPECIFICATIONS, LATEST EDITION, HEREINAFTER CALLED "CALTRANS";
 - CALIFORNIA PLUMBING CODE AND CALIFORNIA BUILDING CODE PROVISIONS;
 - AIWA STANDARD SPECIFICATIONS;
 - CITY OF MORGAN HILL DESIGN STANDARDS WHERE APPLICABLE;
 - STANDARDS OF THE UNITED STATES DEPARTMENT OF LABOR, OCCUPATIONAL SAFETY AND HEALTH ADMINISTRATION, OFFICE OF STANDARDS AND RULES OF THE STATE DIVISION OF INDUSTRIAL SAFETY;
 - THESE PLANS AND DETAILS SHOWN HEREON, WHERE CONFLICTS EXIST BETWEEN ANY OF THE ABOVE LISTED SPECIFICATIONS THE MOST STRINGENT SPECIFICATION SHALL PREVAIL.
- CONTRACTOR SHALL VERIFY LOCATION OF ALL <E> ABOVE GROUND UTILITIES AND PROVIDE FOR THEIR TEMPORARY DISCONNECTION, PROTECTION, REMOVAL AND/OR STORAGE AS MAY BE REQUIRED DURING CONSTRUCTION. CONTRACTOR SHALL COORDINATE WITH THE COUNTY/DISTRICT TO DETERMINE WHETHER TEMPORARY SERVICES ARE NECESSARY.
- ALL SPOILS, DEBRIS, AND INCIDENTAL ITEMS SHALL BE HAULED OFF SITE BY CONTRACTOR AND BE DISPOSED OF IN A LAWFUL MANNER AS IT ACCUMULATES.
- CONTRACTOR SHALL TAKE CARE NOT TO DAMAGE IN ANY WAY, ANY EXISTING ELEMENTS NOT DESIGNATED FOR REMOVAL. SUCH DAMAGE IS THE RESPONSIBILITY OF THE CONTRACTOR AT NO ADDITIONAL COST TO THE COUNTY/DISTRICT.
- COORDINATE SHUT-OFF OF ALL UTILITIES PRIOR TO ANY DEMOLITION.
- CONTRACTOR IS TO PROTECT AND KEEP <E> TREES NOT MARKED FOR RELOCATION OR REMOVAL.
- THE SITE MUST BE CLEANED AT THE END OF EACH BUSINESS DAY.
- CONTRACTOR TO MAINTAIN A SAFE, SECURE SITE.
- THIS DRAWING IS TO OUR BEST KNOWLEDGE AND REFLECTS THE <E> SITE CONDITIONS.
- IT IS THE RESPONSIBILITY OF THE CONTRACTOR TO SECURE ALL PERMITS NECESSARY TO PERFORM THE WORK, INCLUDING BUT NOT LIMITED TO WORK IN THE PUBLIC RIGHT-OF-WAY, TREE REMOVAL, AND UTILITY MODIFICATIONS.
- ALL KNOWN EXISTING UTILITY LINES ARE SHOWN FOR INFORMATION ONLY. CONTRACTOR SHALL EXERCISE ALL NECESSARY CAUTION TO AVOID DAMAGE TO ANY EXISTING UTILITY LINES OR FACILITIES TO REMAIN IN PLACE. WHETHER OR NOT SUCH LINES OR FACILITIES ARE SHOWN ON THESE PLANS, AND SHALL BEAR FULL RESPONSIBILITY FOR ANY DAMAGE THEREOF. CONTRACTOR IS ADVISED TO CONTACT UNDERGROUND SERVICE ALERT (USA) AT (800) 642-2444 OR A PRIVATE UNDERGROUND LOCATOR SERVICE (AT CONTRACTOR'S EXPENSE) AND THE AFFECTED UTILITY COMPANY FOR MARKING UNDERGROUND LINES PRIOR TO BEGINNING WORK.
- TO REDUCE CONSTRUCTION DUST THESE CONTROL MEASURES SHALL BE REQUIRED DURING DEMOLITION/CONSTRUCTION
 - WATER ALL ACTIVE CONSTRUCTION AREAS AT LEAST TWICE DAILY
 - COVER ALL TRUCKS HAULING SOIL, SAND, OR LOOSE MATERIALS OR REQUIRE ALL TRUCKS TO MAINTAIN AT LEAST TWO FEET OF FREEBOARD.
 - SWEEP STREET DAILY (WITH WATER SWEEPERS) IF VISIBLE SOIL MATERIAL IS CARRIED INTO ADJACENT PUBLIC STREETS.
 - ENCLOSE, COVER, WATER TWICE DAILY OR APPLY NON-TOXIC SOIL BINDERS TO EXPOSED STOCKPILES (DIRT, SAND, ETC.)

BUILDING & SITE DATA

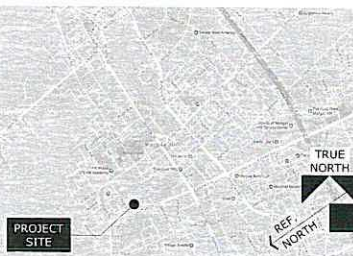
APN #	773-02-006
SITE ACREAGE	5.24
ZONING	PUBLIC
FACILITIES DISTRICT	
GENERAL PLAN DESIGNATION	PUBLIC
FACILITIES	
OCCUPANCY TYPE:	B, A-3
NUMBER OF STORIES:	1
TYPE OF CONSTRUCTION:	II-B
FIRE SPRINKLERED:	THROUGHOUT

SEE A1.1 FOR PARKING CALCULATION, LOT COVERAGE, SITE ANALYSIS & FLOOR AREA RATIO

SCOPE OF WORK

- GENERAL PROJECT DESCRIPTION INCLUDES:
- ADDITION TO EXISTING LIBRARY
 - EXPAND UTILITIES AND FIRE SPRINKLER SYSTEM INTO ADDITION
 - INTERIOR TENANT IMPROVEMENT

VICINITY MAP



REVISIONS

- 1
- 2
- 3

OVERALL SITE PLAN

MORGAN HILL LIBRARY EXPANSION

CITY OF MORGAN HILL
660 W MAIN AVE, MORGAN HILL, CA 95037

DATE	09/06/2017
SCALE	15058

A1.1



ACCESSIBILITY NOTES

- PEDESTRIAN PATH OF TRAVEL (P.O.T.) INDICATED AS A BARRIER FREE, COMMON, ACCESS ROUTE WITHOUT ANY ABRUPT VERTICAL CHANGES EXCEEDING 1/2" BEVELED AT 1:2 MAXIMUM SLOPE, EXCEPT THAT LEVEL CHANGES DO NOT EXCEED 1/4" VERTICAL. THE PATH'S SURFACE SHALL BE AT LEAST 48" WIDE, SLIP RESISTANT, STABLE, FIRM AND SMOOTH, PASSING SPACES (CBC 11338.7.1) SHALL BE AT LEAST 60" X 60" ARE LOCATED NOT MORE THAN 200' APART. PARTS OF POT W/CONTINUOUS GRADIENTS SHALL HAVE 60" LEVEL AREAS (CBC 11338.7.5) NOT MORE THAN 400' APART. THE CROSS SLOPE SHALL NOT EXCEED 2% AND THE SLOPES IN THE DIRECTION OF TRAVEL THAT EXCEED 5% SHALL BE CONSTRUCTED AS ACCESSIBLE RAMPS. THE P.O.T. SHALL BE FREE OF OVERHEAD OBSTRUCTIONS UP TO 80" MINIMUM (CBC 11338.8.2). OBJECTS PROJECTING FROM WALLS W/LEADING EDGES BETWEEN 27" AND 80" A.F.F. SHALL NOT PROTRUDE MORE THAN 4" FROM THE WALL (CBC 11338.8.6). THE P.O.T. SHALL COMPLY W/CBC 11338.7.
- ARCHITECT AND CONTRACTOR TO VERIFY THAT ALL BARRIERS IN THE PATH OF TRAVEL HAVE BEEN REMOVED PER SECTION 11338.7.
- ACCESSIBLE PATH OF TRAVEL SHALL BE SLIP RESISTANT & COMPLY W/SECTIONS 1131A OF TITLE 24.
- ACCESSIBLE GROUND FLOOR ENTRY/ EXITS SHALL COMPLY WITH:
CBC 11338.1 - 11338.5.
 - 24" STRIKE SIDE CLEARANCE AT EXTERIOR PULL SIDE OF DOORS
 - 60" MIN LEVEL AREA (2% MAX SLOPE) PERPENDICULAR TO DOOR @ EXTERIOR & INTERIOR
 - LEVEL LANDING AREA CONNECTED TO ACCESSIBLE ROUTE THROUGHOUT SITE.

PARKING ANALYSIS

PARKING SPACES REQUIRED PER (MH ZONING 18.50.020):	NO SPECIFIC STANDARD LISTED FOR THIS USE
PARKING SPACES PROVIDED:	108 SPACES, INCL. 5 ACCESS. STALLS
* NUMBER OF PARKING SPACES PROVIDED PER CBC 11298, TABLE 118-6	
STANDARD STALLS	92 PROVIDED
COMPACT STALLS	9 PROVIDED
30 MIN. ZONE STALLS	2 PROVIDED
ACCESSIBLE STALLS (101-150") 5 REQUIRED	4 PROVIDED
ACCESSIBLE STALLS	1 PROVIDED
VAN ACCESSIBLE STALLS	1 PROVIDED
TOTAL PARKING PROVIDED	108 PROVIDED

LOT COVERAGE

SITE AREA: 5.24 ACRES = 228,254 SF	
% BUILDING COVERAGE:	
<E> PUMP HOUSE	698 SF
<E> LIBRARY	27,909 SF
(N) LIBRARY ADDITION	6,434 SF
TOTAL BUILDING COVERAGE	35,041 SF = 15.3%
% PARKING: (<E> COVERAGE 51,2740 SF)	
NEW PARKING COVERAGE = 47,085 = 20.6%	
% LANDSCAPE: (<E> COVERAGE 121,431 SF)	
NEW LANDSCAPE COVERAGE 127,286 SF = 55.8%	
% HARDSCAPE: (<E> COVERAGE 22,299 SF)	
NEW HARDSCAPE COVERAGE 18,886 SF = 8.3%	
FAR:	35.041
	228,254 = .15

SYMBOL LEGEND

- PROPERTY LINE
- BLDG # (N) BLDG ADDITION
- BLDG # <E> BLDG
- ACCESSIBLE PATH OF TRAVEL
- ACCESSIBLE BATHROOMS LOCATED WITHIN BLDG.

KEY NOTES

- <E> BUS STOP
- (N) 6" PVC S.S. LINE
- <E> S.S. LATERAL
- <E> FIRE HYDRANT
- POSSIBLE ADDITION (N) 6" FIRE HYDRANT LINE NOT KNOWN IF <E> CAN SUPPORT (N)



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• Architecture • Landscape •



REVISIONS

- 1
- 2
- 3

GENERAL NOTES

1. CONTRACTOR SHALL VERIFY LOCATION OF ALL <E> ABOVE GROUND UTILITIES AND PROVIDE FOR THEIR TEMPORARY DISCONNECTION, PROTECTION, REMOVAL AND/ OR STORAGE AS MAY BE REQUIRED DURING CONSTRUCTION. CONTRACTOR SHALL COORDINATE WITH THE COUNTY/DISTRICT TO DETERMINE WHETHER TEMPORARY SERVICES ARE NECESSARY.
2. ALL SPOILS, DEBRIS, AND INCIDENTAL ITEMS SHALL BE HAULED OFF SITE BY CONTRACTOR AND BE DISPOSED OF IN A LAWFUL MANNER AS IT ACCUMULATES.
3. CONTRACTOR SHALL TAKE CARE NOT TO DAMAGE IN ANY WAY, ANY EXISTING ELEMENTS NOT DESIGNATED FOR REMOVAL. SUCH DAMAGE IS THE RESPONSIBILITY OF THE CONTRACTOR AT NO ADDITIONAL COST TO THE COUNTY/DISTRICT.
4. COORDINATE SHUT-OFF OF ALL UTILITIES PRIOR TO ANY DEMOLITION.
5. CONTRACTOR IS TO PROTECT AND KEEP <E> TREES.
6. THE <E> BUILDINGS ARE TO REMAIN IN USE DURING CONSTRUCTION.
7. THE SITE MUST BE CLEANED AT THE END OF EACH BUSINESS DAY.
8. CONTRACTOR TO MAINTAIN A SAFE, SECURE SITE.
9. THIS DRAWING IS TO OUR BEST KNOWLEDGE AND REFLECTS THE <E> SITE CONDITIONS.
10. <E> S.D. TO HAVE SACK FILTER.
11. FOR ADDITIONAL INFORMATION SEE SHEET A1.2.
12. CONTRACT TO MAINTAIN & WATER TREES & LANDSCAPE DURING TOTAL COURSE OF CONSTRUCTION FOR WHOLE LIBRARY SITE.

DEMOLITION KEY NOTES

- 01 <E> BIKE RACK TO BE RELOCATED SEE A1.5 KEYNOTE #08
- 02 <E> TREE WELL TO BE MOVED TO (N) ELEVATION TO NEW PAVING FINISH, TREE TO REMAIN, PROTECT TREE DURING DEMO & RECONSTRUCTION.
- 03 <E> TREE & ROOT BALL TO BE REMOVED
- 04 <E> "CHILD ON MUSHROOM" STATUE 13 PLAQUE TO BE RELOCATED SEE SITE PLAN A1.6 KEYNOTE #10
- 05 <E> TRELLIS, COLUMNS AND FOOTINGS TO BE REMOVED & RELOCATED PER CITY DIRECTION-DEMO OR RELOCATE PER CITY NOT YET DETERMINED.
- 06 REMOVE PORTION OF <E> D.G MOW STRIP
- 07 REMOVE SIDEWALK STAIRS HANDRAILS, FOOTINGS.
- 08 REMOVE LIGHT & FOUNDATION TO A MIN. OF 3" ABOVE (N) GRADE
- 09 <E> BOOK STATUE TO REMAIN PROTECTED DURING DEMOLITION AND RECONSTRUCTION
- 10 <E> "WOMAN AND CHILD ON BENCH" STATUE TO BE RELOCATED SEE ENLARGED SITE PLAN A1.6 FOR NEW LOCATION KEYNOTE#09
- 11 <E> "BOOK BENCH" STATUE TO BE RELOCATED SEE ENLARGED SITE PLAN A1.4 FOR NEW LOCATION
- 12 <E> TRASH, RECYCLING & ASH TRAY TO BE RELOCATED SEE ENLARGED SITE PLAN A1.6 FOR NEW LOCATION
- 13 <E> HESS AMERICA SE428 LIGHT FIXTURE TO BE RELOCATED SEE ENLARGED SITE PLANS FOR NEW LOCATIONS - CAP @ CONCRETE- SEE DETAIL 30/A1.6 - SEE SYMBOL LEGEND
- 14 <E> SIGNS REMOVE & RELOCATE. POST & FOOTING TO BE REMOVED
- 15 <E> FIRE HYDRANT TO REMAIN PROTECTED DURING DEMOLITION AND RECONSTRUCTION. COORDINATE W/ FIRE INSPECTOR DURING CONSTRUCTION TO REMAIN OPERATIONAL
- 16 <E> TREE TO REMAIN PROTECTED DURING DEMOLITION AND RECONSTRUCTION
- 17 RELOCATED BOOK STATUE "S1" SEE A1.5 KEYNOTE #21
- 18 RELOCATED BOOK STATUE "S2" SEE A1.5 KEYNOTE #22
- 19 RELOCATED BOOK STATUE "S3" SEE A1.5 KEYNOTE #23
- 20 RELOCATED BOOK STATUE "S4" SEE A1.6 KEYNOTE #24
- 21 <E> ADA PUSH BOTTOM DOOR OPENER TO BE RELOCATED SEE SHEET A1.6 KEYNOTE #25
- 22 <E> LIGHT TO REMAIN. PROTECT DURING DEMOLITION / CONSTRUCTION
- 23 RELOCATE <E> SIGN, SEE A1.4 KEYNOTE #08
- 24 <E> SIGN TO REMAIN
- 25 <E> CONC. SLAB TO BE PROTECTED THRU-OUT CONSTRUCTION.
- 26 <E> TREE TO REMAIN PROTECTED DURING DEMOLITION AND RECONSTRUCTION - STEEL TREE WELL TO BE REMOVED
- 27 <E> CURB INLET TO REMAIN - INSTALL INLET SACK FILTER & BURLAP BAGS
- 28 <E> TREE TO REMAIN PROTECTED DURING DEMOLITION AND RECONSTRUCTION - STEEL TREE WELL TO BE REMOVED & REINSTALLED IN (N) CONC. WELL - SEE GENERAL NOTE #5 & #12
- 29 FOR S.D. SCOPE SEE A1.2

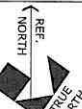
SYMBOL LEGEND

- PROPERTY LINE
- ITEMS TO BE DEMOLISHED
- ★ TALL LIGHT FIXTURE
- SHORT LIGHT FIXTURE
- [Hatched Box] REMOVE ALL LANDSCAPE, IRRIGATION, UNDERGROUND UTILITIES AND CAP OFF - COORDINATE WITH NEW GRADING & DRAINAGE & IRRIGATION PLANS
- [Hatched Box] REMOVE & DISCARD PORTION OF CONCRETE, PAVING, CURBS, FOOTINGS ETC & SUBBASE AS REQUIRED TO OBTAIN FINISH HEIGHTS.

EXISTING& DEMO SITE PLAN

SCALE: 3/32" = 1'-0"

1



EXISTING & DEMO SITE PLAN

MORGAN HILL LIBRARY EXPANSION

CITY OF MORGAN HILL
660 W MAIN AVE, MORGAN HILL, CA 95037

This drawing is the property of Weston Miles Architects and shall not be reproduced or used in any manner without the written consent of Weston Miles Architects. The user of this drawing shall be responsible for obtaining all necessary permits and approvals from the appropriate authorities. The user shall also be responsible for obtaining all necessary insurance and bonding for the project. The user shall also be responsible for obtaining all necessary permits and approvals from the appropriate authorities. The user shall also be responsible for obtaining all necessary insurance and bonding for the project.

DATE: 09/06/2017
PROJECT NO: 15058

A1.1



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1-408-779-6686
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REVISIONS

- 1
- 2
- 3

GENERAL NOTES

1. NONE

KEY NOTES

- 01 (N) C.B.
- 02 CONNECT <E> S.D. TO (N)
- 03 (N) 8" PVC PIPE, FRENCH DRAIN
- 04 <E> 6" PERF. PIPE SUBDRAIN TO REMAIN
- 05 <E> 10" S.D.
- 06 <E> C.B.
- 07 REMOVE <E> S.D. PIPE
- 08 REMOVE <E> R.W.L. CLEAN OUT
- 09 REMOVE <E> TREE
- 10 (N) 5' WIDE CONCRETE SIDEWALK
- 11 <E> PORTION OF 6" PERF. PIPE TO BE REMOVED
- 12 8" PVC SOLID PIPE
- 13 ACCESSIBLE PARKING AREA TO BE 2% OR LESS
- 14 REMOVE PORTION OF <E> SIDEWALK
- 15 METAL R.W.L. W/ CHRISTY BOX TO <E> DRAIN LINE SEE 19/A1.6
- 16 <E> C.B. WITH ADA GRATE - SEE 28/A1.6
- 17 (N) LANDSCAPE C.B. - SEE 33/A1.6
- 18 <E> OVERFLOW AT BASE OF WALL TO BE REMOVED AND RE-ROUTED.
- 19 (N) 6" PVC DRAIN PIPE, CONNECT TO <E> S.D.
- 20 (N) OVERFLOW TO BE CENTERED ABOVE (N) WINDOW OR DOOR
- 21 SEE A1.0 FOR COMPLETE SCOPE OF WORK
- 22 (N) 6" S.S. LINE
- 23 POSSIBLE ADDITION (N) 6" FIRE HYDRANT LINE NOT KNOWN IF <E> CAN SUPPORT (N)
- 24 <E> CURB INLET TO REMAIN - INSTALL INLET SACK FILTER & BURLAP BAGS
- 25 <E> IRRIGATION VALVES
- 26 OVERFLOW
- 27 ROOF DRAIN
- 28 FIND R.W.L. IN WALL & RE-ROUTE
- 29 4" CAST IRON OVERFLOW LINE
- 30 4" CAST IRON DRAIN LINE
- 31 DRAIN ON ROOF
- 32 6" CAST IRON DRAIN LINE
- 33 FIND <E> OVERFLOW LINE & RE-ROUTE
- 34 FIND <E> DRAIN LINE & RE-ROUTE
- 35 RE-ROUTE DRAIN LINE TO WALL - TO C.B.
- 36 RE-ROUTE OVERFLOW IN CEILING

SYMBOL LEGEND

- PROPERTY LINE
- PA= PLANTING AREA SEE LANDSCAPE PLANS
- AREA OF NEW SLAB
- WATER FLOW DIRECTION
- TALL LIGHT FIXTURE
- SHORT LIGHT FIXTURE

CONCEPTUAL GRADING/DRAINAGE PLAN

MORGAN HILL LIBRARY EXPANSION

CITY OF MORGAN HILL
660 W MAIN AVE, MORGAN HILL, CA 95037

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Weston Miles Architects, Inc. is a registered professional engineering firm in the State of California. The drawings are prepared by Weston Miles Architects, Inc. and are not to be used for any other purpose without the written consent of Weston Miles Architects, Inc.

DATE: 09/06/2017

SCALE: 15058

15058

15058

15058

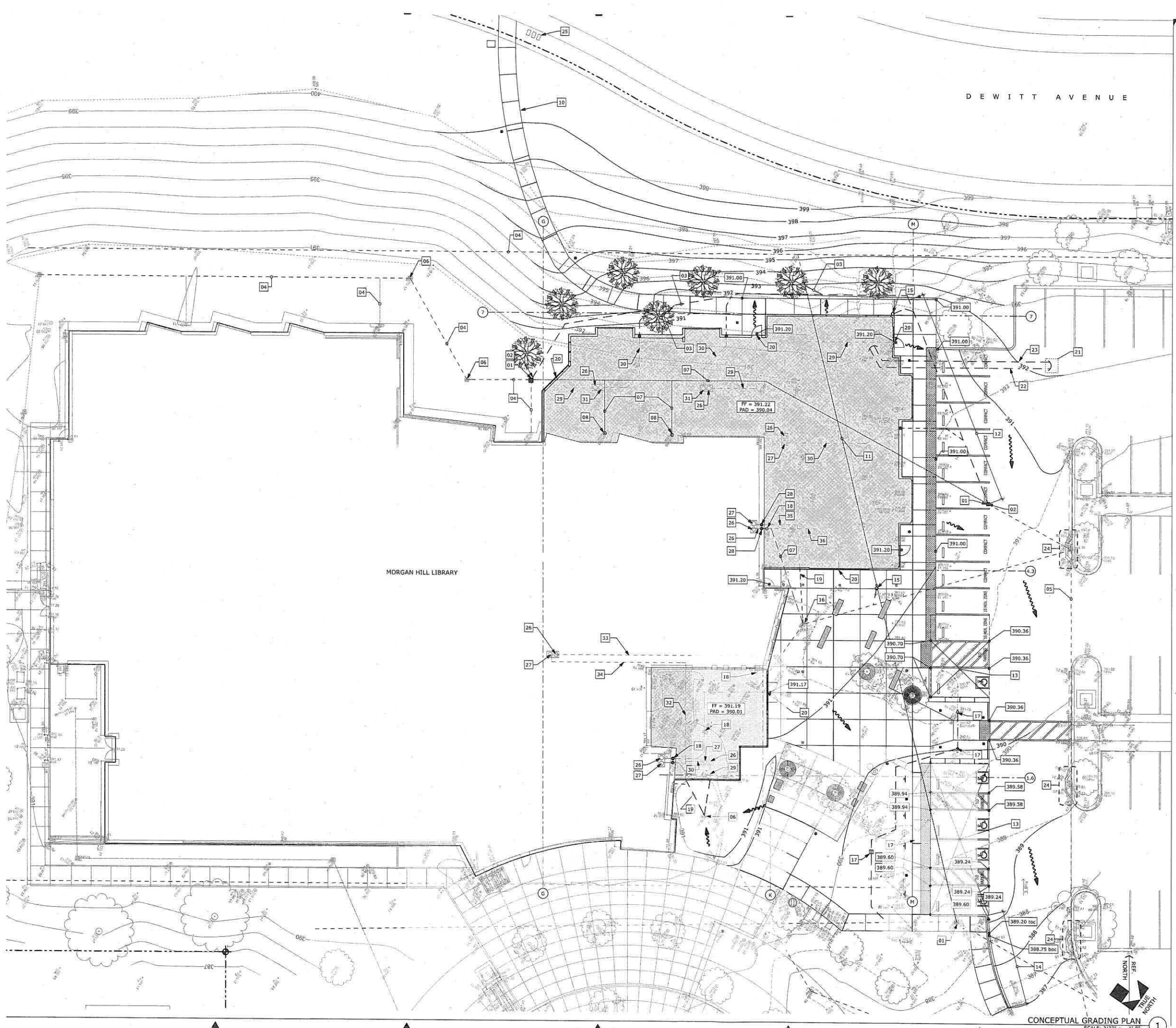
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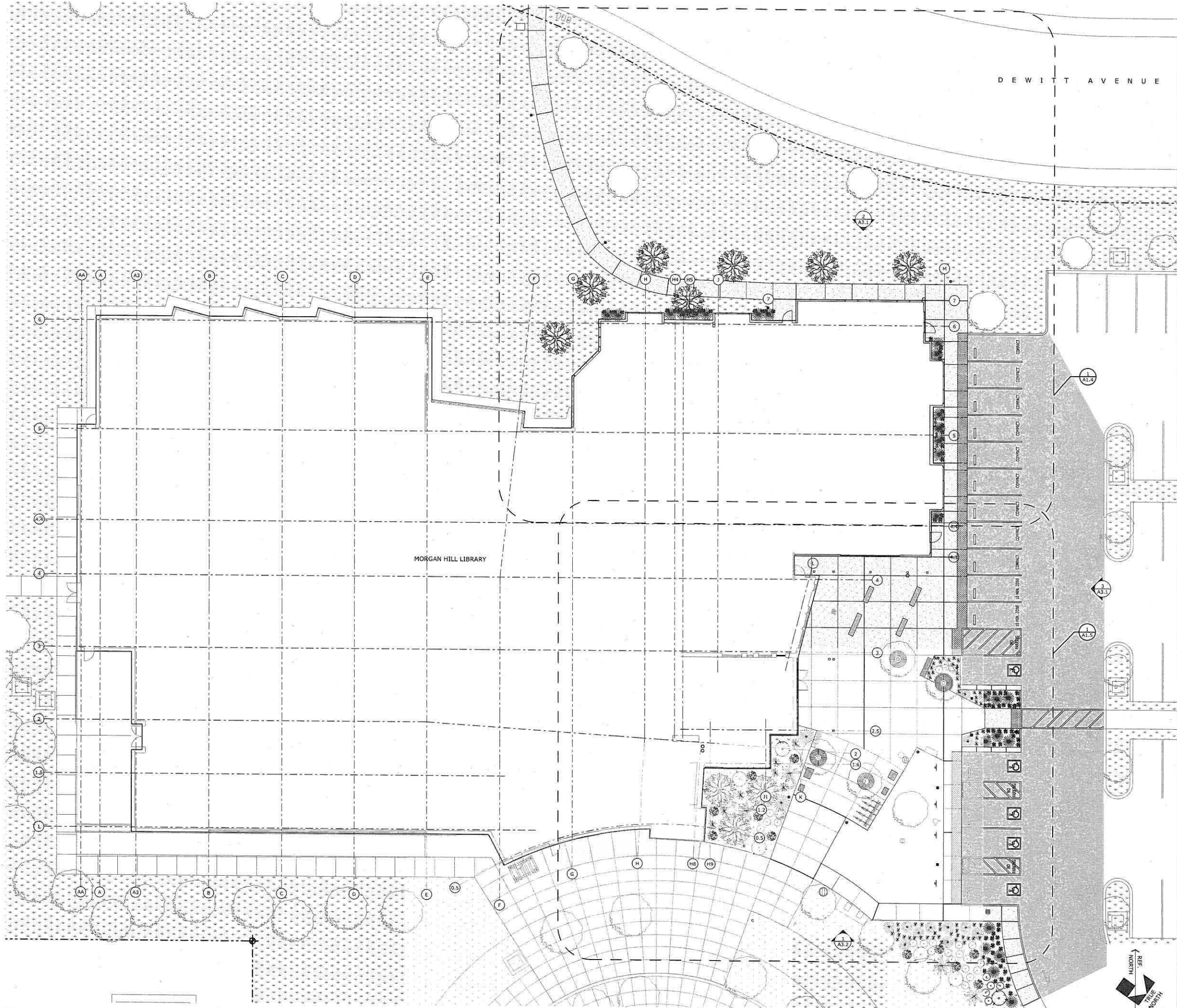
15058



CONCEPTUAL GRADING/DRAINAGE PLAN

SCALE: 3/32" = 1'-0"

1



GENERAL NOTES

- 1. NONE

KEY NOTES

- 01 (N) C.B.
- 02 CONNECT EXISTING S.D. TO NEW
- 03 NEW 8" PVC PIPE
- 04 <E> 6" PERF. PIPE SUBDRAIN TO REMAIN
- 05 <E> 10" S.D.
- 06 (N) ADA PUSH PLATE LOCATION

SYMBOL LEGEND

- PROPERTY LINE
- 2 1/2" ASPHALT O/ 6" CLASS 2 BASE ROCK O/ 95% COMPACTED BASE
- 4" CONCRETE SLAB COLOR "A" WITH MEDIUM BROOM FINISH W/ #3 REBAR @ 18" O/C/E/W OVER 4" CLASS 2 BASE ROCK O/ 95% COMPACTED BASE
- 4" CONCRETE SLAB COLOR "B" WITH MEDIUM BROOM FINISH W/ #3 REBAR @ 18" O/C/E/W OVER 4" CLASS 2 BASE ROCK O/ 95% COMPACTED BASE
- PA = PLANTING AREA SEE LANDSCAPE PLANS

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REVISIONS

- 1
- 2
- 3

SITE PLAN
MORGAN HILL LIBRARY EXPANSION
CITY OF MORGAN HILL
660 W MAIN AVE, MORGAN HILL, CA 95037

DATE: 09/06/2017
15058

A1
Packet Pg. 138



REVISIONS

1	
2	
3	

ENLARGED SITE PLANS

CITY OF MORGAN HILL
660 W MAIN AVE, MORGAN HILL, CA 95037

PROJECT INFORMATION

PROJECT	MORGAN HILL LIBRARY EXPANSION
DATE	09/06/2017
SCALE	1/8"=1'-0"
DATE	10/06/2017
SCALE	1/8"=1'-0"

A1

GENERAL NOTES

KEY NOTES

- 01. 4" WIDE WHITE STRIPING
- 02. <E> IRRIGATION VALVES
- 03. <E> TREE TO REMAIN. PROTECT DURING DEMOLITION AND RECONSTRUCTION. SEE GENERAL NOTES #2 & #5 ON A1.1
- 04. 12" HIGH PAINTED "COMPACT" LETTERING IN WHITE
- 05. RELOCATED TALL LIGHT FIXTURE
- 06. RELOCATED SHORT LIGHT FIXTURE
- 07. NEW SHORT LIGHT FIXTURE TO MATCH EXISTING
- 08. (N) LOCATION OF <E> SIGN
- 09. CAR WHEEL STOP. SEE DETAIL 31A/L6
- 10. TACTILE WARNING SURFACE SEE DETAIL 22A/L6

SYMBOL LEGEND

- TALL LIGHT FIXTURE
- SHORT LIGHT FIXTURE
- PROPERTY LINE
- 2.1/2" ASPHALT O/ 6" CLASS 2 BASE ROCK O/ 95% COMPACTED BASE
- 6" CONCRETE SLAB COLOR "A" WITH MEDIUM BROOM FINISH. SEE DETAIL 31A/L6 OVER 4" CLASS 2 BASE ROCK O/ 95% COMPACTED BASE
- 6" CONCRETE SLAB COLOR "B" WITH MEDIUM BROOM FINISH. SEE DETAIL 31A/L6 OVER 4" CLASS 2 BASE ROCK O/ 95% COMPACTED BASE

D E W I T T A V E N U E



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REVISIONS

- 1

2

3

GENERAL NOTES

1. NONE

KEY NOTES

- 01 ADA COMPLIANT PARKING - SEE TYP STRIPING DETAIL 27/A1.6
- 02 CAR WHEEL STOP, SEE DETAIL 31/A1.6
- 03 ADA COMPLIANT PARKING SIGNAGE SEE DETAIL 12/A1.6
- 04 TACTILE WARNING SURFACE SEE DETAIL 23/A1.6
- 05 RELOCATED TALL LIGHT FIXTURE
- 06 RELOCATED SHORT LIGHT FIXTURE
- 07 10 MIN ZONE, 12" HIGH LETTERING PAINTED IN GREEN
- 08 INSTALL RELOCATED BIKE RACK, SEE 15/A1.6
- 09 INSTALL RELOCATED "WOMAN AND CHILD ON BENCH" STATUE, SEE 9/A1.6, TYP.
- 10 INSTALL RELOCATED "CHILD ON MUSHROOM" STATUE
- 11 4" CURB INLET TO REMAIN - INSTALL INLET SACK FILTER & BURLAP BAGS
- 12 CONCRETE BENCH SEE 5/A1.6
- 13 RELOCATED TRASH, RECYCLE, ASH TRAY
- 14 4" FIRE HYDRANT
- 15 RELOCATED TREE WELL
- 16 COLD EXPANSION JOINT SEE 9/A1.6
- 17 (N) STORM DRAIN SEE GRADING PLAN
- 18 NOT USED
- 19 (N) C.B. SEE LANDSCAPE PLANS
- 20 "COMPACT" 12" HIGH LETTER PAINTED IN WHITE
- 21 RELOCATED BOOK STATUE "S1"
- 22 RELOCATED BOOK STATUE "S2"
- 23 RELOCATED BOOK STATUE "S3"
- 24 RELOCATED BOOK STATUE "S4"
- 25 RELOCATED ADA PUSH BUTTON DOOR OPENER
- 26 NOT USED
- 27 ALIGN
- 28 CONTROL JOINT TYPE A9/A1.6
- 29 4" LIGHT FIXTURE TO REMAIN
- 30 STEEL COLUMN

SYMBOL LEGEND

-  TALL LIGHT FIXTURE

 SHORT LIGHT FIXTURE

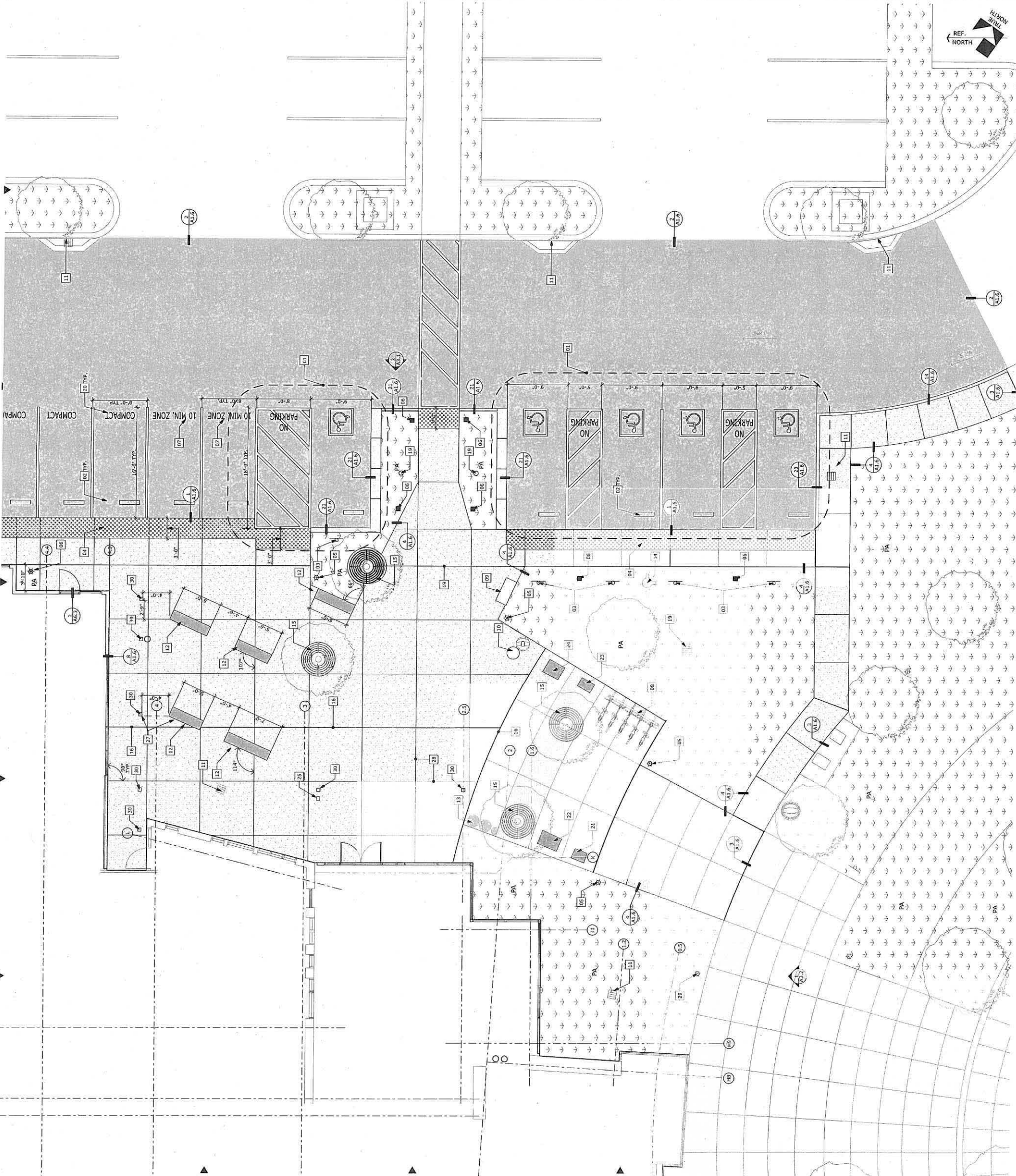
 PROPERTY LINE

 2 1/2" DIA MAX 6" CLASS 2 BASE ROCK OF 95% COMPACTED BASE

 4" CONCRETE SLAB COLOR "A" WITH MEDIUM BROOM FINISH W/ #3 REBAR @ 18" O/C E/N OVER 4" CLASS 2 BASE ROCK OF 95% COMPACTED BASE

 4" CONCRETE SLAB COLOR "B" WITH MEDIUM BROOM FINISH W/ #3 REBAR @ 18" O/C E/N OVER 4" CLASS 2 BASE ROCK OF 95% COMPACTED BASE

 PA= PLANTING AREA SEE LANDSCAPE PLANS L1.1





REVISIONS

- 1
- 2
- 3

GENERAL NOTES

1. ROOF CLASSIFICATION A PER CBC TABLE 15-A & SECTION 1504
2. ALL ROOFTOP MECHANICAL EQUIPMENT SHALL BE SCREENED FROM GROUND LEVEL

KEY NOTES

- 01 PARAPET WALL
- 02 EXPANSION JOINT
- 03 HVAC LOCATION

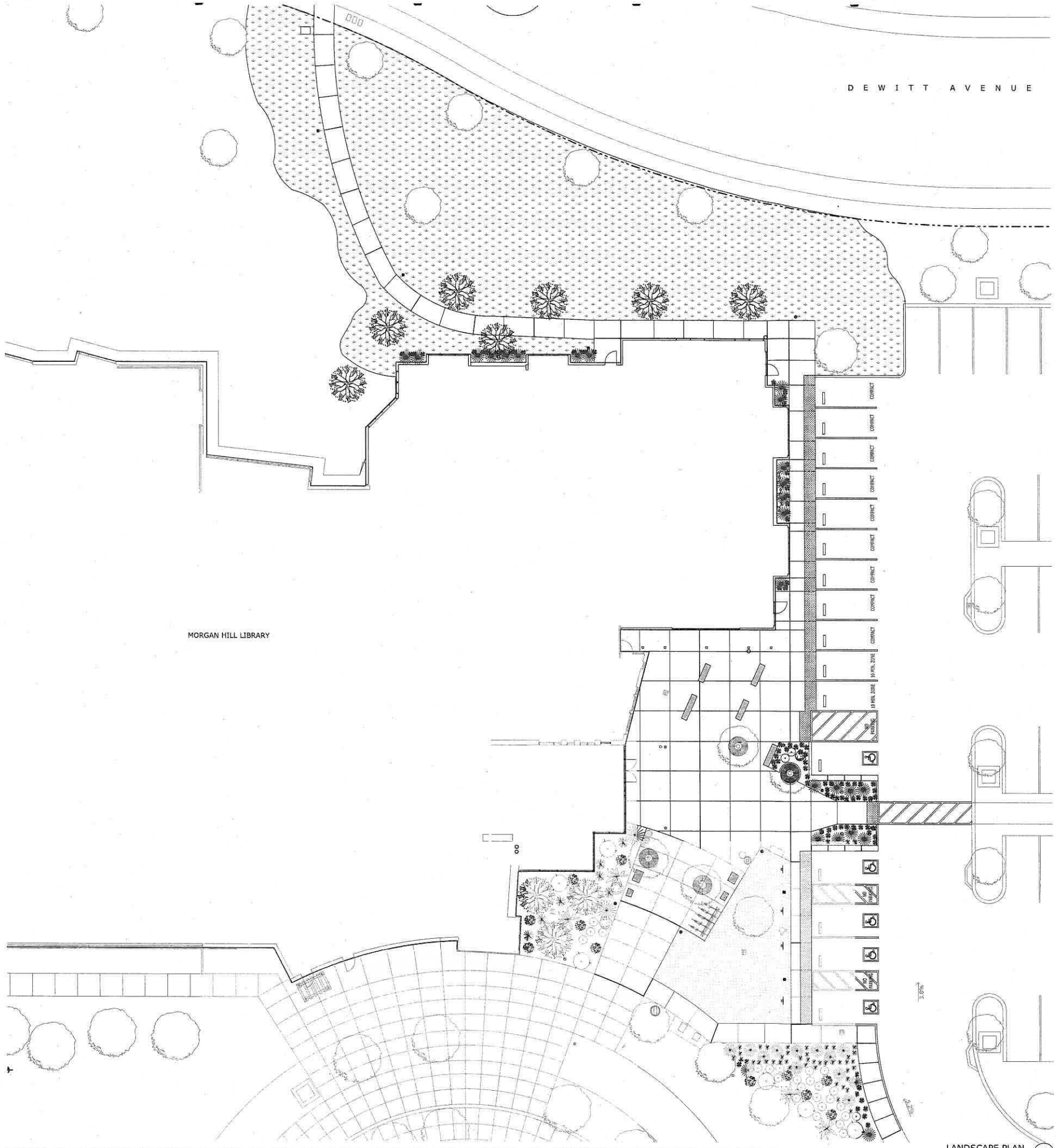
SYMBOL LEGEND

- PROPOSED HVAC - PARAPET WALL TO BLOCK VIEW PER M.H. STANDARDS

ROOF PLAN
MORGAN HILL LIBRARY EXPANSION
CITY OF MORGAN HILL
600 W. FAIRVIEW, MORGAN HILL, CA 95037

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DATE: 09/06/2017
SCALE: 1/8" = 1'-0"

A4.0



GENERAL NOTES

- 1. ALL TREES TO REMAIN UNLESS OTHERWISE NOTED.
- 2. CONTRACTOR SHALL VERIFY LOCATION AND DEPTH OF ALL <E> UTILITIES PRIOR TO ANY EXCAVATION.
- 3. ALL SPOILS, DEBRIS, AND INCIDENTAL ITEMS TO BE REMOVED SHALL BE HAULED OFF SITE BY CONTRACTOR AND BE DISPOSED OF IN A LAWFUL MANNER AS IT ACCUMULATES.
- 4. CONTRACTOR SHALL TAKE CARE NOT TO DAMAGE IN ANY WAY, ANY <E> ELEMENTS NOT DESIGNATED FOR REMOVAL. SUCH DAMAGE IS THE RESPONSIBILITY OF THE CONTRACTOR AT NO ADDITIONAL COST TO THE OWNER.
- 5. SHUT OFF ALL WATER, GAS & ELECTRIC WILL NEED TO BE COORDINATED W/<E> SITE OPERATIONS
- 6. THE <E> BUILDINGS ARE TO REMAIN IN USE DURING CONSTRUCTION.
- 7. THE SITE MUST BE CLEANED AT THE END OF EACH BUSINESS DAY.
- 8. CONTRACTOR TO MAINTAIN A SAFE, SECURE SITE.
- 9. THIS DRAWING REFLECTS THE <E> SITE CONDITIONS TO THE BEST OF OUR KNOWLEDGE
- 10. CONTRACTOR TO COORDINATE FINAL LOCATION/LAYOUT OF ALL PLANTS W/ARCHITECT ONSITE PRIOR TO PLANTING

PLANTING LEGEND

SYMBOL	BOTANICAL NAME	COMMON NAME	SIZE	QTY	REMARKS
TREES					
	PYRUS CALLERYANA 'ARISTOCRAT'	CALLERY PEAR	24"	1	
	<E> TREE	<E> TREE		-	PROTECT DURING DEMOLITION AND RECONSTRUCTION
	CELTIS OCCIDENTALIS	COMMON HACKBERRY	24"	1	
SHRUBS					
	CEROTOSTIGMA PLUMBAGINOIDES	BLUE PLUMBAGO	5 GAL	#	
	PHORMIUM TENAX 'MAORI MAIDEN'	FLAX	5 GAL	#	
	MULBERGIA RIGENS	DEERGRASS	16 GAL	#	
	ZAUSCHNERIA CALIFORNICA	GHOSTLY RED	5 GAL	#	
	PENNISETUM ORIENTALE	ORIENTAL FOUNTAIN GRASS	16 GAL	#	
	CEANOTHUS GLORIOSUS	POINT REYES CEANOTHUS	5 GAL	#	
	RIBES SPECIOSUM	FUCHSIA-FLOWERED GOOSEBERRY	5 GAL	#	
LEGEND					
	NO MOW FESCUE	-	-	#	-
	TURF	FESCUE	-	#	-

STATUE

	"WOMAN AND CHILD ON BENCH"
	"GIRL ON MUSHROOM"
	RELOCATED SCULPTURE
	BIKE RACK

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- 3

LANDSCAPE PLAN
MORGAN HILL LIBRARY EXPANSION
CITY OF MORGAN HILL
600 W MAIN AVE., MORGAN HILL, CA 95037

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09/06/2017
15058



Exterior Rendering

Exterior Paint
Kelly Moore KM5387
"African Safari"



New Bench
The Bench Factory
Tree Benches
"Desert Tan"



Exterior Paint
Kelly Moore KM4727
"California Roll"



Existing Metal Roofing
AEP Span
"Cool Metallic Champagne"



Exterior Paint
Kelly Moore KM4531
"Cantankerous Coyote"



Aluminum Storefront
Match Existing



Exterior Paint
Kelly Moore KMW31
"Frankly Earnest"



Existing Stone Veneer
El Dorado Stone
"Ashlar"



Attachment: Color Board (1473 : Library Expansion)





CITY COUNCIL STAFF REPORT

MEETING DATE: November 15, 2017

PREPARED BY: Charlie Ha, Supervising Civil Engineer
APPROVED BY: none

ACCEPTANCE OF SUBDIVISION PUBLIC IMPROVEMENTS - GIOVANNI DEVELOPMENT - TRACT NO. 9971

RECOMMENDATION(S)

1. Accept the subdivision public improvements for Giovanni Development – Tract No. 9971;
2. Authorize the Director of Engineering and Utilities or his designee to sign a Notice of Completion; and
3. Direct the City Clerk to file the Notice of Completion with the Recorder of Santa Clara County.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Fiscal Responsibility

REPORT NARRATIVE:

Giovanni Development - Tract 9971 is a 6-lot subdivision located at the east side of Del Monte Avenue approximately 200 feet north of Christine Lynn Drive (see attached site map). The subdivision improvements have been completed in accordance with the requirements of the Subdivision Improvements Agreement between the City of Morgan Hill and Giovanni Development Co., LLC dated December 18, 2015 and as specifically set forth in the plans and specifications approved by the City.

The total length of streets previously accepted by the City is 127.27 miles.

The streets and street lengths to be accepted as part of the development are as follows:

Street	Street Lengths
Paseo Madre Court	0.04 mi
Total	0.04 mi

The value of the public improvements being accepted is \$344,534.

COMMUNITY ENGAGEMENT: Inform

This report serves to inform the community of the project acceptance.

ALTERNATIVE ACTIONS: Not Applicable.**PRIOR CITY COUNCIL AND COMMISSION ACTIONS:**

The City Council approved the Final Map and Subdivision Improvements Agreement for Giovanni Development – Tract No. 9971 on November 18, 2015.

FISCAL AND RESOURCE IMPACT:

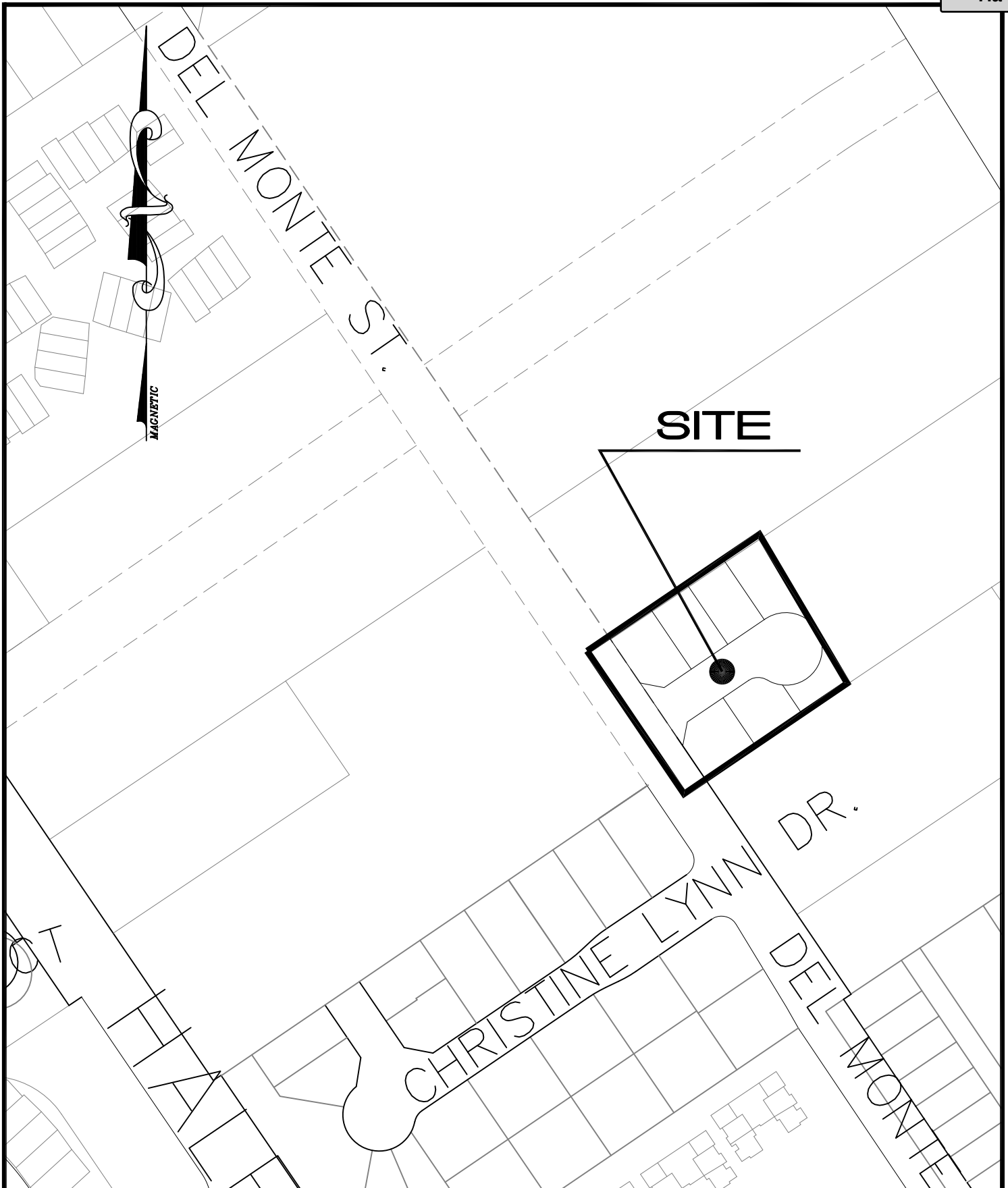
Staff time for this project was paid by the developer's land development fees.

CEQA (California Environmental Quality Act):

Mitigated Negative Declaration was adopted on January 17, 2007.

LINKS/ATTACHMENTS:

1. Site Map
2. Notice of Completion



City of Morgan Hill

Public Works Department



N: \PROJECTS\DEVELOP\PRO734\Staff Report

SITE MAP

TR. 9971 - GIOVANNI DEVELOPMENT

Date: 11/05/15

Drwn by: CMH

Cl Packet Pg. 146

Record at the Request of
and When Recorded Mail to:

City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

Record at No Fee Pursuant to
Government Code Section 27383

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE

NOTICE OF COMPLETION

NOTICE IS HEREBY GIVEN, pursuant to Civil Code Section 3093, that:

1. On **October 12, 2015**, the City of Morgan Hill, a Municipal Corporation, entered into a subdivision improvements agreement with **Giovanni Development Co., LLC** for the **Giovanni Development – TRACT NO. 9971** subdivision project located on the east side of Del Monte Avenue about 200 feet north of Christine Lynn Drive.
2. The owner of the subdivision public improvements is the City of Morgan Hill, a Municipal Corporation, located at 17575 Peak Avenue, Morgan Hill, CA 95037
3. The contractor is **Giovanni Development Co., LLC**, 5694 Mission Center Road, #42 San Diego, Ca 92108.
4. The surety is held under a Cash Deposit Agreement Guaranteeing Improvements.
5. The project was completed on **November 3, 2017** and accepted by the City Council of the City of Morgan Hill on **November 15, 2017**.

CITY OF MORGAN HILL, a Municipal Corporation

By _____

Karl Bjarke
Public Works Director

I, the undersigned, declare that I am the Public Works Director for the City of Morgan Hill. I have read the forgoing Notice of Completion and know and understand the contents thereof and that the facts stated therein are true and correct. I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on _____, at Morgan Hill, California.

Karl Bjarke
Public Works Director



CITY COUNCIL STAFF REPORT

MEETING DATE: November 15, 2017

PREPARED BY: Maria Angeles, Senior Civil Engineer
APPROVED BY: City Manager

FINAL MAP APPROVAL OF WALNUT GROVE ESTATES - TRACT NO. 10422

RECOMMENDATION(S)

1. Approve the Final Map;
2. Authorize the City Manager to execute the Subdivision Improvements Agreement with Newland Homes, LLC and SiliconSage Builders, LLC;
3. Authorize the City Manager to execute a Stormwater Best-Management-Practices (BMP) Operation and Maintenance Agreement pending review and approval by the City Attorney; and
4. Authorize the recordation of the Final Map, Subdivision Improvements Agreement, and the Stormwater BMP Operation and Maintenance Agreement.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment

2017 Strategic Priorities

Infrastructure

REPORT NARRATIVE:

Walnut Grove Estates - Tract No. 10422 is a 9-lot subdivision located on the east side of Walnut Grove Drive, south of Diana Avenue (see attached site map). The developer, Newland Homes, LLC, has completed all the conditions specified by the Planning Commission in the approval of the Vesting Tentative Map on March 28, 2017.

The City Council is required to approve the map if it conforms to all the requirements of the Subdivision Map Act, and any conditions of approval for the Vesting Tentative Map.

The developer has furnished the City with the necessary documents to complete the processing of the Final Map and has provided the required fees, security, and insurance prior to recordation of the Final Map. The Final Map conforms to the requirements of the Subdivision Map Act, and conditions of approval have been met. Staff recommends that City Council authorize the City Manager to sign a Subdivision Improvements Agreement on behalf of the City and sign a Stormwater BMP Operation and Maintenance Agreement pending review and approval by the City Attorney.

COMMUNITY ENGAGEMENT: Involve

On March 28, 2017, the Planning Commission approved the Vesting Tentative Map. Residents within a 300 foot radius were informed of the Planning Commission's intent to approve the Vesting Tentative Map for the project, in which a public hearing was held to

allow the public to be involved and voice their concerns over the Vesting Tentative Map requirements.

ALTERNATIVE ACTIONS:

There is no feasible alternative action as the developer has met the requirements of the Vesting Tentative Map conditions approved by the Planning Commission to file for a final map approval.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On March 28, 2017, the Planning Commission approved the Vesting Tentative Map.

On May 3, 2017, the City Council adopted the Ordinance approving the amended Development Agreement (Ordinance No. 2234).

FISCAL AND RESOURCE IMPACT:

Development review costs for this project are paid for from development processing fees.

CEQA (California Environmental Quality Act):

Project - Mitigated Negative Declaration and Monitoring and Reporting Program was approved on November 22, 2016.

LINKS/ATTACHMENTS:

1. Site Map
2. Final Map
3. Tract 10422 Subdivision Improvements Agreement
4. Stormwater BMP Operation and Maintenance Agreement



Attachment: Site Map (1472 : FINAL MAP APPROVAL OF WALNUT GROVE ESTATES - TRACT NO. 10422)



CITY OF MORGAN HILL

**Department of Public Works
Engineering and Utilities Division**

G:\R-14\Proj\GIS\John\Charlie_WalnutGrove.mxd

SITE MAP WALNUT GROVE ESTATES



0 125 250 500 750 1,000
Feet

OWNERS STATEMENT

WE HEREBY STATE THAT WE ARE THE OWNERS OF, OR HAVE SOME RIGHT, TITLE, OR INTEREST IN AND TO THE REAL PROPERTY INCLUDED WITHIN THE SUBDIVISION SHOWN UPON THE HEREIN MAP. THAT WE ARE THE ONLY PERSONS WHOSE CONSENTS ARE NECESSARY TO PASS A CLEAR TITLE TO SAID REAL PROPERTY; THAT WE HEREBY CONSENT TO THE PREPARATION AND FILING OF SAID MAP AND SUBDIVISION AS SHOWN WITHIN THE DISTINCTIVE BOUNDARY LINE.

WE HEREBY DEDICATE TO PUBLIC USE AND OFFER TO DEDICATE TO THE CITY OF MORGAN HILL, THE REAL PROPERTY DESCRIBED BELOW IN FEE FOR PUBLIC PURPOSES: ALL STREETS AND PORTIONS OF STREETS NOT HERETOFORE EXISTING AND DESIGNATED AS SAINT ARCHER WAY AND DIANA AVENUE AS SHOWN UPON THIS MAP. SAID DEDICATIONS AND OFFERS OF DEDICATION ARE FOR ANY AND ALL PUBLIC USES UNDER, UPON, AND OVER SAID STREETS AND PORTIONS THEREOF.

WE HEREBY DEDICATE TO PUBLIC USE AND OFFER TO DEDICATE TO THE CITY OF MORGAN HILL, THE REAL PROPERTY DESCRIBED BELOW AS AN EASEMENT FOR PUBLIC PURPOSES: EASEMENTS FOR ANY AND ALL PUBLIC SERVICE FACILITIES INCLUDING, BUT NOT LIMITED TO SIDEWALKS, POLES, WIRES AND CONDUITS FOR ELECTRICAL, TELEPHONE, TELEVISION, GAS, STORM, SANITARY AND WATER SERVICES, AND ALL APPURTENANCES THERETO UNDER, UPON, OR OVER THE LAND DESIGNATED AS PUBLIC SERVICE EASEMENT (P.S.E.) ON THE WITHIN MAP.

WE HEREBY DEDICATE TO PUBLIC USE AND OFFER TO DEDICATE TO THE CITY OF MORGAN HILL, THE REAL PROPERTY DESCRIBED BELOW AS AN EASEMENT FOR PUBLIC PURPOSES: THAT STRIP OF LAND DELINEATED AND DESIGNATED AS TEMPORARY EMERGENCY VEHICLE ACCESS EASEMENT (T.E.V.A.E.), FOR EMERGENCY ACCESS PURPOSES ONLY.

WE HEREBY RESERVE FOR THE HOMEOWNERS' ASSOCIATION FOR THE BENEFIT OF LOTS 1 THROUGH 9, OPEN SPACE (O.S.) PARCEL 'A' FOR THE PURPOSE OF STORING, TREATING AND CONVEYING STORM WATER, LANDSCAPING, RECREATIONAL AMENITIES AND ALL OTHER APPURTENANCES THERETO. NO FURTHER SUBDIVISION AND/OR RESIDENTIAL DEVELOPMENT OF SAID PARCELS SHALL BE ALLOWED. SAID OPEN SPACE (O.S.) PARCEL 'A' SHALL BE CONVEYED TO AND MAINTAINED BY THE HOMEOWNERS ASSOCIATION.

WE HEREBY RESERVE FOR THE EXCLUSIVE USE OF THE OWNERS OF IMMEDIATELY ADJACENT LOTS, PRIVATE STORM DRAINAGE EASEMENTS IN, UNDER, UPON AND ACROSS THOSE STRIPS OF LAND DELINEATED AND DESIGNATED AS PRIVATE STORM DRAINAGE EASEMENT (P.S.D.E.) ON THE WITHIN MAP. SAID EASEMENTS SHALL BE MAINTAINED BY THE HOMEOWNER'S ASSOCIATION.

ALL OF THE HEREIN DESCRIBED STREETS AND EASEMENTS SHALL BE KEPT FREE OF BUILDINGS, EXCEPT LAWFUL UNSUPPORTED ROOF OVERHANGS, AND OBSTRUCTIONS THAT DO NOT IMPAIR THE USE OF, OR ARE CONSISTENT WITH THE PURPOSES OF THE STREET OR EASEMENT.

THE HEREIN DESCRIBED OFFERS OF DEDICATION TO THE CITY OF MORGAN HILL ARE TO BE ACCEPTED ONLY WHEN THE CITY COUNCIL OF THE CITY OF MORGAN HILL OR ITS SUCCESSOR AGENCY ADOPTS AND RECORDS IN THE OFFICE OF THE RECORDER OF SANTA CLARA COUNTY A RESOLUTION ACCEPTING SAID STREETS OR EASEMENTS. UNTIL SAID RESOLUTION(S) ARE RECORDED, ALL STREETS AND EASEMENTS ENCOMPASSED WITHIN SUCH OFFERS OF DEDICATION SHALL BE MAINTAINED BY THE DEVELOPER DURING ANY REQUIRED WARRANTY PERIOD AND THEREAFTER BY THE OWNER(S) OF THE LOTS OR PARCELS IN THE SUBDIVISION. THE CITY OF MORGAN HILL SHALL NOT BE RESPONSIBLE FOR MAINTENANCE AND SHALL INCUR NO LIABILITY WITH RESPECT TO SUCH OFFERED STREETS AND EASEMENTS OR ANY IMPROVEMENT THEREON. ALL DEDICATED RIGHTS-OF-WAY AND EASEMENTS NOT ACCEPTED FOR MAINTENANCE BY THE CITY OR OTHER PUBLIC AGENCY SHALL BE MAINTAINED BY THE OWNER(S) OF THE LOTS OR PARCELS IN THE SUBDIVISION.

AS OWNER(S):

NEWLAND HOMES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY

BY: _____

ITS: _____

CITY CLERK'S STATEMENT

I HEREBY STATE THAT THE CITY COUNCIL OF THE CITY OF MORGAN HILL AT ITS REGULAR MEETING HELD ON _____, 20____, DULY APPROVED THE FINAL MAP SHOWN HEREON, AUTHORIZED ITS RECORDATION, AND ACCEPTS ON BEHALF OF THE PUBLIC, SUBJECT TO THEIR IMPROVEMENT IN ACCORDANCE WITH CITY STANDARDS, THE STREETS AND EASEMENTS OFFERED FOR DEDICATION FOR PUBLIC USE IN CONFORMITY WITH THE TERMS OF THE OFFER OF DEDICATION. I ALSO HEREBY CERTIFY THAT SAID CITY COUNCIL HAS AUTHORIZED THE ABANDONMENT OF THE FOLLOWING PREVIOUSLY DEDICATED PUBLIC STREET AND EASEMENTS PER SECTION 66434(g) OF THE SUBDIVISION MAP ACT:

- A PORTION OF DIANA AVENUE DEDICATED TO THE USE OF PUBLIC FOREVER PER "G" MAPS 2-3
- A PORTION OF WALNUT GROVE DRIVE DEDICATED TO PUBLIC USE PER 633 OF MAPS 12--14
- A PUBLIC UTILITY EASEMENT RESERVED BY THE CITY OF MORGAN HILL PER DOCUMENT: 19132844
- A PUBLIC STREET RIGHT OF WAY (PARCEL ONE), A PUBLIC SERVICE EASEMENT (PARCEL TWO) AND A PUBLIC SERVICE EASEMENT (PARCEL THREE) GRANTED TO THE CITY OF MORGAN HILL PER DOCUMENT: 19056635
- A PORTION OF PUBLIC STREET RIGHT OF WAY (WALNUT GROVE DRIVE) GRANTED TO THE CITY OF MORGAN HILL PER DOCUMENT: 23753445

IRMA TORREZ
CITY CLERK OF THE CITY OF MORGAN HILL

DATE _____

TRACT NO 10422
Walnut Grove Estates'

Being All of Parcel 1 and a Portion of Parcel 2, as said parcels are shown on that certain Parcel Map, filed on June 29, 1972, in Book 303 of Maps, at Page 54.

Being All of Lot 23 and a Portion of Walnut Grove Drive, as shown on that certain Map of Tract No. 8494 titled "Diana Estates – Phase 2", filed on December 24, 1991, in Book 633, of Maps, at Pages 12--14. Being A Portion of Diana Avenue, as said Portion is described in that Quitclaim Deed, recorded on October 5, 2006, as Document Number 19132844.

Lying Within The
City Of Morgan Hill County Of Santa Clara
State Of California
November 2017

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State Of California
County Of _____
On _____, before me, _____
personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand.

Name: _____, Notary Public in
And For Said County And State

Principal County Of Business: _____

Commission Expires: _____

Commission # Of Notary: _____

TERMINATION OF TEMPORARY EASEMENT

THAT 42.00 FEET LONG AND 15.00 FEET WIDE TEMPORARY EMERGENCY VEHICLE ACCESS EASEMENT (T.E.V.A.E.), DEDICATED TO THE CITY OF MORGAN HILL SHALL TERMINATE UPON THE APPROVAL AND COMPLETION TO CITY STANDARDS OF THE SOUTHERLY EXTENSION OVER ADJOINING LANDS OF SAINT ARCHER WAY.

PLANNING COMMISSION STATEMENT

I HEREBY STATE THAT THE VESTING TENTATIVE MAP FOR THE FINAL MAP SHOWN HEREON WAS CONDITIONALLY APPROVED ON MARCH 28, 2017 BY THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL, CALIFORNIA, BY RESOLUTION NUMBER 17--10, APPLICATION NUMBER AAE2016--0007.

JENNIFER CARMAN
SECRETARY OF THE PLANNING COMMISSION
OF THE CITY OF MORGAN HILL, CALIFORNIA

DATE _____

ENGINEERS STATEMENT

THIS FINAL MAP WAS PREPARED BY ME OR UNDER MY DIRECTION AND IS BASED UPON A FIELD SURVEY IN CONFORMANCE WITH THE REQUIREMENTS OF THE SUBDIVISION MAP ACT AND LOCAL ORDINANCE. AT THE REQUEST OF BRYAN AVILA, ON NOVEMBER 28, 2016, AND THAT THE SURVEY IS TRUE AND COMPLETE AS SHOWN. I HEREBY STATE THAT ALL THE MONUMENTS ARE OF THE CHARACTER AND OCCUPY THE POSITIONS INDICATED OR THAT THEY WILL BE SET IN THOSE POSITIONS BEFORE NOVEMBER 30, 2018, AND WILL BE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED, AND THAT THIS FINAL MAP SUBSTANTIALLY CONFORMS TO THE CONDITIONALLY APPROVED TENTATIVE MAP.

WILLIAM J. MCCLINTOCK, R.C.E. 24893

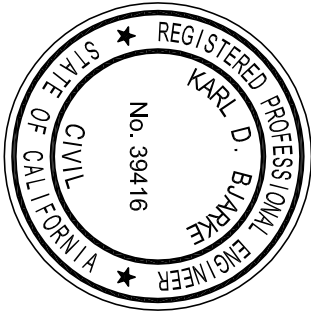


DATE _____

CITY ENGINEERS STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP. THE SUBDIVISION AS SHOWN IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP, IF REQUIRED, AND ANY APPROVED ALTERATIONS THEREOF. ALL PROVISIONS OF THE SUBDIVISION MAP ACT, AS AMENDED, AND OF ANY LOCAL ORDINANCES APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP, IF REQUIRED, HAVE BEEN COMPLIED WITH.

KARL D. BUARKE – CITY ENGINEER
CITY OF MORGAN HILL, CALIFORNIA
R.C.E. NO. 39416



DATE _____

CITY SURVEYOR'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THIS FINAL MAP AND THAT I AM SATISFIED THAT SAID MAP IS TECHNICALLY CORRECT.

JOHN K. KING – ACTING CITY SURVEYOR
P.L.S. NO. 6809



DATE _____

COUNTY RECORDER'S STATEMENT

FILED THIS _____ DAY OF _____, 20____

AT _____ M. IN BOOK _____ OF MAPS, AT PAGES _____ AT THE REQUEST OF M.H. ENGINEERING CO.

FILE NO. _____

FEE \$ _____

REGINA ALCOMENDRAS, COUNTY RECORDER OF SANTA CLARA COUNTY

BY: _____
DEPUTY

TRACT NO. 10422 'Walnut Grove Estates'

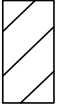
Being All of Parcel 1 and a Portion of Parcel 2, as said parcels are shown on that certain Parcel Map, filed on June 29, 1972, in Book 303 of Maps, at Page 54.

Being All of Lot 23 and a Portion of Walnut Grove Drive, as shown on that certain Map of Tract No. 8494 titled "Diana Estates - Phase 2", filed on December 24, 1991, in Book 633, of Maps, at Pages 12-14.

Being A Portion of Diana Avenue, as said Portion is described in that Quitclaim Deed, recorded on October 5, 2006,

as Document Number 19132844.

Lying Within The
City Of Morgan Hill County Of Santa Clara
State Of California
November 2017

-  Document No. 23753445 Grant of Public Street Right-of-Way Walnut Grove Drive
-  Document No. 19056635 Parcel Two & Parcel Three 10' P.S.E.
-  Document No. 19056635 Grant of Street Right-Of-Way Diana Avenue Parcel One
-  Document No. 19132844 Quitclaim Deed (Portion of Diana Avenue), reserving Easement for Public Utilities

REFERENCE RECORD DATA

- R1 PARCEL MAP
BOOK 303 OF MAPS, PG. 54
- R2 TRACT NO. 8494
"DIANA ESTATES - PHASE 2"
BOOK 633 OF MAPS, PGS. 12-14
- R3 TRACT NO. 8431
"BITTICK PLACE"
BOOK 635 OF MAPS, PGS. 47-48
- R4 PARCEL MAP
BOOK 425 OF MAPS, PG. 23
- R5 GRANT OF STREET RIGHT-OF-WAY DIANA AVENUE
AND PARCEL THREE - 10' P.S.E.
DOCUMENT NUMBER 19056635
- R6 GRANT OF PUBLIC STREET RIGHT-OF-WAY
WALNUT GROVE DRIVE
DOCUMENT NUMBER 23753445

CURVE TABLE

CURVE	LENGTH	RADIUS	DELTA
C1	9.30'	74.00'	7°12'00"
C2	22.00'	74.00'	17°01'45"
C3	16.01'	74.00'	12°23'37"
C4	9.23'	42.00'	12°35'45"
C5	16.29'	16.00'	58°19'30"
C6	6.01'	14.00'	24°35'57"
C7	19.71'	590.00'	1°54'50"
C8	14.93'	10.00'	85°32'12"
C9	22.93'	324.00'	4°03'17"
C10	47.31'	74.00'	36°37'41"
C11	46.11'	74.00'	35°41'59"
C12	6.18'	590.00'	0°36'00"

LINE TABLE

LINE	LENGTH	BEARING
L1	5.00'	N45°23'00"E
L2	7.24'	S59°07'17"W
L3	13.88'	S40°54'28"W
L4	28.94'	N25°30'07"W
L5	12.24'	S58°27'20"W

TIE TABLE

LINE	LENGTH	BEARING
T1	24.00'	N64°29'53"E

SERENE DRIVE
(FORMERLY ANITA DRIVE)

NOTES

- 1.) THE DISTINCTIVE BOUNDARY LINE INDICATES THE BOUNDARIES OF THE LAND SUBDIVIDED BY THIS FINAL MAP.
- 2.) THE AREA WITHIN THE DISTINCTIVE BOUNDARY IS 98,411 SQUARE FEET.
- 3.) ALL DISTANCES AND DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.

* DIANA ESTATES - PHASE 2'
TRACT NO. 8494
633 -M- 12-14

WALNUT GROVE DRIVE

PUBLIC STREET DEDICATION
PER 633 MAPS 12-14

NEWLAND HOMES LLC
DOC NO 23663507

LOT 23
633 MAPS 12-14
NEWLAND HOMES LLC
DOC NO 23558184

PORTION PARCEL 2
303 MAPS 54
NEWLAND HOMES LLC
DOC NO 23662215

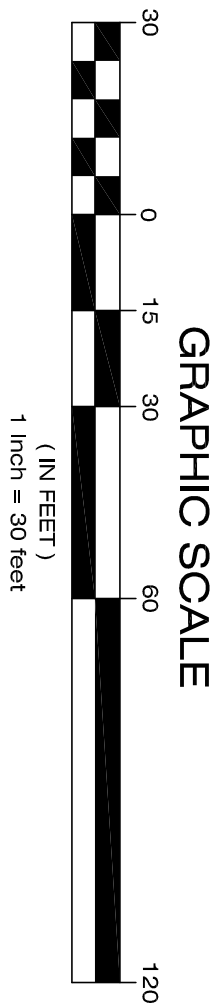
RECORD TITLE INTERESTS
'PRIOR TO SUBDIVISION'

PARCEL 1
303 -M- 54

SOUTH VALLEY FREEWAY US 101

BASIS OF BEARINGS

THE BEARINGS SHOWN UPON THIS MAP WERE BASED UPON THE CENTER LINE OF DIANA AVENUE RECORDED AS NORTH 45°23'00" EAST, AS SHOWN UPON THAT CERTAIN MAP OF TRACT NO. 8431, FILED FOR RECORD IN BOOK 635 OF MAPS, AT PAGES 47 AND 48, SANTA CLARA COUNTY RECORDS.



 **MH engineering Co.**
16075 Vineyard Boulevard
Morgan Hill, CA 95037

SHEET 2 OF 3
215082.1

TRACT NO. 104222 'Walnut Grove Estates'

Being All of Parcel 1 and a Portion of Parcel 2, as said parcels are shown on that certain Parcel Map, filed on June 29, 1972, in Book 303 of Maps, at Page 54.

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Being A Portion of Diana Avenue, as said Portion is described in that Quitclaim Deed, recorded on October 5, 2006, as Document Number 19132844.

Lying Within The
City Of Morgan Hill County Of Santa Clara
State Of California
November 2017

REFERENCE RECORD DATA

PARCEL MAP	BOOK	OF MAPS,	PG.	54
R1	BOOK 303	OF MAPS,	PG.	54
R2	TRACT NO. 8494	"DIANA ESTATES - PHASE 2"	BOOK 633	OF MAPS, PGS. 12-14
R3	TRACT NO. 8431	"BITTICK PLACE"	BOOK 635	OF MAPS, PGS. 47-48
R4	BOOK 425	OF MAPS, PG. 23		
R5	GRANT OF STREET RIGHT-OF-WAY	DIANA AVENUE AND PARCEL THREE - 10' P.S.E.	DOCUMENT NUMBER	19056635
R6	GRANT OF PUBLIC STREET RIGHT-OF-WAY	WALNUT GROVE DRIVE	DOCUMENT NUMBER	23753445

CURVE TABLE

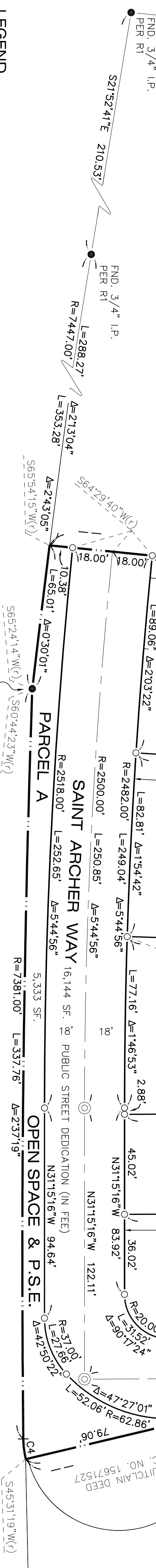
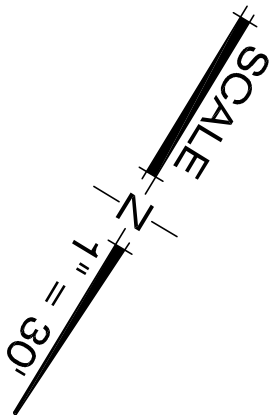
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C2	22.00'	74.00'	170°156"
C3	14.82'	74.00'	112°818"
C4	9.23'	42.00'	123°545"
C5	16.29'	16.00'	581°930"
C6	6.01'	14.00'	243°557"
C7	19.71'	590.00'	1°54'50"
C8	14.93'	10.00'	85°3212"
C9	19.93'	324.00'	3°31'27"
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LINE TABLE

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L5	12.24'	S58°27'20"W

TIE TABLE

LINE	LENGTH	BEARING
T1	24.00'	N64°29'53"E



LEGEND

- FOUND STANDARD CITY MONUMENT, TAGGED R.C.E. 24893
- UNLESS NOTED OTHERWISE.
- FOUND 3/4" IRON PIPE, TAGGED R.C.E. 24893.
- UNLESS NOTED OTHERWISE.
- SET STANDARD CITY MONUMENT, TAGGED R.C.E. 24893
- SET 3/4" IRON PIPE, TAGGED R.C.E. 24893
- BRASS DISK MONUMENT
- FOUND
- P.S.D.E. PRIVATE STORM DRAINAGE EASEMENT
- P.S.E. PUBLIC SERVICE EASEMENT
- T.E.V.A.E. TEMPORARY EMERGENCY ACCESS VEHICLE EASEMENT
- (r) RADIAL BEARING

DISTINCTIVE BOUNDARY LINE

CENTERLINE

EASEMENT LINE

TEMPORARY EASEMENT LINE

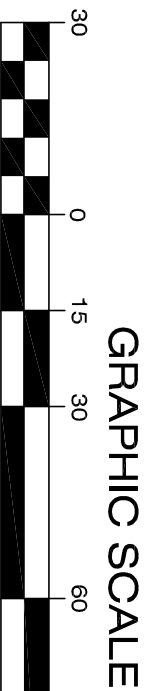
LOT LINE

EXISTING LOT LINE/RIGHT-OF-WAY LINE

BASIS OF BEARINGS

THE BEARINGS SHOWN UPON THIS MAP WERE BASED UPON THE CENTER LINE OF DIANA AVENUE RECORDED AS NORTH 45°23'00" EAST, AS SHOWN UPON THAT CERTAIN MAP OF TRACT NO. 8431, FILED FOR RECORD IN BOOK 635 OF MAPS, AT PAGES 47 AND 48, SANTA CLARA COUNTY RECORDS.

SOUTH VALLEY FREEWAY US 101



MH engineering Co.
16075 Vineyard Boulevard
Morgan Hill, CA 95037

SHEET 3 OF 3

215082.1

RECORDING REQUESTED BY
WHEN RECORDED RETURN TO

CITY OF MORGAN HILL
City Clerk's Office
17575 PEAK AVENUE
MORGAN HILL, CA 95037

(RECORD AT NO FEE PURSUANT TO
GOVERNMENT CODE SECTION 27383)

THE AREA ABOVE IS RESERVED FOR RECORDER'S USE

SUBDIVISION IMPROVEMENTS AGREEMENT

WALNUT GROVE ESTATES – TRACT NO. 10422

This Subdivision Improvements Agreement ("Agreement") by and among the City of Morgan Hill, a municipal corporation ("City"), and Newland Homes, LLC, a California limited liability company ("Subdivider"), and SiliconSage Builders, LLC, a California limited liability company ("Builder") is entered into this ____ day of _____, 2017. City, Subdivider, and Builder hereby acknowledge the following:

1. Subdivider has filed a Tentative Subdivision Map ("Map") and supporting documents for Tract No. 10422, the subdivision known as Walnut Grove Estates ("Subdivision").
2. City desires, as part of the conditions of approval ("Conditions") of the Final Tract Map or Parcel Map ("Final Map"), that certain improvements be installed by Subdivider or Builder ("Improvements") as shown on the City Engineer approved and signed Subdivision Improvement Plans entitled "Improvement Plans for Walnut Grove Estates, Tract No. 10422" ("Plans").
3. Subdivider and Builder have been unable to complete, prior to filing of the Final Map, all of the improvements required by City to the satisfaction of the City Engineer.
4. Subdivider and Builder are required by the terms of the Morgan Hill Municipal Code ("Municipal Code"), to improve all streets, highways, or public areas which are part of the development, including but not limited to necessary paving, curbs, sidewalks, catch basins, water mains, culverts, storm drains, and sanitary sewers, in accordance with the plans and specifications on file with the City Engineer, and Builder is to post certain securities to secure the completion of the Improvements.
5. To assure City that Subdivider and/or Builder will construct, install and complete all Improvements required for the Subdivision, the parties have entered into this Agreement. The City acknowledges and understands that Builder, or one of its entities will be acquiring title to the Subdivision shortly after recordation of the Map. Until such time, Subdivider and Builder are jointly and severally liable to construct the Improvements required by this Agreement.

Attachment: Tract 10422 Subdivision Improvements Agreement (1472 : FINAL MAP APPROVAL OF WALNUT GROVE ESTATES - TRACT NO.

6. This Agreement is executed pursuant to California Government Code Section 66410, *et seq.*, and Chapter 17.32 of the Municipal Code in order to provide for the manner in which Improvements shall be constructed and completed.

NOW, THEREFORE, and in consideration of the approval of the Final Map, and in order to ensure satisfactory performance by Subdivider or Builder of the obligations under the Conditions, the Subdivision Map Act, and applicable ordinances of City, the parties hereto, for themselves, their successors, and assigns, hereby agree as follows:

Section 1. Incorporation by Reference

The Development Agreement between Subdivider and City, if applicable, Subdivider's Map application, the Conditions, the Map, all Plans as referenced in Section 2 below and all items submitted to the Planning Department, Planning Commission and City Council, all are incorporated herein by reference. In the event of any inconsistency between their representations in any incorporated documents and this Agreement, this Agreement shall govern.

Section 2. Construction of Improvements

(a) Subdivider or Builder shall construct to the approval of City, and as provided for in the Conditions, the Improvements as shown fully executed in the Plans entitled "Improvement Plans for Walnut Grove Estates".

(b) Subdivider or Builder shall acquire and dedicate, or pay the cost of acquisition by City, all rights-of-way, easements, and other interests in real property for the construction or installation of the Improvements, free and clear of all liens and encumbrances.

(c) Survey Monumentation:

(1) Subdivider or Builder shall place survey monumentation as described on the Map.

(2) Subdivider or Builder shall replace or repair all survey monumentation that is destroyed or damaged as a result of Subdivider's or Builder's activities. Any such repair or replacement shall be to the satisfaction and subject to the approval of City.

Section 3. Modification of Plans

Subdivider and Builder agree that, if during the construction of the Improvements, it is determined by City that revisions to the Plans are necessary in the interest of the public, Subdivider or Builder will undertake such design and construction changes required by City. Said changes, if any, shall be confined to the premises owned by Subdivider or Builder.

Section 4. Security

(a) Pursuant to California Government Code Section 66499.3(a), and the Municipal Code, Subdivider or Builder shall, concurrently with the execution hereof, furnish a surety bond in an amount equal to at least one hundred percent (100%) of the estimated construction cost of the Improvements as

security guaranteeing the faithful performance of the Improvements and this Agreement (“Performance Bond”).

Improvements and the City Engineer’s Estimated Costs of Improvements as of April 2017 are attached hereto as Exhibit “A”.

The Performance Bond shall be in a form substantially the same as Exhibit “B”.

(b) Pursuant to California Government Code Section 66499.3(b), and the Municipal Code, Subdivider or Builder shall, concurrently with the execution hereof, furnish a surety bond in an amount equal to one hundred percent (100%) of the estimated construction cost of the Improvements (as listed in Section 4(a) above) as security guaranteeing the payment to the contractors, subcontractors and persons furnishing labor, materials, or equipment in connection with this Agreement (“Labor and Materials Bond”). The Labor and Materials Bond shall be in a form substantially the same as Exhibit “C”.

(c) Subdivider or Builder shall, upon completion of the Improvements, furnish a surety bond in an amount equal to fifty percent (50%) of the estimated construction cost of the Improvements (as listed in Section 4(a) above) to secure the guarantee and warranty of the work for a period of one year following the completion and acceptance thereof by the City Council (“Warranty Period”) against any defective work or labor performed, or defective materials furnished by Subdivider or Builder in connection with this Agreement (“Warranty Bond”). The Warranty Bond shall be in a form substantially the same as Exhibit “D”.

(d) Pursuant to Government Code Section 66499.9, any liability upon the security given for faithful performance of any act or agreement shall be limited to:

(1) The performance of the work covered by the Agreement or the performance of the required act.

(2) The performance of any changes or alterations in such work; provided that all changes or alterations do not exceed ten percent of the original estimated cost of the Improvements.

(3) The guarantee and warranty of the work for a period of one year following completion and acceptance thereof, against any defective work or labor done or defective materials furnished in the performance of the Agreement or the performance of the act.

(4) Costs and reasonable expenses and fees, including reasonable attorneys’ fees.

(e) The surety on each bond and the form thereof shall be satisfactory to City. The surety shall be furnished by a surety company authorized to write the same in the State of California and that is approved and accepted by the City’s risk manager.

(f) Subdivider and Builder agree to furnish any bonds required by the State or County for Improvements outside the City’s jurisdiction.

(g) The release of any securities shall be governed by the provisions of Government Code Section 66499.7.

Section 5. Inspections

At least fifteen (15) calendar days prior to the commencement of any work hereunder, Subdivider or Builder shall notify City in writing of the fixed start date of construction so that City shall be able to provide inspection services. Subdivider or Builder shall at all times maintain proper facilities and provide safe access to all parts of the work site(s) for City inspections, including any workshops or plants where work related to the Improvements is being conducted.

Subdivider or Builder shall pay and reimburse City for all expenses incurred by City for inspecting and checking all work to be performed under the provisions of the Municipal Code or this Agreement. City Engineering plan checking and field improvement inspection costs are included in the Department of Public Works Fee Schedule which may be revised from time to time.

Section 6. Timing of Performance

Subdivider or Builder agrees to perform and complete all Improvements within eighteen (18) months from the date of the recording of the Final Map; provided however, the City Manager may extend the deadline for completion by not more than six (6) months at his reasonable discretion and determination that granting the extension will not be detrimental to the public welfare. No extension of this deadline for completion shall be made except upon the basis of a written application made by Subdivider or Builder stating fully the ground for the application and the facts relied upon for an extension.

It is further agreed by and between Subdivider, Builder, and City that any extension granted shall in no way affect the validity of this Agreement or release the surety (ies) on any bond attached hereto or the financial institution guaranteeing the same. Subdivider and Builder further agree to maintain the securities described in Section 4 above in full force and effect during the terms of this Agreement, including any extensions of time as may be granted, and until such time as the Improvements have been accepted for maintenance by City

Section 7. Work Performance and Warranty

(a) Subdivider or Builder shall construct, at Subdivider's or Builder's own expense, all of the Improvements in a good and workmanlike manner, and furnish all required materials incident thereto, in accordance with the Plans and to the satisfaction of City, including any changes required by City which in City's opinion are necessary to complete the Improvements.

(b) All work shall be conducted and completed in accordance with the Plans and federal, state, Municipal Code, laws, ordinances, and regulations. For any Improvements partially completed prior to this Agreement, Subdivider or Builder agrees to complete the Improvements in accordance with this Agreement.

(c) Neither Subdivider or Builder, nor any of Subdivider's or Builder's agents or contractors in connection with Subdivider's or Builder's obligations under this Agreement are, or shall be considered to be, employees or agents of City.

(d) The work performance for the Improvements shall not be deemed complete until such time as such Improvements have been accepted for maintenance by the City Council.

(e) Subdivider and Builder warrant that: (1) it has investigated the work to be performed under this agreement, (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the work under this Agreement. Should Subdivider or Builder discover any conditions materially differing from those inherent in the Improvements or work or as represented by City, it shall immediately inform City and shall not proceed, except at Subdivider's or Builder's risk, until written instructions are received from City.

(f) Subdivider and Builder guarantee and warrant the work required by this Agreement and agrees to remedy any defects in the Improvements or work arising from faulty or defective materials or construction occurring within one year after its acceptance. Following notice, Subdivider or Builder shall, without delay or cost to City, repair, replace, or construct any defective or unsatisfactory portion of the Improvements. City may, at its sole option, perform the repair or replacement itself if Subdivider, or Builder, or their surety has failed to commence repair within twenty (20) days after City has mailed written notice to Subdivider and Builder. In such event, Subdivider, Builder, or their surety agrees to pay the cost of repair and replacement to City, plus fifteen percent (15%); and City may recover such costs as a lien against the Subdivision. City may proceed immediately to make repairs should an emergency arises.

Section 8. Acquisition and Dedication of Easements or Rights-of-Way

(a) No construction or installation of the Improvements shall be commenced before:

(1) The offer of dedication to City of appropriate rights-of-way, easements, or other interests in real property for the Improvements, which offer of dedication shall be irrevocable and remain open pursuant to California Government Code Section 66477.2, and authorization from the property owner to allow construction or installation of Improvements, or

(2) The dedication to, and acceptance by, City of appropriate rights-of-way, easements, or other interests in real property, as determined by the City Engineer, or

(3) The issuance by a court of competent jurisdiction pursuant to state Eminent Domain Law of an order of possession.

(b) Except as otherwise provided by this Agreement, City rejects all lands, rights-of-way, and easements offered for dedication on the Final Map of the Subdivision. All such offers shall, however, remain open, and shall constitute irrevocable offers of dedication in accordance with Government Code Section 66477.2. All such offers may be accepted by City in its sole discretion at any later date without further notice to Subdivider or Builder as provided by law. By way of explanation only, it is the current intention of City to accept all or part of the irrevocable offers to dedicate upon acceptance of the Improvements called for in this Agreement. This Subsection (b) will survive termination of this Agreement.

(c) Nothing in this Section 8 shall be construed as authorizing or granting an extension of time to Subdivider or Builder.

Section 9. Indemnity

Subdivider and Builder hereby agree to save harmless and indemnify, including, without limitation, City's defense costs (including reasonable attorney's fees), from and against any and all suits, actions, or claims,

of any character whatever, brought for, or on account of any injuries or damages sustained by any person or property resulting or arising, or alleged to have resulted or arisen, from Subdivider, Builder, or Subdivider's or Builder's contractors, subcontractors, agents, or employees activities, omissions or operations pursuant to this Agreement. Should City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of this Agreement, or its performance, Subdivider and Builder will defend City, (at City's request and with counsel satisfactory to City) and will indemnify City for any judgment rendered against it or any sums paid out in settlement or otherwise.

Subdivider and Builder shall defend, indemnify, and hold harmless the City and its elective and appointive boards, officials, officers, agents, employees and volunteers from any claim, action, or proceeding to review, set aside, void, or annul an approval of the City concerning the Map and acts made in respect thereof, provided any such action is brought within the time period provided for in California Government Code Section 66499.37.

City shall promptly notify Subdivider and Builder of any claim, action, or proceeding, and cooperate fully in the defense of any claim, action, or proceeding.

It is expressly understood and agreed that this Section (9) will survive termination of this Agreement.

Section 10. Insurance

Concurrent with the execution of this Agreement, Subdivider or Builder is required to procure and provide proof of the insurance coverage required by this section in the form of certificates and endorsements. The required insurance must cover the activities of Subdivider or Builder and their Subcontractors relating to or arising from the performance of work associated with the Improvements, and must remain in full force and effect at all times during the period covered by the Agreement, including any extensions of time as may be granted, and until such time as the Improvements have been accepted for maintenance by the City. The coverages may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or "umbrella" policies, provided each such policy complies with the requirements set forth herein. If the Subdivider or Builder will utilize the services of a General Contractor to perform all of the work associated with the Improvements, then Subdivider or Builder may opt to have all coverages provided by the General Contractor. If Subdivider or Builder fail to provide any of the required coverage in full compliance with the requirements outlined in this Agreement City shall issue a stop work order, or terminate the Agreement for default. Subdivider and Builder further understand that the City reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to Subdivider and Builder, at any time as deemed necessary to protect the interests of the City.

(a) Policies and Limits. The following insurance policies and limits are required for this Agreement:

- (1) Commercial General Liability Insurance ("CGL"): Subdivider or Builder shall maintain CGL and shall include coverage for liability arising from Subdivider's, Builder's or their Subcontractor's acts or omissions in the performance of work associated with the Improvements against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) five million dollars (\$5,000,000.00) combined single limit and a general aggregate limit of ten million dollars (\$10,000,000.00),

or (ii) the maximum amount of such insurance available to Subdivider or Builder under their combined insurance policies (including any excess or “umbrella” policies), whichever is greater. Further, if CGL coverage is being provided by a General Contractor pursuant to Section 10, General Contractor may elect to insure the CGL exposures under an “Owners and Contractors Protective Liability Policy (OCP)” on which the City is included as an additional insured.

a. CGL policy may not exclude explosion, collapse, underground excavation hazard, or removal of lateral support.

b. CGL policy must include contractor’s protected coverage, blanket contractual, and completed operations.

(2) **Workers’ Compensation Insurance and Employer’s Liability:** Subdivider and Builder shall maintain Workers Compensation coverage, as required by law. The policy must comply with the requirements of the California Workers’ Compensation Insurance and Safety Act and provide protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to Subdivider or Builder under Subdivider’s or Builder’s combined insurance policies (including any excess or “umbrella” policies), whichever is greater. If Subdivider or Builder is self-insured, Subdivider or Builder must provide its Certificate of Permission to Self-Insure, duly authorized by the State of California Department of Industrial Relations.

(3) **Automobile Liability:** Subdivider or Builder shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if Subdivider or Builder does not own automobiles, then Subdivider or Builder shall maintain Hired/Non-owned Automobile Liability) against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit, or (ii) the maximum amount of such insurance available to Subdivider or Builder under Subdivider’s or Builder’s combined insurance policies (including any excess or “umbrella” policies), whichever is greater.

(4) **Pollution (Environmental) Liability:** The performance of Subdivider’s or Builder’s work or service under this Agreement involves handling of hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases or hazardous materials. Subdivider or Builder shall procure and maintain Pollution Liability covering their liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous materials. Such coverage shall be in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to Subdivider or Builder under their combined insurance policies (including any excess or “umbrella” policies), whichever is greater.

(b) **Required Endorsements.** Subdivider or Builder shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below. Further, if

coverages are being provided by their General Contractor pursuant to Section 10, endorsements may not be restricted to work performed “under a written contract” (i.e. “blanket endorsements”)

(1) ALL Policies:

“Waiver of Subrogation” - Each required policy must include an endorsement providing that the carrier agrees to waive any right of subrogation it may have against the City of Morgan Hill and the City’s elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

(2) ALL Policies except Workers Compensation:

a. “Additionally Insured” - The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds.

(3) General Liability:

a. “Primary and Non-Contributing” - Insurance shall be primary non-contributing;

b. “Separation of Insureds” - The inclusion of more than one insured will not operate to impair the rights of one insured against another, and the coverages afforded will apply as though separate policies have been issued to each insured.

(c) Subcontractors. Subdivider and Builder must ensure that each Subcontractor is required to maintain the same insurance coverage required under this Section 10 as appropriate based on each subcontractor’s scope of work, with respect to its performance of work associated with the Improvements, including those requirements related to the additional insureds and waiver of subrogation.

(d) Qualification of Insurers. All insurance required pursuant to this Agreement must be issued by a company licensed and admitted, or otherwise legally authorized to carry out insurance business in the State of California, and each insurer must have a current A.M. Best's financial strength rating of “A” or better and a financial size rating of “VIII” or better.

(e) Certificates. Subdivider or Builder shall furnish City with copies of all policies or certificates as outlined herein, whether new or modified, promptly upon receipt. No policy subject to an express agreement with the City shall be reduced, canceled, allowed to expire, or materially changed except after thirty (30) days' notice by the insurer to City, unless due to non-payment of premiums, in which case ten (10) days written notice must be made to City. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein.

Certificate Holder address:

City of Morgan Hill
Attn: Risk Management
17575 Peak Avenue
Morgan Hill, CA 95037

Section 11. Permits and Requisite Fees

(a) Subdivider or Builder shall pay all current fee obligations in the total amount of **\$585,621.00** due under City Resolution No. 5592, as amended, in accordance with the Department of Public Work fee schedule, as follows:

(1) **\$95,868.00** payable at the time of recording of the Final Map, and

(2) **\$489,753.00** payable on a pro-rata basis for each individual lot in the Subdivision prior to final inspection of each and every residence.

(3) All fees payable pursuant to this Subsection (a) constitutes valid and due consideration for City's approval of the Final Map, and amounts set forth are estimates that are subject to change prior to the issuance of building permit(s), subject to resolution or ordinance of the City Council.

(b) Subdivider or Builder shall, at their expense, obtain all necessary permits and licenses for the construction of the Improvements, give all necessary notices, and pay all fees and taxes required by law.

(c) Subdivider or Builder shall obtain a City of Morgan Hill Business License.

(d) Subdivider or Builder agrees to procure, at its expense, any necessary permits for Improvements outside the City's jurisdiction.

Section 12. On-Site Supervision

Subdivider or Builder shall designate an on-site supervisor, satisfactory to City, who shall be on the work site(s) at all times during the construction of the Improvements, and who has the authority to act on behalf of Subdivider or Builder when communicating with City personnel.

Section 13. Waiver

Waiver by City, Subdivider, or Builder of any breach of any of the provisions of the Agreement shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of the same or any other provision of this Agreement. Acceptance by City of any work by Subdivider or Builder shall not be a waiver of any of the provisions of this Agreement.

Section 14. Notices.

All notices shall be personally delivered or mailed, via first class mail to the below listed addresses. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

- | | | |
|----|--|---|
| a. | Address of Subdivider is as follows: | With a copy to Builder: |
| | Newland Homes, LLC
3121 Michelson Dr. Suite 110
Irvine, CA 92612 | SiliconSage Builders
560 South Mathilda Ave.
Sunnyvale, CA 94086 |
| b. | Address of City is as follows: | With a copy to: |
| | Public Works Director
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037 | City Clerk
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037 |

Section 15. Noncompliance

If City determines that Subdivider or Builder is in violation of any federal, state, County or City laws, ordinances, rules, regulations, and requirements, and/or the terms and provisions of this Agreement, it may issue a cease and desist order, stop work order, or other action City deems necessary.

Section 16. Notice of Breach and/or Default

City may serve written notice upon Subdivider, Builder, and surety of breach of this Agreement or of any portion thereof, and default of Subdivider or Builder for any of the following circumstances:

- (a) Subdivider or Builder refuses or fails to complete the Improvements as required in Section 6 above.
- (b) Subdivider or Builder refuses or fails to perform or cure any defects in the Improvements as required in Section 7.
- (c) Both Subdivider and Builder are insolvent, subject to a receivership, or file any petition in bankruptcy, either voluntary or involuntary which Subdivider or Builder fails to discharge within thirty (30) days.
- (d) The commencement of a foreclosure action against the Subdivision or any portion thereof, or any conveyance in lieu of or in avoidance of foreclosure.
- (e) Subdivider, Builder, or any of their contractors, subcontractors, agent, or employees materially violates any of the provisions of this Agreement and not cure the violation within a reasonable time.

Section 17. Performance by Surety or City

- (a) In the event of a material breach and/or default by Subdivider, or Builder, Subdivider's or Builder's surety shall have the duty to take over and complete the Improvements.
- (b) If the surety, within a reasonable time after receiving notice of Subdivider's or Builder default does not provide City written notice to take over the performance of this Agreement or if the surety

does not commence performance thereof within the time specified in such notice to City, City may take over the construction of the Improvements and prosecute the same to completion, by contract or by any method City may deem advisable, on behalf and at the expense of Subdivider and/or Builder, and Subdivider's or Builder's surety shall be liable to City for any excess cost or damages incurred by City thereby. In such event, City, without liability for so doing, may take possession of and utilize such materials, appliances, and other property belonging to Subdivider or Builder as may be on the work site(s) and necessary therefore to complete the Improvements.

(c) City shall have the right to draw upon or utilize the appropriate security provided for in Section 4 to recover costs and damages to City damages. The right of City to draw upon or utilize the security is additional and not in lieu of any other remedy available to City at law or in equity. The parties agree that the estimated costs and security amounts may not reflect the actual cost of construction or installation of Improvements, and therefore, City damages for Subdivider's or Builder's default shall be measured by the cost of completing the required Improvements.

(d) Failure of Subdivider or Builder to comply with terms of this Agreement shall constitute consent to filing by City of a notice of violation against all lots in the Subdivision, or to rescind the approval or otherwise revert the Subdivision to acreage. The remedies provided in this Subsection (d) are in addition to and not in lieu of other remedies available to City.

(e) In the event that Subdivider or Builder fails to perform any obligation under this Agreement, Subdivider and Builder agree to pay all costs and expenses incurred by City in securing performance of such obligation, including the costs of suit and reasonable attorney's fees.

(f) The failure by City to take an enforcement action with respect to a default, or to declare a breach, shall not be construed as a waiver of that default or breach or subsequent default or breach.

Section 18. Successors in Interest; Release of Original Subdivider

This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the parties. It shall be recorded in the Office of the Recorder of Santa Clara County concurrently with the Final Map of the Subdivision and shall constitute a covenant running with the land and an equitable servitude upon the real property within the Subdivision. It shall be the responsibility of City to cause the executed Agreement to be recorded. Notwithstanding anything in this Agreement, upon Subdivider's transfer or conveyance of its fee interest in the Subdivision, Subdivider shall be released from its obligations under this Agreement.

Section 19. Effective Date

This Agreement shall be effective as of the date and year first above written.

Section 20. Amendment of Agreement

This Agreement may only be amended by mutual consent of the original parties or their successors in interest, provided that any such amendment is executed in writing by the parties to be bound thereby.

Section 21. Execution

By signing this Agreement, the person signing states that he or she is authorized to enter into contracts on behalf of Subdivider and Builder. The undersigned, on behalf of Subdivider and Builder, respectively, binds Subdivider and Builder, and their respective partners, successors, executors, administrators, and assigns with respect to the terms and conditions of this Agreement.

Section 22. Non-Liability of Officials and Employees of the City.

No official or employee of City shall be personally liable for any default or liability under this Agreement.

Section 23. Law to Govern: Venue

The law of the State of California shall govern this Agreement. In the event of litigation between the parties, the action must be filed in the Santa Clara County Superior Court.

Section 24. Limitations Upon Subcontracting and Assignment.

Neither this Agreement or any portion shall be assigned by Subdivider or Builder without prior written consent of City; said consent shall not be unreasonably withheld by City. Notwithstanding the above, Builder and/or Subdivider shall have the right to assign their rights under this Agreement to an entity owned or affiliated with Builder which acquires fee title to the Subdivision.

Section 25. Miscellaneous

(a) Compliance with Law: Subdivider and Builder shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government.

(b) Non-Discrimination. Subdivider and Builder covenant there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, disability, national origin, ancestry, or sexual orientation in any activity pursuant to this Agreement.

(c) Conflict of Interest and Reporting. Subdivider and Builder shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.

(d) Time of Essence. Time is of the essence in the performance of this Agreement.

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(e) Interpretation. This Agreement shall be interpreted as though prepared by all parties.

(f) Preservation of Agreement. Should any provision of this Agreement be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.

IN WITNESS THEREOF, these parties have executed this Agreement on the day and year shown below.

[TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS: (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; **AND** (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.]

CITY OF MORGAN HILL

By:

Christina J. Turner, City Manager

Date: _____

ATTEST:

By:

Michelle Wilson, Deputy City Clerk

Date: _____

APPROVED AS TO FORM:

By:

Donald A. Larkin, City Attorney

Date: _____

"Subdivider"

Newland Homes, LLC

By:

Print Name and Title

Date: _____

"Builder"

SiliconSage Builders, LLC

By:

Print Name and Title

Date: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

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EXHIBIT "A"
IMPROVEMENTS AND
ESTIMATED COSTS OF IMPROVEMENTS AS OF APRIL 2017

Schedule II - Onsite Streets & Earthwork (Public)			
1	Existing curb and gutter removal	626.00 LF	\$5.00 \$3,130
2	Existing pavement removal	17,293 SF	\$2.00 \$34,586
3	Existing sidewalk removal	935 SF	\$3.00 \$2,805
4	Existing Street light relocation	1.00 LS	\$2,000.00 \$2,000
5	Existing water service removal	1 LS	\$1,000.00 \$1,000
6	Existing drop inlet and 12" SD removal	1 LS	\$1,200.00 \$1,200
7	Existing curb inlet and 15" SD removal	1 LS	\$1,000.00 \$1,000
8	Existing sidewalk removal	935 SF	\$3.00 \$2,805
9	Existing Street light relocation	1.00 LS	\$2,000.00 \$2,000
10	Existing water service removal	1 LS	\$1,000.00 \$1,000
11	Existing drop inlet and 12" SD removal	1 LS	\$1,200.00 \$1,200
12	Street finish grading	36,410 SF	\$0.50 \$18,205
13	Sawcut existing pavement	698 LF	\$1.50 \$1,047
14	AC pavement (4" AC on 12" AB)	26,353 SF	\$5.50 \$144,942
15	City std. curb and gutter	1,535 LF	\$25.00 \$38,375
16	Min. 2" AC grind and overlay	1,540 SF	\$2.00 \$3,080
17	City std. mstreet monument	2 EA	\$800.00 \$1,600
18	Sidewalk incl. driveway approaches	6,618 SF	\$6.00 \$39,708
19	Signing & striping	1 LS	\$5,000.00 \$5,000
20	City std. electroliers	5 EA	\$3,000.00 \$15,000
21	Stop signs and legend	2 EA	\$1,000.00 \$2,000
22	Existing anchor pole to be relocated	1 LS	TBD TBD
23	Existing PG&E boxes relocation	1 LS	TBD TBD
			Total Schedule II \$321,683
Schedule III - Water Improvements (Public)			
1	8" water (D.I.P. - class 50)	432 LF	\$50.00 \$21,600
2	City std. fire hydrants	1 EA	\$4,000.00 \$4,000
3	1" water services	9 EA	\$1,500.00 \$13,500
4	1 1/2" irrigation service w/RPBP	1 EA	\$2,000.00 \$2,000
5	Blow off valves	1 EA	\$1,500.00 \$1,500
			Total Schedule III \$42,600
Schedule IV - Sewer Improvements (Public)			
1	8" sewer PVC (SDR 26)	520 LF	\$40.00 \$20,800
2	City std. manholes	2 EA	\$3,000.00 \$6,000
3	4" sewer laterals	9 EA	\$2,200.00 \$19,800
			Total Schedule IV \$46,600
Schedule VI - Drainage (Public)			
1	15" RCP storm	210 LF	\$55.00 \$11,550
2	City std. curb inlet	5 EA	\$3,500.00 \$17,500
3	City std. storm manhole	1 EA	\$3,500.00 \$3,500
4	36"x36" D.I.	1 EA	\$3,000.00 \$3,000
			Total Schedule VI \$35,550
10% CONTINGENCY			\$44,643
TOTAL			\$491,076

PERFORMANCE BOND
(100% of Engineer's Estimate)

Bond No.: _____

Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California, and **SiliconSage Builders, LLC** (hereinafter designated as "principal") have entered into a Subdivision Improvement Agreement:

WALNUT GROVE ESTATES – TRACT NO. 10422

whereby principal agrees to install and complete certain designated public improvements, which said agreement, dated _____, 2017, and identified as project **WALNUT GROVE ESTATES – TRACT NO. 10422**, is hereby referred to and made a part hereof; and

Whereas, said principal is required under the terms of said agreement to furnish a bond for the faithful performance of said agreement.

Now, therefore, we, the principal and _____, as surety, are held and firmly bound unto the City of Morgan Hill hereinafter called ("City"), in the penal sum of **four hundred ninety one thousand seventy six dollars (\$491,076)** lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The Surety's office is located at _____,

Telephone No. _____; the Surety is licensed to do business in the State of California; and the California Insurance Agent's License No., address, and telephone number are as follows:

License No.: _____

Address: _____

Telephone No.: _____

The non-resident agent for the Surety, if any, is a party to the transaction:

Name of non-resident agent: _____

Non-resident
agent's office
address:

Telephone No.:

The condition of this obligation is such that if the above bounded principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

Executed this _____ day of _____ 2017.

Principal

Principal

By:

Surety

By:

Attorney-in Fact

By:

California Resident Agent

By:

Non-resident Agent - Attorney-in-Fact

APPROVED:

Karl Bjarke, Public Works Director

Date: _____

APPROVED AS TO FORM:

By:

Donald A. Larkin, City Attorney

Date: _____

(Acknowledgment on following page.)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

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County of **Santa Clara**

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I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

LABOR AND MATERIAL BOND
(100% of Engineer's Estimate)

Bond No.: _____

Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California, and **SiliconSage Builders, LLC** (hereinafter designated as "the principal") have entered into a Subdivision Improvement Agreement:

WALNUT GROVE ESTATES – TRACT NO. 10422

whereby the principal agrees to install and complete certain designated public improvements, which agreement, dated _____, 2017, and identified as project **Walnut Grove Estates, Tract No. 10422**, is hereby referred to and made a part hereof; and

Whereas, under the terms of the agreement, the principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the City of Morgan Hill to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code of the State of California.

Now, therefore, the principal and the undersigned as corporate surety, and their successors and assigns are held and firmly bound unto the City of Morgan Hill and all contractors, subcontractors, laborers, material suppliers, and other persons employed in the performance of the agreement and referred to in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code in the sum of **four hundred ninety one thousand seventy six dollars (\$491,076)**, for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this work or labor, that the surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City of Morgan Hill in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety's office is located at _____,

Telephone No. _____; the Surety is licensed to do business in the State of California; and the California Insurance Agent's License No., address, and telephone number as follows:

License No.: _____

Address: _____

Telephone No.: _____

The following non-resident agent, if any, for the Surety is a party to the transaction:

Name of non-resident agent: _____

Non-resident agent's office address: _____

Telephone No.: _____

The surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

Executed this _____ day of _____ 2017.

Principal

Principal

By:

Surety

By:

Attorney-in Fact

By:

California Resident Agent

By:

Non-resident Agent - Attorney-in-Fact

APPROVED:

Karl Bjarke, Public Works Director

Date: _____

APPROVED AS TO FORM:

By:

Donald A. Larkin, City Attorney

Date: _____

(Acknowledgment on following page.)

Attachment: Tract 10422 Subdivision Improvements Agreement (1472 : FINAL MAP APPROVAL OF WALNUT GROVE ESTATES - TRACT NO.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

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County of **Santa Clara**

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I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

WARRANTY BOND
(50% of Engineer's Estimate)

Bond No.: _____

Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California and **SiliconSage Builders, LLC** (hereinafter designated as "the principal") have entered into a Subdivision Improvement Agreement:

WALNUT GROVE ESTATES – TRACT NO. 10422

whereby the principal agrees to install and complete certain designated public improvements, which said agreement, dated _____, 2017, and identified as project **Walnut Grove Estates, Tract No. 10422**, is hereby referred to and made a part hereof; and

Whereas, under the terms of the agreement, the principal is required to furnish a bond to guarantee and warrant the work required by said agreement for a period of one year following the completion and acceptance by the City of the improvements, against any defective work or labor performed, or defective materials furnished by principal.

Now, therefore, we, the principal and _____ as Surety, are held and firmly bound unto the City of Morgan Hill in the penal sum of **two hundred forty five thousand five hundred thirty eight dollars (\$245,538)** for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

If the principal faithfully carries out and performs its guarantee and warranty under the agreement, and, on due notice from City, repairs and make good at its sole expense any and all defects in materials and workmanship in the Project which are discovered during the Warranty Period, or if the principal promptly reimburses City for all loss and damage that City sustains because of the principal's failure to makes such repairs in accordance with the agreement requirements, then Surety's obligations under this Bond will be null and void. Otherwise, Surety's obligations will remain in full force and effect.

Surety waives the provisions of Civil Code Sections 2819 and 2845. Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

Any notice to Surety may be given in the manner specified in the Agreement and delivered or transmitted to Surety as follows:

Attn: _____

Address: _____

City/State/Zip: _____

Phone: _____

Fax: _____

Email: _____

This Bond will be governed by California law, and any dispute pursuant to this Bond will be venued in the Superior Court of Santa Clara County, and no other place. Surety will be responsible for City's attorneys' fees and costs in any action to enforce the provisions of this Bond.

In witness whereof, this instrument has been duly executed by the principal and surety above named.

SURETY:

Principal:

Date: _____

Date: _____

s/ _____

s/ _____

Name: _____

Name: _____

Title: _____

Title: _____

(Attach Acknowledgment with Notary

Seal and Power of Attorney)

APPROVED AS TO FORM:

By: _____

Donald A. Larkin, City Attorney

Date: _____

END OF WARRANTY BOND

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

Warranty Bond Page 4

RECORDING REQUESTED BY:

CITY OF MORGAN HILL

WHEN RECORDED MAIL DOCUMENT TO:

CITY CLERK
CITY OF MORGAN HILL
17575 PEAK AVENUE
MORGAN HILL, CA 95037

RECORD AT NO FEE PER
GOVERNMENT CODE SECTIONS 6103
& 27383

SPACE ABOVE THIS LINE FOR RECORDER'S
USE

**STORMWATER BEST MANAGEMENT PRACTICES,
OPERATION, AND MAINTENANCE AGREEMENT**

THIS STORMWATER BEST MANAGEMENT PRACTICES OPERATION, AND MAINTENANCE AGREEMENT ("AGREEMENT") is made and entered into this ____ day of _____, 2017, by **Newland Homes**, (hereinafter referred to as "COVENANTOR") and the City of Morgan Hill ("CITY"). CITY and COVENANTOR may be referred to individually as a "Party" or collectively as the "Parties" throughout this AGREEMENT.

RECITALS:

This AGREEMENT is made and entered into with reference to the following facts:

- A. CITY is authorized and required to regulate and control the disposition of storm and surface waters as set forth in CITY's National Pollutant Discharge Elimination System permit.
- B. COVENANTOR is the owner of a certain tract or parcel of land more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "PROPERTY").
- C. COVENANTOR desires to construct certain improvements of the kind or nature described in Morgan Hill Municipal Code Chapter 18.71 (the "ORDINANCE") on the PROPERTY that may alter existing stormwater conditions on both the PROPERTY and adjacent lands.
- D. To minimize adverse impacts due to these anticipated changes in existing storm and surface water flow conditions, COVENANTOR is required by CITY to implement Best Management Practices ("BMPs") and to build and maintain, at COVENANTOR's expense, stormwater management facilities ("FACILITIES"), more particularly described and shown in the **Stormwater Runoff Management Plan for Newland Homes (Walnut Grove, Tract 10422)** prepared by **M.H. Engineering Co.** and dated **April 11, 2017**, which plans and any amendments thereto, are on file with CITY's Public Works Department, and are hereby incorporated by this reference.
- E. CITY has reviewed and approved the Stormwater Runoff Management Plan (the "PLAN") subject to the execution of this AGREEMENT.

NOW, THEREFORE, in consideration of the benefit received and to be received by COVENANTOR, its successors, and assigns, as a result of CITY's approval of the Stormwater Runoff Management Plan, COVENANTOR, hereby covenants and agrees with CITY as follows:

1. Covenants Running With the Land; Property Subject to Agreement: All of the real property described in Exhibit "A" shall be subject to this AGREEMENT. It is intended and determined that the provisions of this AGREEMENT shall run with the land and shall be binding on all parties having or acquiring any right, title, or interest in the real PROPERTY or any portion thereof and shall be for the benefit of each owner of any of said parcels or any portion of said PROPERTY and shall inure to the benefit of and be binding upon each successor in interest of the owners thereof. Each and all of the limitations, easements, obligations, covenants, conditions, and restrictions contained herein shall be deemed to be, and shall be construed as, equitable servitudes, enforceable by any of the owners of any of the PROPERTY subject to this AGREEMENT against any other owner, tenant or occupant of the said PROPERTY, or any portion thereof.
2. Responsibility for Installation, Operation, and Maintenance: At its sole expense, COVENANTOR, its successors, and assigns, shall construct, operate, and perpetually maintain the FACILITIES in strict accordance with the PLAN and any amendments thereto that have been approved by CITY or required by the ORDINANCE.
3. Facility Modifications: At its sole expense, COVENANTOR, its successors, and assigns, shall make such changes or modifications to the FACILITIES as may be determined as reasonably necessary by CITY to ensure that the FACILITIES are properly maintained and continue to operate as originally designed and approved. COVENANTOR agrees that it shall not modify the BMPs and shall not allow BMP maintenance activities to alter the designed function of the FACILITIES from its original design unless approved by CITY prior to the commencement of the proposed modification or maintenance activity.
4. Facility Inspections by CITY: At reasonable times and in a reasonable manner as provided in the ORDINANCE, CITY, its agents, employees, and contractors shall have the right of ingress and egress to the FACILITIES and the right to inspect the FACILITIES in order to ensure that the FACILITIES are being properly maintained, are continuing to perform in an adequate manner, and are in compliance with the ORDINANCE, the PLAN and any amendments thereto approved by CITY.
5. Failure to Perform Required Facility Repairs or Modifications: Should either COVENANTOR or its successors and assigns fail to implement the BMPs, maintain the facilities, or correct any defects in the FACILITIES in accordance with the approved design standards and/or the PLAN, and in accordance with the law and applicable regulations of the ORDINANCE, after thirty (30) days from the date of the written notice from CITY, CITY shall have the right to enter the PROPERTY to perform remedial work, for which CITY will collect reimbursement for such work from COVENANTOR. Additionally, conditions from failure to implement the BMPs or to maintain or correct the FACILITIES shall be deemed a nuisance subject to abatement of such conditions as provided in Chapter 1.18 of the Morgan Hill Municipal Code. In addition, CITY may pursue other such remedies as provided by law, including, but not limited to, such civil and criminal remedies set forth in the ORDINANCE.
6. Indemnity: COVENANTOR, its successors, and assigns, shall defend, indemnify, and hold CITY harmless of and from any and all claims, liabilities, actions, causes of action, and damages for personal injury and property damage, including, without limitation, reasonable attorneys' fees, arbitration fees, or costs and court costs, arising out of or related to COVENANTOR's, its successors', and/or assigns' construction, operation, or maintenance of the FACILITIES except claims, liabilities, actions, causes of action, and damages that arise out of CITY's sole negligence or willful misconduct or the sole negligence or willful misconduct of any of CITY'S employees, agents, representatives, contractors, vendors, or consultants.

7. Obligations and Responsibilities of COVENANTOR: Initially, COVENANTOR is solely responsible for the performance of the obligations required hereunder and, to the extent permitted under applicable law, the payment of any and all fees, fines, and penalties associated with such performance or failure to perform under this AGREEMENT. Notwithstanding any provisions of this AGREEMENT to the contrary, upon the recordation of a deed or other instrument of sale, transfer or other conveyance of fee simple title to the PROPERTY or any portion thereof (a "Transfer") to a third party (the "Transferee"), COVENANTOR shall be released of all of its obligations and responsibilities under this AGREEMENT accruing after the date of such Transfer to the extent such obligations and responsibilities are applicable to that portion of the PROPERTY included in such Transfer, but such release shall be expressly conditioned upon the Transferee assuming such obligations and responsibilities by recorded written agreement for the benefit of CITY. Such written agreement may be included in the Transfer deed or instrument, provided that the Transferee joins in the execution of such deed or instrument. A certified copy of such deed, instrument, or agreement shall be provided to CITY. The provisions of the preceding three sentences shall be applicable to the original COVENANTOR and any successor Transferee who has assumed the obligations and responsibilities of COVENANTOR under this AGREEMENT as provided above.
8. Property Transfer: Nothing herein shall be construed to prohibit a transfer by COVENANTOR to subsequent owners and assigns.
9. Attorneys' Fees: In the event that any Party institutes legal action or arbitration against the other to interpret or enforce this AGREEMENT, or to obtain damages for any alleged breach hereof, the prevailing party in such action or arbitration shall be entitled to reasonable attorneys' or arbitrators' fees in addition to all other recoverable costs, expenses, and damages.
10. Further Documents: The Parties covenant and agree that they shall execute such further documents and instructions as shall be necessary to fully effectuate the terms and provisions of this AGREEMENT.
11. Entire Agreement: This AGREEMENT constitutes the entire agreement of the Parties with respect to the subject matter contained herein and supersedes all prior agreements, whether written or oral. There are no representations, agreements, arrangements, or undertakings, oral or written, that are not fully expressed herein.
12. Severability: In the event any part or provision of this AGREEMENT shall be determined to be invalid or unenforceable under the laws of the State of California, the remaining portions of this AGREEMENT that can be separated from the invalid, unenforceable provisions shall, nevertheless, continue in full force and effect.
13. No Waiver: The waiver of any covenant contained herein shall not be deemed to be a continuing waiver of the same or any other covenant contained herein.
14. Amendment: This AGREEMENT may be amended in whole or in part only by mutual written agreement. Any such amendment shall be recorded in Santa Clara County, California. In the event any conflict arises between the provisions of any such amendment and any of the provisions of any earlier document or documents, the most recently duly executed and recorded amendment shall be controlling.
15. Authority to Execute: The persons executing this AGREEMENT on behalf of the parties warrant that they are duly authorized to execute this AGREEMENT.

16. In the event that CITY shall determine, at its sole discretion, at any future time, that the FACILITIES are no longer required, then at the written request of COVENANTOR, its successors, and/or assigns, CITY shall execute a release of this AGREEMENT which COVENANTOR, its successors, and/or assigns, shall record in the Recorder's Office, at its expense.

Executed the day and year first above written.

COVENANTOR:

By: _____

Name: _____

Title: _____

CITY OF MORGAN HILL:

By: _____

Name: CHRISTINA J. TURNER

Title: CITY MANAGER, CITY OF MORGAN HILL

APPROVED AS TO FORM:

By: _____

Name: DONALD A. LARKIN

Title: CITY ATTORNEY, CITY OF MORGAN HILL

EXHIBIT "A"

All that real property situated in the City of Morgan Hill, Santa Clara County, State of California being more particularly described as follows:

Open Spaces _____ as shown on that Map of Tract No. 10422 thereof
 filed in Book _____ of Maps at Pages _____, Santa Clara County Records.

Attachment: Stormwater BMP Operation and Maintenance Agreement (1472 : FINAL MAP APPROVAL OF WALNUT GROVE ESTATES - TRACT



CITY COUNCIL STAFF REPORT

MEETING DATE: November 15, 2017

PREPARED BY: Charlie Ha, Supervising Civil Engineer

APPROVED BY: None

FINAL MAP APPROVAL OF EVERGREEN RENTAL

RECOMMENDATION(S)

1. Approve the Parcel Map;
2. Authorize the City Manager to execute the Improvement Agreement with MH Evergreen Multi, LLC;
3. Authorize the City Manager to execute a Stormwater Best-Management-Practices (BMP) Operation and Maintenance Agreement pending review and approval by the City Attorney; and
4. Authorize the recordation of the Parcel Map, Improvement Agreement, and the Stormwater BMP Operation and Maintenance Agreement.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment

2017 Strategic Priorities

Infrastructure

REPORT NARRATIVE:

The Evergreen Rental 168-unit apartment development is located on the northeast corner of San Pedro Avenue and Condit Avenue (see attached site map). The developer, MH Evergreen Multi, LLC, has completed all the conditions specified by the Planning Commission in the approval of the Tentative Map on August 23, 2016.

The City Council is required to approve a Final Map if it conforms to all the requirements of the Subdivision Map Act, and any conditions of approval required of the Tentative Map.

The developer has furnished the City with the necessary documents to complete the processing of the Final Map and has made provisions to provide the City with the required fees, security, and insurance prior to recordation of the Final Map. The Final Map conforms to the requirements of the Subdivision Map Act, and conditions of approval have been met. Staff recommends that City Council authorize the City Manager to sign an Improvement Agreement on behalf of the City and sign a Stormwater Best Management Practices (BMP) Operation and Maintenance Agreement pending review and approval by the City Attorney.

COMMUNITY ENGAGEMENT: Involve

On August 23, 2016, the Planning Commission approved the Tentative Map. Residents within a 300 feet radius were informed of the Planning Commission's intent to review

and approve the Tentative Map for the project, at a public hearing which was held to allow the public to be involved and voice their concerns regarding the Tentative Map requirements.

ALTERNATIVE ACTIONS:

There is no feasible alternative action as the developer has met the requirements of the tentative map conditions approved by the Planning Commission to file for final map approval.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On October 19, 2016, the City Council approved the Development Agreement.

FISCAL AND RESOURCE IMPACT:

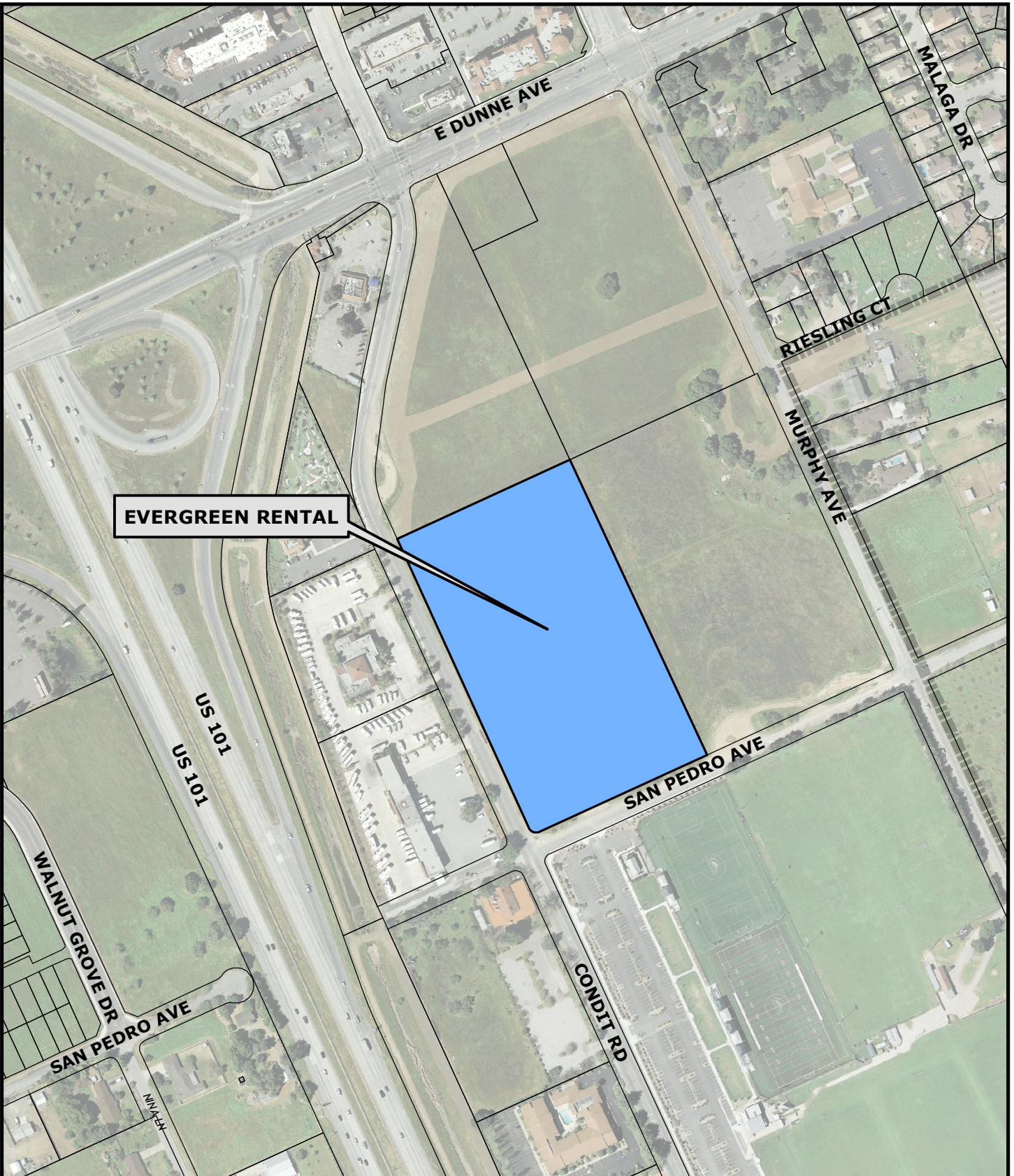
Development review costs for this project are paid for from development processing fees.

CEQA (California Environmental Quality Act):

Project - An Environmental Impact Report (EIR) has been prepared and certified for the project site. An Addendum analyzing the project has been completed which has concluded that the project is consistent with the development project analyzed in the EIR for the project site.

LINKS/ATTACHMENTS:

1. Site Map
2. Final Map
3. Improvement Agreement
4. Stormwater BMP Operation and Maintenance Agreement



Attachment: Site Map (1478 : FINAL MAP APPROVAL OF EVERGREEN RENTAL)



CITY OF MORGAN HILL

**Department of Public Works
Engineering and Utilities Division**

G:\R-14\Proj\GIS\John\Charlie_EvergreenRental.mxd

SITE MAP EVERGREEN RENTAL



OWNERS' STATEMENT

WE HEREBY STATE THAT WE ARE THE OWNERS OF OR HAVE SOME RIGHT, TITLE, OR INTEREST IN AND TO THE REAL PROPERTY SHOWN ON THE SUBDIVISION WITHIN THE DISTINCTIVE SYMBOL LINE OF THIS MAP ENTITLED "PARCEL MAP EVERGREEN" CONSISTING OF FOUR (4) SHEETS, THIS STATEMENT BEING ON SHEET ONE (1) THEREOF; THAT WE ARE THE OWNERS OF THE REAL PROPERTY SHOWN ON THE SUBDIVISION WITHIN THE DISTINCTIVE SYMBOL LINE OF THIS MAP; CAUSED THIS MAP TO BE PREPARED FOR RECORD, AND DO CONSENT TO THE MAKING AND FILING OF SAID MAP.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED IN FEE FOR PUBLIC PURPOSES: "SAN PEDRO AVENUE", AS SHOWN OF THIS MAP; SAID DEDICATION AND OFFER OF DEDICATION ARE FOR ANY AND ALL PUBLIC USES UNDER, UPON, AND OVER SAID STREET.

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES: "EMERGENCY VEHICLE ACCESS EASEMENT" (EVEA).

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES: "EASEMENT TO THE CITY OF MORGAN HILL FOR ACCESS OF EMERGENCY VEHICLES OVER THOSE AREAS DESIGNATED AS "EMERGENCY VEHICLE ACCESS EASEMENT" (EVEA).

THE REAL PROPERTY DESCRIBED BELOW IS DEDICATED AS AN EASEMENT FOR PUBLIC PURPOSES: "EASEMENT TO THE CITY OF MORGAN HILL FOR NON-VEHICULAR PUBLIC ACCESS OVER THOSE CERTAIN AREAS DESIGNATED AS "PUBLIC ACCESS EASEMENT" (PAE).

WE HEREBY RESERVE FOR THE BENEFIT OF THE OWNERS OF PARCELS WITHIN THE DISTINCTIVE SYMBOL LINE OF THIS SUBDIVISION, AND THE PRESENT AND SUCCESSOR MEMBERS OF THE HOMEOWNERS ASSOCIATION CREATED FOR THE "EVERGREEN" SUBDIVISIONS, THEIR LICENSEES, VISITORS, AND TENANTS, "PARCEL B", AS "OPEN SPACE" FOR THE "OPEN SPACE" PARCEL B, AS SHOWN OF THIS MAP; SAID DEDICATION AND OFFER OF DEDICATION ARE FOR ANY AND ALL PUBLIC USES UNDER, UPON, AND OVER SAID STREET.

WE HEREBY RESERVE FOR THE BENEFIT OF THE OWNERS OF PARCELS WITHIN THE DISTINCTIVE SYMBOL LINE OF THIS SUBDIVISION, AND THE PRESENT AND SUCCESSOR MEMBERS OF THE HOMEOWNERS ASSOCIATION CREATED FOR THE "EVERGREEN" SUBDIVISIONS, THEIR LICENSEES, VISITORS, AND TENANTS, FOR THE PURPOSE OF "INGRESS AND EGRESS OVER THE STREET DESIGNATED AS (PRIVATE) AND SHOWN AS "OLD WINE LANE (PARCEL A)", SAID PARCEL SHALL BE CONVEYED TO AND MAINTAINED BY THE HOMEOWNERS ASSOCIATION CREATED FOR THE "EVERGREEN" SUBDIVISIONS, AS STATED IN THE COVENANTS, CONDITIONS, AND RESTRICTIONS, NO FURTHER SUBDIVISION OR RESIDENTIAL DEVELOPMENT OF THE "OPEN SPACE" PARCEL SHALL BE ALLOWED.

ALL OF THE DESCRIBED STREETS AND EASEMENTS SHALL BE KEPT FREE OF BUILDINGS, EXCEPT LAWFUL UNSUPPORTED STRUCTURES THAT DO NOT IMPAIR THE USE OF OR ARE CONSISTENT WITH THE PURPOSES OF THE STREET OR EASEMENT.

THE HERIN DESCRIBED OFFERS OF DEDICATION TO THE CITY OF MORGAN HILL ARE TO BE ACCEPTED ONLY WHEN THE RESOLUTION(S) OF THE CITY OF MORGAN HILL, A RESOLUTION ACCEPTING SAID STREETS OR EASEMENTS, UNTIL SAID RESOLUTION(S) ARE RECORDED, ALL STREETS AND EASEMENTS ENCOMPASSED WITHIN SUCH OFFERS OF DEDICATION SHALL BE MAINTAINED BY THE OWNER DURING ANY REQUIRED WARRANTY PERIOD AND THEREAFTER BY THE OWNER(S) OF SAID PARCELS AND SHALL UNDER NO CIRCUMSTANCES BE SUBJECT TO ANY FURTHER DEDICATION, EASEMENT, OR ANY IMPROVEMENT THEREON. ALL DEDICATED RIGHT-OF-WAY AND EASEMENTS NOT ACCEPTED FOR MAINTENANCE BY THE CITY OR OTHER PUBLIC AGENCY SHALL BE MAINTAINED BY THE OWNER(S) OF THE LOTS OR PARCELS IN THE SUBDIVISION.

OWNERS:
MH EVERGREEN MULTI, LLC
A DELAWARE LIMITED LIABILITY COMPANY
BY: WHY INVESTMENT PROPERTIES I, LLC
ITS MANAGING MEMBER
BY: JEFFREY M. THACK, CEO & PRESIDENT

OWNER ACKNOWLEDGMENT

I, A NOTARY PUBLIC OR OTHER OFFICER COMPLETING THIS CERTIFICATE, VERIFIES ONLY THE IDENTITY OF THE INDIVIDUAL WHO SIGNED THE INSTRUMENT, AND DOES NOT GUARANTEE THE TRUTHFULNESS, ACCURACY, OR VALIDITY OF THAT DOCUMENT.

STATE OF CALIFORNIA }
COUNTY OF }
COUNTY OF CALIFORNIA }

ON _____, 2017, BEFORE ME, _____, A NOTARY PUBLIC WHO PERSONALLY APPEARED, _____, WHO PROVED TO ME ON THE BASIS OF SATISFACTORY EVIDENCE TO BE THE PERSON(S) WHOSE NAME(S) IS/ARE SUBSCRIBED TO THE WITHIN INSTRUMENT AND ACKNOWLEDGED TO ME THAT HE/SHE/IT WAS THE SAME IN HIS/HER/ITS AUTHORIZED CAPACITY(ES), AND THAT BY HIS/HER/ITS SIGNATURE(S) ON THE INSTRUMENT THE PERSON(S), OR THE ENTITY UPON BEHALF OF WHICH THE PERSON(S) ACTED, EXECUTED THE INSTRUMENT.

I CERTIFY UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE FOREGOING PARAGRAPH IS TRUE AND CORRECT.

WITNESS MY HAND.
NOTARY'S SIGNATURE: _____
NAME OF NOTARY (PLEASE PRINT): _____
PRINCIPAL COUNTY OF BUSINESS: _____
MY COMMISSION NUMBER: _____
MY COMMISSION EXPIRES: _____

SURVEYOR'S STATEMENT

THIS MAP WAS PREPARED BY ME OR UNDER MY DIRECTION, AT THE REQUEST OF MH EVERGREEN MULTI, LLC, A DELAWARE LIMITED LIABILITY COMPANY. IT IS BASED UPON A FIELD SURVEY PERFORMED BY ME OR UNDER MY DIRECTION COMPLETED IN MAY 2017, IN CONFORMANCE WITH THE REQUIREMENTS OF THE DELAWARE LIMITED LIABILITY COMPANY. THE SURVEY WAS CONDUCTED IN ACCORDANCE WITH THE DELAWARE LIMITED LIABILITY COMPANY'S STANDARD AND OCCUPY THE POSITIONS INDICATED OR THAT THEY WILL BE SET IN THOSE POSITIONS ON OR BEFORE NOVEMBER 2019, AND THAT SAID MONUMENTS ARE OR WILL BE SUFFICIENT TO ENABLE THE SURVEY TO BE RETRACED.

BRYAN PIERCE PLS 2859 DATE _____
EXPRES: 12-31-2017

CITY SURVEYOR'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THE HERIN MAP ENTITLED "PARCEL MAP EVERGREEN" AND THAT I AM SATISFIED THAT SAID MAP IS TECHNICALLY CORRECT.



DATE: _____
JOHN K. KING
ACTING CITY SURVEYOR
P.L.S. NO. 6809

NOTES

- 1.) THE DISTINCTIVE SYMBOL LINE INDICATES THE BOUNDARIES OF THE LAND SUBDIVIDED BY THIS PARCEL MAP.
- 2.) THE AREA WITHIN THE DISTINCTIVE SYMBOL LINE IS 10.045 ACRES, MORE OR LESS.
- 3.) MEASURED DISTANCES AND DIMENSIONS ARE SHOWN IN FEET AND DECIMALS THEREOF.
- 4.) A GEOTECHNICAL REPORT FOR PROJECT PRESIDIO EVERGREEN DEVELOPMENT, CONDIT ROAD AND SAN PEDRO AVENUE MORGAN HILL, CALIFORNIA; FILE NUMBER SH-13167-SA, WAS PREPARED BY JAMES M. EVERGREEN, 2940 EVERGREEN DRIVE, MORGAN HILL, CA 95020.
- 5.) THE PROPERTY OWNER IS PROVIDED CONSTRUCTION NOTICE HEREON THAT EACH LOT IS SUBJECT TO REQUIREMENTS OF A DEVELOPMENT AGREEMENT AND THAT COMMITMENTS UNDER THE AGREEMENT, WHICH THE CITY HAS PERMITTED THE PROPERTY OWNER TO DELAY, MUST BE FULFILLED BY THE SUBSEQUENT PROPERTY OWNERS/OWNER.

CITY ENGINEER'S STATEMENT

I HEREBY STATE THAT I HAVE EXAMINED THE HERIN MAP DESIGNATED "PARCEL MAP EVERGREEN"; THAT THE SUBDIVISION AS SHOWN IS SUBSTANTIALLY THE SAME AS IT APPEARED ON THE TENTATIVE MAP AND ANY APPROVED ALTERATIONS THEREOF; THAT ALL PROVISIONS OF THE SUBDIVISION MAP ACT, AS AMENDED, AND OF ANY LOCAL ORDINANCES, ARE APPLICABLE AT THE TIME OF APPROVAL OF THE TENTATIVE MAP HAVE BEEN COMPLIED WITH.



DATE: _____
KARL D. BURSKE
CITY ENGINEER
CITY OF MORGAN HILL, CALIFORNIA
R.C.E. NO. 39416

STATEMENT OF THE PLANNING COMMISSION

I HEREBY STATE THAT THE MAP DESIGNATED "PARCEL MAP EVERGREEN"; WAS CONDITIONALLY APPROVED BY THE PLANNING COMMISSION OF THE CITY OF MORGAN HILL ON AUGUST 23, 2016, BY RESOLUTION NUMBER 16-45, APPLICATION NUMBER 502016-0006.

DATE: _____
JENNIFER CARMAN
COMMUNITY DEVELOPMENT DIRECTOR
CITY OF MORGAN HILL, CALIFORNIA

STATEMENT OF THE CITY CLERK

I HEREBY STATE THAT THIS MAP, DESIGNATED AS "PARCEL MAP EVERGREEN", CONSISTING OF FOUR (4) SHEETS, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MORGAN HILL AT A PUBLIC HEARING HELD ON _____, 20____, AT _____ M., THAT SAID COUNCIL DID ACCEPT, SUBJECT TO IMPROVEMENT, IN ACCORDANCE WITH CITY STANDARDS, ON BEHALF OF THE PUBLIC, THE DEDICATION OF THE STREETS AND EASEMENTS OFFERED FOR DEDICATION FOR PUBLIC USE IN CONFORMITY WITH THE TERMS OF THE OFFER OF DEDICATION, AS SHOWN ON THIS MAP.

DATE: _____
IRMA TORREZ - CITY CLERK
OF THE CITY OF MORGAN HILL, CALIFORNIA

RECORDER'S STATEMENT

FILE NO. _____ FEE \$ _____ PAID, ACCEPTED FOR RECORD AND FILED IN BOOK _____ OF MAPS AT PAGES _____, SANTA CLARA COUNTY RECORDS, THIS _____ DAY OF _____, 20____, AT _____ M., AT THE REQUEST OF CHICAGO TITLE COMPANY.

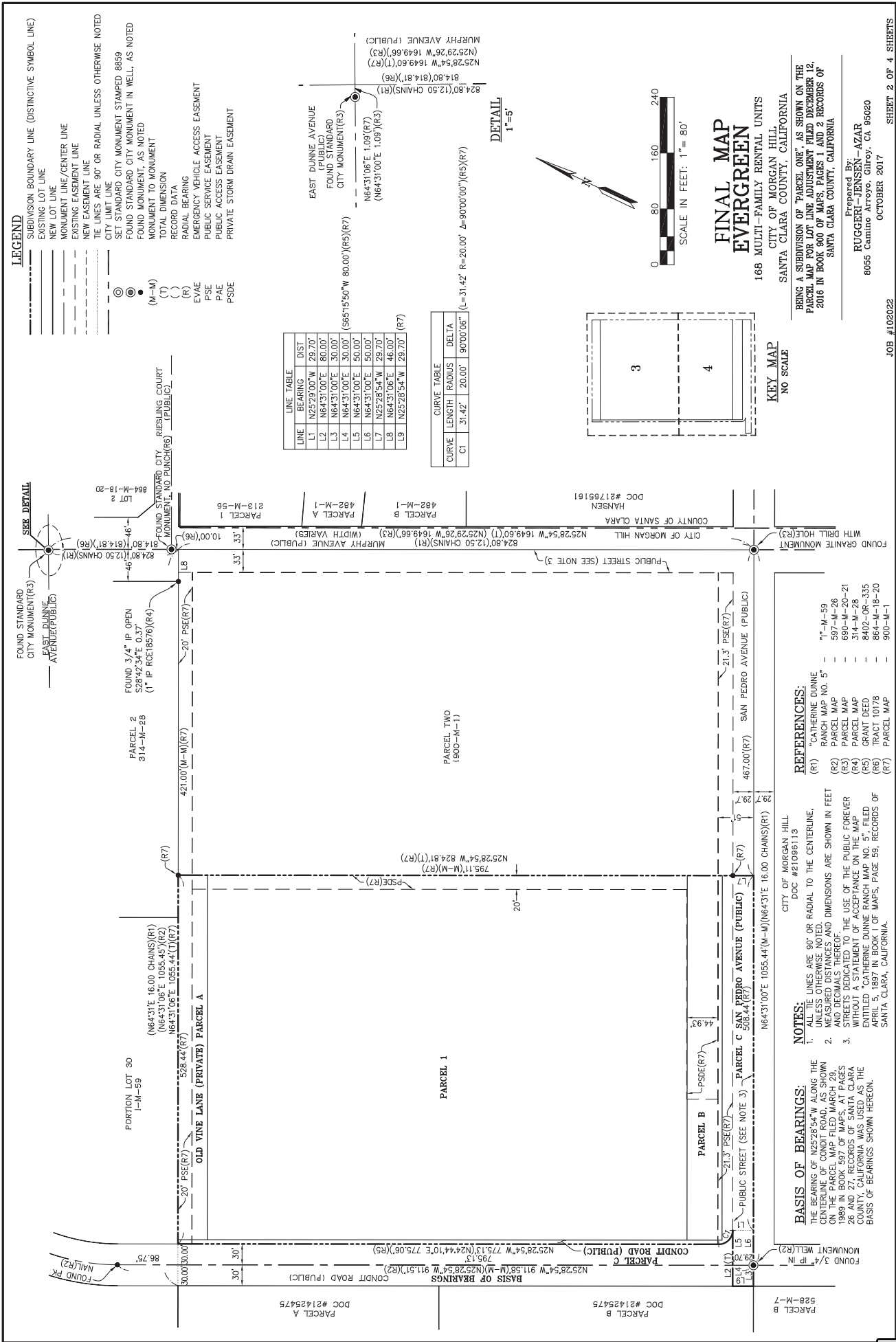
REGINA ALCOMENDRAS, RECORDER
SANTA CLARA COUNTY, CALIFORNIA
BY: _____ DEPUTY

FINAL MAP
EVERGREEN

168 MULTI-FAMILY RENTAL UNITS
CITY OF MORGAN HILL
SANTA CLARA COUNTY, CALIFORNIA

BRING A SUBDIVISION OF "PARCEL ONE" AS SHOWN ON THE PARCEL MAP FOR LOT LINE ADJUSTMENT FILED DECEMBER 12, 2016 IN BOOK 900 OF MAPS, PAGES 1 AND 2 RECORDS OF SANTA CLARA COUNTY, CALIFORNIA

Prepared By:
RUGGERI-JENSEN-AZAR
8055 Camino Arroyo, Gilroy, CA 95020
OCTOBER 2017

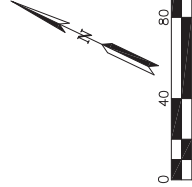


LEGEND

- SUBDIVISION BOUNDARY LINE (DISTINCTIVE SYMBOL LINE)
- EXISTING LOT LINE
- NEW LOT LINE
- MONUMENT LINE/CENTER LINE
- EXISTING EASEMENT LINE
- NEW EASEMENT LINE
- THE LINES ARE 90° OR RADIAL UNLESS OTHERWISE NOTED
- CITY LIMIT LINE
- SET STANDARD CITY MONUMENT STAMPED 8859
- FOUND MONUMENT AS NOTED
- MONUMENT TO MONUMENT
- TOTAL DIMENSION
- RECORD DATA
- RADIAL BEARING
- EMERGENCY VEHICLE ACCESS EASEMENT
- PUBLIC SERVICE EASEMENT
- PUBLIC ACCESS EASEMENT
- PRIVATE STORM DRAIN EASEMENT

CURVE TABLE			
CURVE	LENGTH	RADIUS	DELTA
C1	4.71'	3.00'	90°00'00"
C2	12.57'	8.00'	90°00'00"
C3	20.42'	13.00'	90°00'00"
C4	10.60'	18.00'	33°44'56"
C5	10.60'	18.00'	33°44'56"
C6	20.42'	13.00'	90°00'00"
C7	12.57'	8.00'	90°00'00"
C8	4.71'	3.00'	90°00'00"
C9	4.71'	3.00'	90°00'00"
C10	50.78'	265.00'	10°58'43"
C11	5.38'	3.00'	102°47'45"
C12	4.62'	3.00'	88°13'40"
C13	4.71'	3.00'	90°00'00"
C14	4.71'	3.00'	90°00'00"
C15	51.63'	215.00'	13°45'30"
C16	1.57'	1.00'	90°00'00"
C17	1.57'	1.00'	90°00'00"
C18	1.57'	1.00'	90°00'00"
C19	1.57'	1.00'	90°00'00"

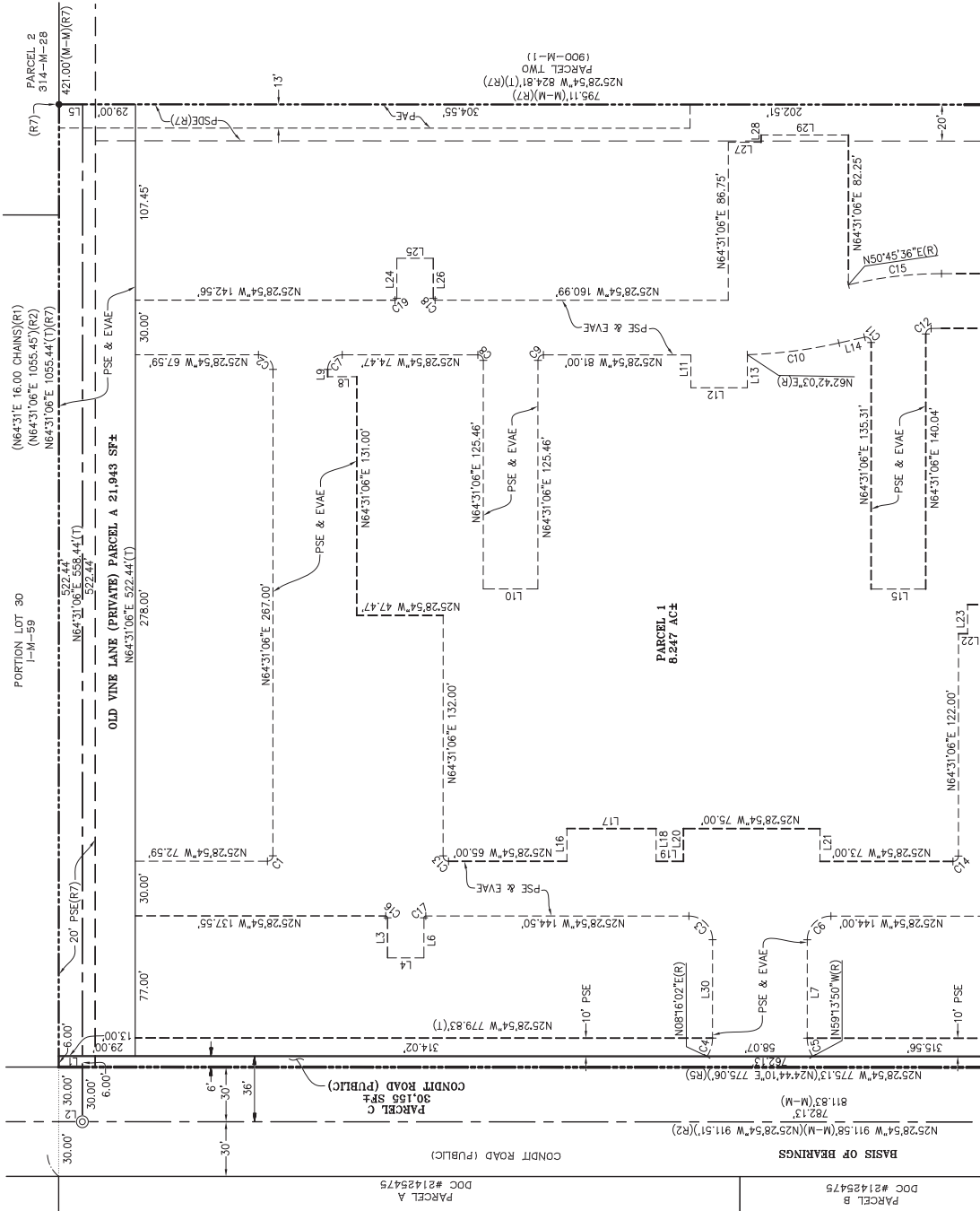
LINE TABLE		CURVE TABLE	
LINE	BEARING	CURVE	DELTA
L1	S25°28'54"E 13.00'	C1	90°00'00"
L2	N25°28'54"W 13.00'	C2	90°00'00"
L3	N64°31'06"E 22.00'	C3	90°00'00"
L4	N25°28'54"W 20.00'	C4	33°44'56"
L5	N25°28'54"W 13.00'	C5	33°44'56"
L6	N64°31'06"E 22.00'	C6	90°00'00"
L7	N64°31'06"E 54.00'	C7	90°00'00"
L8	N25°28'54"W 16.00'	C8	90°00'00"
L9	N64°31'06"E 4.00'	C9	90°00'00"
L10	N25°28'54"W 30.00'	C10	10°58'43"
L11	N64°31'06"E 18.00'	C11	102°47'45"
L12	N25°28'54"W 31.00'	C12	88°13'40"
L13	N64°31'06"E 18.13'	C13	90°00'00"
L14	N38°16'39"W 14.40'	C14	90°00'00"
L15	N25°28'54"W 30.00'	C15	13°45'30"
L16	N64°31'06"E 18.00'	C16	90°00'00"
L17	N25°28'54"W 49.00'	C17	90°00'00"
L18	N64°31'06"E 18.00'	C18	90°00'00"
L19	N25°28'54"W 15.00'	C19	90°00'00"
L20	N64°31'06"E 18.00'		
L21	N64°31'06"E 18.00'		
L22	N25°28'54"W 5.00'		
L23	N64°31'06"E 16.00'		
L24	N64°31'06"E 22.00'		
L25	N25°28'54"W 20.00'		
L26	N64°31'06"E 22.00'		
L27	N25°28'54"W 18.00'		
L28	N64°31'06"E 4.00'		
L29	N25°28'54"W 48.00'		
L30	N64°31'06"E 54.00'		



FINAL MAP
EVERGREEN

168 MULTI-FAMILY RENTAL UNITS
CITY OF MORGAN HILL
SANTA CLARA COUNTY, CALIFORNIA
BRING A SUBDIVISION OF "PARCEL ONE" AS SHOWN ON THE
PARCEL MAP FOR LOT LINE ADJUSTMENT FILED DECEMBER 12,
2016 IN BOOK 900 OF MAPS, PAGES 1 AND 2 RECORDS OF
SANTA CLARA COUNTY, CALIFORNIA

Prepared By:
RUGGERI-JENSEN-AZAR
8065 Camino Arroyo, Gilroy, CA 95020
OCTOBER 2017



REFERENCES:

- (R1) "CATHERINE DUNNE RANCH MAP NO. 5"
- (R2) PARCEL MAP
- (R3) PARCEL MAP
- (R4) PARCEL MAP
- (R5) GRANT DEED
- (R6) TRACT 10178
- (R7) PARCEL MAP

SEE SHEET 4

NOTES:

- 1. LINES ARE 90° OR RADIAL TO THE CENTERLINE, UNLESS OTHERWISE NOTED.
- 2. MEASURED DISTANCES AND DIMENSIONS ARE SHOWN IN FEET AND DECIMALS THEREOF.
- 3. STREETS DEDICATED TO THE USE OF THE PUBLIC FOREVER WITHOUT A STATEMENT OF ACCEPTANCE ON THE MAP ENTITLED "CATHERINE DUNNE RANCH MAP NO. 5", FILED DECEMBER 12, 2016 IN BOOK 900 OF MAPS, PAGE 59, RECORDS OF SANTA CLARA COUNTY, CALIFORNIA.

BASIS OF BEARINGS:

THE BEARING OF N25°28'54"W ALONG THE CENTERLINE OF CONDIT ROAD, AS SHOWN IN BOOK 900 OF MAPS, AT PAGES 1 AND 2, RECORDS OF SANTA CLARA COUNTY, CALIFORNIA WAS USED AS THE BASIS OF BEARINGS SHOWN HEREON.

SEE SHEET 3

- LEGEND**
- SUBDIVISION BOUNDARY LINE (DISTINCTIVE SYMBOL LINE)
 - EXISTING LOT LINE
 - NEW LOT LINE
 - MONUMENT LINE/CENTER LINE
 - EXISTING EASEMENT LINE
 - NEW EASEMENT LINE
 - THE LINES ARE 90° OR RADIAL UNLESS OTHERWISE NOTED
 - CITY LIMIT LINE
 - SET STANDARD CITY MONUMENT STAMPED 8859
 - FOUND STANDARD CITY MONUMENT IN WELL, AS NOTED
 - MONUMENT TO MONUMENT
 - TOTAL DIMENSION
 - RECORD DATA
 - RADIAL BEARING
 - EMERGENCY VEHICLE ACCESS EASEMENT
 - PUBLIC SERVICE EASEMENT
 - PUBLIC ACCESS EASEMENT
 - PAE
 - PSDE
 - PRIVATE STORM DRAIN EASEMENT
- (M-M) (T) (R) (PSE) (PSDE)

BASIS OF BEARINGS:

THE BEARING OF N25°28'54"W ALONG THE CENTERLINE OF CONDOT ROAD, AS SHOWN ON THE PARCEL MAP FILED MARCH 29, 1989 IN BOOK 597 OF MAPS, AT PAGES 26 AND 27, RECORDS OF SANTA CLARA COUNTY, CALIFORNIA, IS THE BASIS OF BEARINGS SHOWN HEREON.

REFERENCES:

- (R1) CATHERINE DOWNE
- (R2) PARCEL MAP NO. 5
- (R3) PARCEL MAP NO. 5
- (R4) PARCEL MAP NO. 5
- (R5) GRANT DEED
- (R6) TRACT 10778
- (R7) PARCEL MAP NO. 5
- (R8) PARCEL MAP NO. 5
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- (R10) PARCEL MAP NO. 5
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- (R95) PARCEL MAP NO. 5
- (R96) PARCEL MAP NO. 5
- (R97) PARCEL MAP NO. 5
- (R98) PARCEL MAP NO. 5
- (R99) PARCEL MAP NO. 5
- (R100) PARCEL MAP NO. 5

LINE	BEARING	DIST
L1	N25°29'00"W	29.70'
L2	N64°31'00"E	80.00'
L3	N64°30'53"E	7.00'
L4	N64°31'00"E	30.00'
L5	N64°31'00"E	50.00'
L6	N64°31'00"E	50.00'
L7	N25°28'54"W	29.70' (R7)
L8	N25°28'54"W	29.70' (R7)
L9	N25°28'54"W	5.00'
L10	N64°31'06"E	16.00'
L11	N25°28'54"W	36.00'
L12	N64°31'06"E	2.00'
L13	N25°28'54"W	27.00'
L14	N64°31'06"E	2.00'
L15	N25°28'54"W	25.00'
L16	N64°31'06"E	16.00'
L17	N25°28'54"W	21.00'
L18	N64°31'06"E	11.00'
L19	N25°28'54"W	16.00'
L20	N64°31'06"E	18.00'
L21	N25°28'54"W	30.00'
L22	N64°31'06"E	54.00'
L23	N64°31'06"E	22.00'
L24	N25°28'54"W	20.00'
L25	N64°31'06"E	22.00'
L26	N64°31'06"E	22.00'
L27	N25°28'54"W	20.00'
L28	N64°31'06"E	22.00'
L29	N64°31'06"E	18.00'
L30	N25°28'54"W	18.50'
L31	N64°31'06"E	16.00'
L32	N25°28'54"W	49.00'
L33	N38°16'39"W	14.40'
L34	N64°31'06"E	13.00'
L35	N64°31'00"E	30.00'



**FINAL MAP
EVERGREEN**

168 MULTI-FAMILY RENTAL UNITS

CITY OF MORGAN HILL

SANTA CLARA COUNTY, CALIFORNIA

BRING A SUBDIVISION OF "PARCEL ONE" AS SHOWN ON THE
PARCEL MAP FOR LOT LINE ADJUSTMENT FILED DECEMBER 12,
2016 IN BOOK 900 OF MAPS, PAGES 1 AND 2 RECORDS OF
SANTA CLARA COUNTY, CALIFORNIA

Prepared By:
RUGGERI-JENSEN-AZAR
8055 Camino Arroyo, Gilroy, CA 95020
OCTOBER 2017

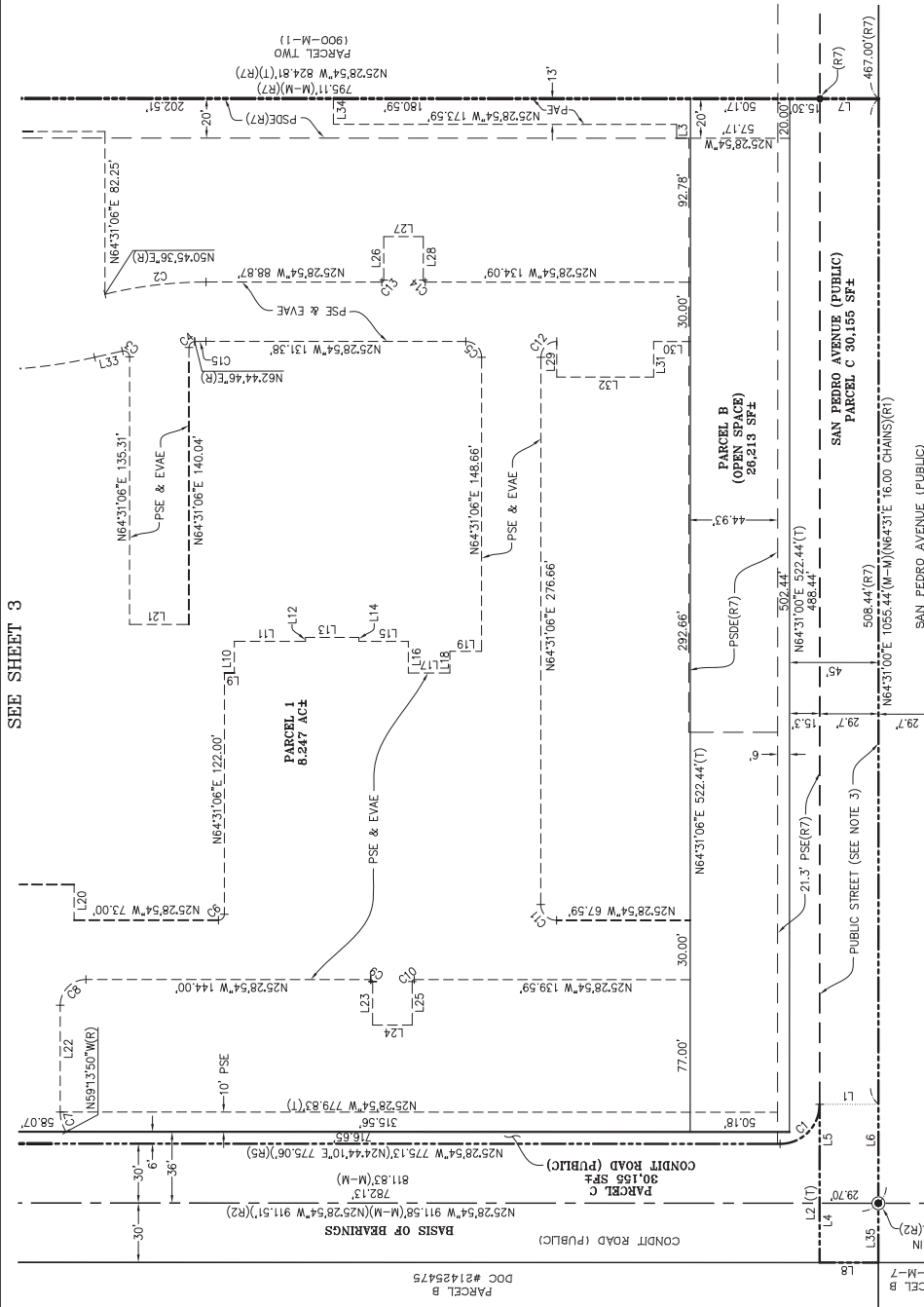
JOB #102022

SHEET 4 OF 4 SHEETS

- NOTES:**
- ALL TIE LINES ARE 90° OR RADIAL TO THE CENTERLINE, UNLESS OTHERWISE NOTED.
 - MEASURED DISTANCES AND DIMENSIONS ARE SHOWN IN FEET AND DECIMALS THEREOF.
 - STREETS DEDICATED TO THE USE OF THE PUBLIC FOREVER WITHIN THE BOUNDARIES OF THE MAP ARE THE FOLLOWING: CONDOT ROAD, PUBLIC STREET, SAN PEDRO AVENUE (PUBLIC), AND SAN PEDRO AVENUE (PUBLIC). THE DEDICATION OF THESE STREETS WAS FILED APRIL 5, 1997 IN BOOK 1 OF MAPS, PAGE 59, RECORDS OF SANTA CLARA COUNTY, CALIFORNIA.

CITY OF MORGAN HILL
DOC #21096113

CURVE	LENGTH	RADIUS	DELTA
C1	31.42'	20.00'	90°00'00"
C2	51.63'	215.00'	13°45'30"
C3	5.38'	3.00'	102°47'45"
C4	4.62'	3.00'	88°13'40"
C5	12.57'	8.00'	90°00'00"
C6	4.71'	3.00'	90°00'00"
C7	10.60'	18.00'	33°44'56"
C8	20.42'	13.00'	90°00'00"
C9	1.57'	1.00'	90°00'00"
C10	1.57'	1.00'	90°00'00"
C11	12.57'	8.00'	90°00'00"
C12	12.57'	8.00'	90°00'00"
C13	1.57'	1.00'	90°00'00"
C14	1.57'	1.00'	90°00'00"
C15	5.72'	185.00'	1°46'20"



DOC #21425475

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

CITY OF MORGAN HILL
17575 PEAK AVENUE
MORGAN HILL, CA 95037

(RECORD AT NO FEE PURSUANT TO GOVERNMENT
CODE SECTION 27383)

THE AREA ABOVE IS RESERVED FOR RECORDER'S USE

IMPROVEMENT AGREEMENT

MH EVERGREEN MULTI, LLC
APN 817-12-020
(Northeast corner of San Pedro and Condit)
EVERGREEN RENTAL

THIS AGREEMENT is made on this ____ day of _____, 20__, by the CITY OF MORGAN HILL, a municipal corporation ("CITY"), and **MH Evergreen Multi, LLC**, a Delaware limited liability company ("PROPERTY OWNER").

RECITALS

The following Recitals are a substantive part of this Agreement:

1. This Agreement is entered into pursuant to Morgan Hill Municipal Code Chapter 12.02.
2. PROPERTY OWNER has filed a Development Application and supporting documents on the property with the (current) APN 817-12-020 having the development name of **Evergreen Rental** ("Development").
3. CITY requires as a condition of approval of the Development Permit, as described on said permit, that certain improvements be installed by PROPERTY OWNER as shown on the fully executed Development Improvement Plans entitled **Improvement Plans For Evergreen Rental** ("Improvements").
4. PROPERTY OWNER has been unable to complete, prior to the issuance of the Development Permit, all of the Improvements required by CITY to the satisfaction of the City Engineer.
5. PROPERTY OWNER is required by the terms of the Morgan Hill Municipal Code to improve all streets, highways, or public areas which are part of the development, including but not limited to necessary paving, curbs, sidewalks, catch basins, water mains, culverts, storm drains, and sanitary sewers, in accordance with the plans and specifications on file with the City Engineer.
6. To assure CITY that PROPERTY OWNER will complete all the work and Improvements required for the Development, the parties have entered into this Agreement.

Attachment: Improvement Agreement [Revision 1] (1478 : FINAL MAP APPROVAL OF EVERGREEN RENTAL)

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Term of Agreement.** This term of this Agreement shall be six (6) months from the date of issuance of the Development Permit ("Term") unless extended by written agreement.
2. **Improvements.** PROPERTY OWNER agrees to construct the Improvements in a good and workmanlike manner in accordance with the plans and documents filed with and approved by CITY in conjunction with the Development, all of which are incorporated herein by reference. These items of the Improvements shall be completed, constructed and installed at PROPERTY OWNER's sole expense unless agreed to otherwise by CITY.
3. **Rights-of-Way.** Except as otherwise provided by this Agreement, CITY can hold without acceptance or recordation all lands, rights-of-way, and easements offered for dedication. All such offers shall, however, remain open, and shall constitute irrevocable offers of dedication in accordance with the Government Code. All such offers may be accepted and recorded by CITY in its sole discretion at any later date without further notice to PROPERTY OWNER as provided by law. By way of explanation only, it is the current intention of CITY to accept all or part of the irrevocable offers to dedicate upon acceptance of the Improvements called for in this Agreement.
4. **Improvements: Time Limits.** PROPERTY OWNER agrees to cause all Improvements to be made and constructed to comply with all requirements of Morgan Hill Municipal Code Chapter 12.02, according to the improvement plans for the Development approved by the City Engineer and including any changes or alteration in the Improvements required by the City Engineer. The Improvements shall be completed utilizing CITY standards and specifications. PROPERTY OWNER agrees to complete the Improvements prior to the expiration of this Agreement, or the issuance of the certificate of occupancy, whichever is earlier; provided however, the City Manager may extend the deadline for completion by not more than six (6) months at his or her reasonable discretion and determination that granting the extension will not be detrimental to the public welfare. No extension of this deadline for completion shall be made except upon the basis of a written application made by PROPERTY OWNER stating fully the ground for the application and the facts relied upon for an extension.

It is further agreed by and between PROPERTY OWNER and CITY that any extension granted shall in no way affect the validity of this Agreement or release the surety(ies) on any bond attached hereto or the financial institution guaranteeing the same. PROPERTY OWNER further agrees to maintain the securities described in Section 6 in full force and effect during the terms of this Agreement, including any extensions of time as may be granted, and until such time as the Improvements have been accepted for maintenance by CITY.

In the event that PROPERTY OWNER shall fail to complete the Improvements within the time provided by this Agreement, CITY may in its sole discretion and in addition to any other remedy provided in this Agreement or by law, enter upon the Development and complete the Improvements and recover the full cost and expense of construction from PROPERTY OWNER, PROPERTY OWNER's successors and assigns, PROPERTY OWNER's Performance/Labor & Material Bonds associated with this Development, or from the then owner of the Development, and/or place a lien upon the Development property for the cost and expense. Any and all CITY costs shall include but not be limited to administrative and attorney costs.

5. **Acquisition and Dedication of Easements or Rights-of-Way.** If any of the Improvements is to be constructed or installed on land not within the Development or already existing public right-of-way, no construction or installation shall be commenced before the irrevocable offer of dedication or conveyance to CITY of appropriate rights-of-way, easements or other interest in real property, and appropriate authorization from PROPERTY OWNER to allow construction or installation of the Improvements or work has been obtained and paid for by PROPERTY OWNER.

6. **Bond Requirements.** To secure the performance of each Improvement required under this Agreement and to ensure full payment to all persons furnishing or supplying labor or materials for each Improvement required, PROPERTY OWNER shall provide payment and performance bonds in the amount of 100% of the total estimated cost of the Improvements as determined by the City Engineer to CITY, concurrently with the execution of this Agreement by CITY. A performance bond to secure faithful performance of this Agreement as required by Section 12.02.160 of the Morgan Hill Municipal Code for performance shall be provided in substantially the form set forth in Exhibit B. A payment bond to secure full payment to all persons furnishing or supplying labor or materials as required by Section 12.02.160 of the Morgan Hill Municipal Code for labor and materials shall be provided in substantially the form set forth in Exhibit C. PROPERTY OWNER shall provide an additional guarantee and warranty security (in substantially the form set forth in Exhibit D) of fifty (50%) percent of the City Engineer's estimated cost of the Improvements to guarantee and warranty the Improvements for a period of one year following its completion and acceptance against any defective work or labor done, or defective materials furnished, as required by Section 12.02.170 of the Morgan Hill Municipal Code.

Improvements and the City Engineer's Estimated Costs of Improvements as of September 2017 are attached hereto as Exhibit "A".

Any bonds submitted under this Agreement shall be executed by a surety company authorized to write the same in the State of California, and subject to the review and approval of the City's risk manager. All required securities shall be in a form approved by the City Attorney. Submittal of the Performance/Labor & Material Bonds is a requirement prior to CITY's issuance of an encroachment permit to do work in CITY's right-of-way. Submittal of the Warranty Bond is a requirement prior to the City Engineer's consideration of acceptance of the public improvements. The release of any securities shall be governed by the provisions of Section 12.02.170 of the Morgan Hill Municipal Code .

Note: If Cash Deposit Agreement Guaranteeing Improvements is utilized for bonding purposes, the Cash Deposit Agreement amount shall be one hundred seventy (170%) percent of the aforementioned Performance Bond amount. The bonds shall be executed on CITY forms by a surety authorized to do business in the State of California and shall be approved by the City Attorney and the City Engineer. In lieu of the above, CITY will accept a certificate of deposit in CITY's name with escrow instructions acceptable to the City Engineer.

7. **Irrevocability of Security.** The securities provided under this Agreement shall be irrevocable, shall not be limited as to time, and may be released only upon the written approval of the City Engineer.

8. **Duty to Warn.** PROPERTY OWNER shall give adequate warning to the public of each and every dangerous condition which may exist in the Improvements, and will take all reasonable actions to protect the public from any dangerous condition.

9. **Warranty.** PROPERTY OWNER guarantees and warrants the Improvements required by this

Agreement and agrees to remedy any defects in the Improvements arising from faulty or defective materials or construction occurring within twelve (12) months after acceptance by CITY of said Improvements. Following notice, PROPERTY OWNER shall, without delay or cost to CITY, repair, replace, or reconstruct any defective or unsatisfactory portion of Improvements. CITY may, at its sole option, perform the repair or replacement itself if PROPERTY OWNER has failed to commence repair within twenty (20) days after CITY has mailed written notice to PROPERTY OWNER. In such event, PROPERTY OWNER agrees to pay the cost of repair and replacement, plus 15%, by CITY; and CITY may recover such costs as a lien against the Development. CITY may proceed immediately to make repairs should an emergency arise without waiving its rights of recovery against PROPERTY OWNER.

10. **Failure of Performance.** In addition to the other remedies provided by this Agreement, CITY shall have recourse to the security given. In the event that CITY seeks recourse against any security, CITY shall have recourse against PROPERTY OWNER for any and all amounts necessary to complete the obligation. All administrative costs, including attorneys' fees shall be a proper charge against the security and PROPERTY OWNER pursuant to Government Code. The right of CITY to draw upon or utilize the security is additional and not in lieu of any other remedy available to CITY at law or in equity. The parties agree that the estimated costs and security amounts may not reflect the actual cost of construction or installation of Improvements, and therefore, CITY damages for PROPERTY OWNER's default shall be measured by the cost of completing the required Improvements.

11. **Certificate of Occupancy.** PROPERTY OWNER understands that CITY will expect completion, to the satisfaction of CITY, of specific public improvements as well as private utility improvements prior to CITY Approval of a Certificate of Occupancy for any building on the Development property. The specific improvements shall include activation of all public utilities (water, sewer, storm drain); activation of all private utilities (electric, gas, phone) except for cable; street lights turn-on request filed with P G & E; and full street improvements (curb-gutter and paving with/without final lift) from existing public street to building under consideration for Certificate of Occupancy. PROPERTY OWNER, furthermore, agrees to so inform successor in lot interest should lot be transferred to another party prior to CITY acceptance of public improvements.

12. **Final Toxic Report.** Where applicable, PROPERTY OWNER hereby agrees to furnish the City Attorney with a copy of the Final Toxic Report issued by the appropriate licensed consultant on the proposed Development. This report must be received prior to final acceptance of on-site improvements and issuance of certificate of occupancy.

13. **Public Improvements Fee Schedule.** PROPERTY OWNER shall pay the following sums in cash to CITY pursuant to the provisions of Resolution 1383 and any amendments. These sums shall be paid to CITY at the time of issuance of the Development Permit, and shall be in accordance with the attached Department of Public Works Fee Schedule attached hereto demonstrating a current Total Fee Obligation of **\$7,630,698** (\$949,292 due at map recordation; \$6,681,406 pro rated share due prior to occupancy of each unit/building). All Fees are estimated and may be increased by CITY subject to current resolutions and ordinances. These fees are subject to a minimum annual revision. PROPERTY OWNER consents to increases in these fees. This Agreement shall not be construed to fix or freeze fees as of any point prior to issuance of Development Permits.

All development fees shall be those in effect at the time of the issuance of the Development Permit for this Development. This Agreement does not entitle the developer to any permit including a grading permit. A separate application for a grading permit should be made to the Building Department.

14. **Other Agreements Associated with This Improvement Agreement:** The following "checked off" Agreements are understood to be associated with this Agreement and have been fully executed prior to or concurrent with this Agreement:

☐ CITY "Streets" Reimbursement Agreement (CITY Ordinance 982)

PROPERTY OWNER acknowledges and agrees that the property is subject to a Reimbursement Agreement whereby PROPERTY OWNER must reimburse CITY for all costs associated with off-site improvements completed by the CITY and/or others or to be completed by CITY and/or others. PROPERTY OWNER agrees to pay CITY for all sums already incurred under the reimbursement agreement prior to issuance of any building permits. If the improvement has not been completed by CITY and/or others, then PROPERTY OWNER or successor-in-interest agrees to fully reimburse CITY for all costs incurred by CITY and/or others in constructing the improvements.

☐ CITY Public/Private Utility Reimbursement Agreement

☐ Landscape & Lighting Maintenance Assessment District Annexation

☐ Improvements Deferral Agreement

15. **Insurance Requirements.**

Commencement of Improvements. Before beginning construction of the improvements, PROPERTY OWNER is required to procure and provide proof of the insurance coverage required by this section in the form of certificates and endorsements. The required insurance must cover the activities of PROPERTY OWNER and its subcontractors relating to or arising from the performance of work associated with the Improvements, and must remain in full force and effect at all times during the period covered by the Agreement, including any extensions of time as may be granted, and until such time as the Improvements have been accepted for maintenance by CITY. The coverages may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or "umbrella" policies, provided each such policy complies with the requirements set forth herein. Coverages may be provided by PROPERTY OWNER's General Contractor if PROPERTY OWNER is not directly insuring such exposures under an "Owners and Contractors Protective Liability Policy (OCP)" on which CITY would be an additional insured. If PROPERTY OWNER fails to provide any of the required coverage in full compliance with the requirements outlined in this Agreement, CITY may, at its sole discretion, purchase such coverage at PROPERTY OWNER's expense and deduct the cost from payments due to PROPERTY OWNER, or terminate the Agreement for default. PROPERTY OWNER further understands that CITY reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to PROPERTY OWNER, at any time as deemed necessary to protect the interests of CITY.

(a) Policies and Limits. The following insurance policies and limits are required for this Agreement:

(1) Commercial General Liability Insurance ("CGL"): PROPERTY OWNER shall maintain CGL and shall include coverage for liability arising from PROPERTY OWNER's or its subcontractor's acts or omissions in the performance of work associated with the Improvements against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) five million dollars (\$5,000,000.00) combined single limit and a general aggregate limit of ten million dollars (\$10,000,000.00), or (ii) the maximum amount of such insurance available to PROPERTY OWNER under PROPERTY OWNER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

a. CGL policy may not exclude explosion, collapse, underground excavation hazard, or removal of lateral support.

b. CGL policy must include contractor's protected coverage, blanket contractual, and completed operations.

(2) Workers' Compensation Insurance and Employer's Liability: PROPERTY OWNER shall maintain Workers Compensation coverage, as required by law. The policy must comply with the requirements of the California Workers' Compensation Insurance and Safety Act and provide protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to PROPERTY OWNER under PROPERTY OWNER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater. If PROPERTY OWNER is self-insured, PROPERTY OWNER must provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.

(3) Automobile Liability: PROPERTY OWNER shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if PROPERTY OWNER does not own automobiles, then PROPERTY OWNER shall maintain Hired/Non-owned Automobile Liability) against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit, or (ii) the maximum amount of such insurance available to PROPERTY OWNER under PROPERTY OWNER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

(4) Pollution (Environmental) Liability: The performance of PROPERTY OWNER's work or service under this Agreement involves handling of hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases or hazardous materials. PROPERTY OWNER shall procure and maintain Pollution Liability covering PROPERTY OWNER's liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous materials. Such coverage shall be in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to PROPERTY OWNER under PROPERTY OWNER's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

(b) Required Endorsements. PROPERTY OWNER shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below:

(1) ALL Policies:

"Waiver of Subrogation" - Each required policy must include an endorsement providing that the carrier agrees to waive any right of subrogation it may have against CITY and CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

(2) ALL policies except Workers Compensation:

“Additionally Insured” - The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds.

(3) General Liability:

a. “Primary and Non-Contributing” - Insurance shall be primary non-contributing;

b. “Separation of Insureds” - The inclusion of more than one insured will not operate to impair the rights of one insured against another, and the coverages afforded will apply as though separate policies have been issued to each insured.

(c) Subcontractors. PROPERTY OWNER must ensure that each subcontractor is required to maintain the same insurance coverage required under this Section 15, with respect to its performance of work associated with the Improvements, including those requirements related to the additional insureds and waiver of subrogation.

(d) Qualification of Insurers. All insurance required pursuant to this Agreement must be issued by a company licensed and admitted, or otherwise legally authorized to carry out insurance business in the State of California, and each insurer must have a current A.M. Best's financial strength rating of “A” or better and a financial size rating of “VII” or better.

(e) Certificates. PROPERTY OWNER shall furnish CITY with copies of all policies or certificates as outlined herein, whether new or modified, promptly upon receipt. No policy subject to the PROPERTY OWNER's agreement with CITY shall be reduced, canceled, allowed to expire, or materially changed except after thirty (30) days' notice by the insurer to CITY, unless due to non-payment of premiums, in which case ten days written notice must be made to CITY. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein.

Certificate Holder address:

City of Morgan Hill
Attn: Risk Management
17575 Peak Avenue
Morgan Hill, CA 95037

16. **Non-Liability of Officials and Employees of CITY.** No official or employee of CITY shall be personally liable for any default or liability under this Agreement.

17. **Non-Discrimination.** PROPERTY OWNER covenants there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, disability, national origin, or ancestry, in any activity pursuant to this Agreement.

18. **Independent Contractor.** It is agreed to that PROPERTY OWNER shall act and be an independent contractor, and not an agent or employee of CITY.

19. **Compliance with Law.** PROPERTY OWNER shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government.

20. **Right to Inspect and Inspection Fees.** PROPERTY OWNER shall at all times maintain proper facilities and provide safe access for inspection for CITY and its employees to all parts of the Improvements. PROPERTY OWNER shall pay and reimburse CITY for all expenses incurred by CITY for inspecting and checking all work to be performed under the provisions of the Municipal Code or this Agreement. CITY Engineering plan checking and field improvement inspection costs are included in the Department of Public Works Fee Schedule which may be revised from time to time.

21. **Conflict of Interest and Reporting.** PROPERTY OWNER shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.

22. **Notices.** All notices shall be personally delivered or mailed, via first class mail to the below listed addresses. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

a. Address of PROPERTY OWNER is as follows:

To be determined prior to execution by City

b. Address of CITY is as follows:

With a copy to:

City Engineer
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

City Clerk
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

23. **PROPERTY OWNER'S Representations.** This Agreement shall include application or items submitted by PROPERTY OWNER to CITY'S Planning Department, Building Department, Planning Commission, and City Council. In the event of any inconsistency between their representations and this Agreement, this Agreement shall govern.

24. **Licenses, Permits and Fees.** PROPERTY OWNER shall obtain a CITY Business License, all permits, and licenses as may be required by this Agreement.

25. **Familiarity with Improvements.** By executing this Agreement, PROPERTY OWNER warrants that: (1) it has investigated the work to be performed, (2) it has investigated the site of the Improvements and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the Improvements under this Agreement. Should PROPERTY OWNER discover any conditions materially differing from those inherent in the Improvements or as represented by CITY, it shall immediately inform CITY and shall not proceed, except at PROPERTY OWNER'S risk, until written instructions are received from CITY.

26. **Time of Essence.** Time is of the essence in the performance of this Agreement.

27. **Limitations Upon Subcontracting and Assignment.** Neither this Agreement nor any portion

shall be assigned by PROPERTY OWNER without prior written consent of CITY.

28. **Authority to Execute.** The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement.

29. **Indemnification.** PROPERTY OWNER agrees to protect, and hold harmless CITY and its elective or appointive boards, officers, agents, and employees from any and all claims, liabilities, expenses, or damages of any nature, including attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, arising out of, or in any way connected with performance of the Agreement by PROPERTY OWNER, PROPERTY OWNER'S agents, officers, employees, subcontractors, or independent contractors hired by PROPERTY OWNER. The only exception to PROPERTY OWNER'S responsibility to protect, defend, and hold harmless CITY, is due to the sole negligence of CITY. This hold harmless agreement shall apply to all liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by PROPERTY OWNER.

30. **Modification.** This Agreement constitutes the entire agreement between the parties and supersedes any previous agreements, oral or written. This Agreement may be modified on provisions waived only by subsequent mutual written agreement executed by CITY and PROPERTY OWNER.

31. **California Law.** This Agreement shall be construed in accordance with the laws of the State of California. Any action commenced about this Agreement shall be filed in the central branch of the Santa Clara County Superior Court.

32. **Interpretation.** This Agreement shall be interpreted as though prepared by both parties.

33. **Preservation of Agreement.** Should any provision of this Agreement be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.

34. **Agreement Runs With the Land.** This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the parties. It shall be recorded in the Office of the Recorder of Santa Clara County concurrently with the issuance of the Development building permit and shall constitute a covenant running with the land and an equitable servitude upon the Development real property.

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35. **Recording.** It shall be the responsibility of CITY to cause the executed Agreement to be recorded.

IN WITNESS THEREOF, these parties have executed this Agreement on the day and year shown below.

[TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS: (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; **AND** (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.]

ATTEST:

THE CITY OF MORGAN HILL

Michelle Wilson, City Clerk
Date: _____

Christina J. Turner, City Manager
Date: _____

APPROVED AS TO FORM:

Donald A. Larkin, City Attorney
Date: _____

“PROPERTY OWNER”

MH Evergreen Multi, LLC
A Delaware limited liability company
By: VHV Investment Properties I, LLC
Its Managing member

By: Jeffery M. Hack
Title: CEO & President
Date: _____

Attachment: Improvement Agreement [Revision 1] (1478 : FINAL MAP APPROVAL OF EVERGREEN RENTAL)

EXHIBIT A
IMPROVEMENTS AND
ESTIMATED COSTS OF IMPROVEMENTS
AS OF SEPTEMBER 2017

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
E. WATER					
1.	1" Water Service with 1" Meter	182	EA	\$1,600.00	\$291,200
				Sub-Total Water:	\$291,200

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
F. MISCELLANEOUS					
1.	Street Monument	10	EA	\$1,000.00	\$10,000
2.	Signing and Striping	1	LS	\$10,000.00	\$10,000
				Sub-Total Miscellaneous:	\$20,000

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
G. PUBLIC IMPROVEMENTS (CONDIT ROAD)					
1.	Remove Existing AC Pavement	1,110	SF	\$2.00	\$2,220
2.	Street Fine Grading (to R/W)	28,400	SF	\$0.75	\$21,300
3.	AC Pavement (4.5"/12")	13,530	SF	\$6.50	\$87,945
4.	2" AC Grind and Overlay	10,110	SF	\$6.50	\$65,715
5.	4" PCC Sidewalk & Base	3,790	SF	\$5.00	\$18,950
6.	6" PCC Driveway & Base	100	SF	\$6.00	\$600
7.	Curb & Gutter (incl. Dwy depression)	710	LF	\$25.00	\$17,750
8.	Valley Gutter	610	SF	\$6.00	\$3,660
9.	Accessible Ramp	2	EA	\$1,200.00	\$2,400
10.	15" Storm Drain (RCP)	290	LF	\$50.00	\$14,500
11.	Curb Inlet	4	EA	\$3,600.00	\$14,400
12.	Manhole (less than 10' deep)	2	EA	\$4,500.00	\$9,000
13.	Connect to Existing Storm Drain	3	EA	\$2,000.00	\$6,000
14.	8" Water incl. valves, thrust blocks, etc.	3,870	LF	\$60.00	\$232,200
15.	Fire Hydrant (incl. valves, thrust blocks, etc.).	6	EA	\$5,000.00	\$30,000
16.	Connect to existing Water Main	1	EA	\$10,000.00	\$10,000
17.	Street Monument	2	EA	\$1,000.00	\$2,000
18.	Signing and Striping	1	LS	\$10,000.00	\$10,000
				Sub-Total Miscellaneous:	\$548,640

Attachment: Improvement Agreement [Revision 1] (1478 : FINAL MAP APPROVAL OF EVERGREEN RENTAL)

SAN PEDRO PUBLIC IMPROVEMENTS

SUMMARY

A. DEMOLITION	\$71,350
B. PAVING & CONCRETE	\$503,125
C. STORM DRAIN	\$60,450
D. SANITARY SEWER	\$57,000
E. WATER	\$146,120
F. MISCELLANEOUS	\$29,000
Sub-Total Improvements:	\$867,045

CONTINGENCY 10% \$86,705

Total Improvements: \$953,750

TOTAL SUMMARY

E. Water	\$291,200
F. Misc - Street Mon and Striping	\$20,000
G. Public Improvements	\$548,640
San Pedro Public Improvements (50% of \$953,750)	\$476,875

TOTAL BOND AMOUNT \$1,336,715
WARRANTY BOND AMOUNT \$668,358

Attachment: Improvement Agreement [Revision 1] (1478 : FINAL MAP APPROVAL OF EVERGREEN RENTAL)

EXHIBIT "B"
FORM OF PERFORMANCE BOND
(100% of Engineer's Estimate)

Bond No.: _____
 Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California, and **MH Evergreen Multi, LLC** (hereinafter designated as "principal") have entered into an Improvement Agreement:

MH EVERGREEN MULTI, LLC
APN 817-12-020

whereby principal agrees to install and complete certain designated public improvements, which said agreement, dated _____, 2017, and identified as project **Evergreen Rental**, is hereby referred to and made a part hereof; and

Whereas, said principal is required under the terms of said agreement to furnish a bond for the faithful performance of said agreement.

Now, therefore, we, the principal and _____, as surety, are held and firmly bound unto the City of Morgan Hill, hereinafter called ("City"), in the penal sum of **one million three hundred thirty six thousand seven hundred fifteen dollars (\$1,336,715)** lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The Surety's office is located at _____,
 Telephone No. _____; the Surety is licensed to do business in the State of California; and the California Insurance Agent's License No., address, and telephone number are as follows:

License No.: _____
 Address: _____
 Telephone No.: _____.

The non-resident agent for the Surety, if any, is a party to the transaction:

Name of non-resident agent: _____
 Non-resident agent's office address: _____
 Telephone No.: _____

The condition of this obligation is such that if the above bounded principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement

Performance Bond
 Page 1 of 3
 Version: October 2016

and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless City, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

Executed this _____ day of _____ 20 ____ .

Principal

Principal

By: _____
Surety

By: _____
Attorney-in Fact

By: _____
California Resident Agent

By: _____
Non-resident Agent - Attorney-in-Fact

APPROVED:

Karl Bjarke, Public Works Director

Date: _____

APPROVED AS TO FORM:

By: _____
Donald A. Larkin, City Attorney

Date: _____

(Acknowledgment on following page.)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

Performance Bond
Page 3 of 3
Version: October 2016

EXHIBIT "C"
FORM OF LABOR AND MATERIAL BOND
(100% of Engineer's Estimate)

Bond No.: _____
 Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California, and **MH Evergreen Multi, LLC** (hereinafter designated as "the principal") have entered into an Improvement Agreement:

MH EVERGREEN MULTI, LLC
APN 817-12-020

whereby the principal agrees to install and complete certain designated public improvements, which agreement, dated _____, 2017, and identified as project **Evergreen Rental**, is hereby referred to and made a part hereof; and

Whereas, under the terms of the agreement, the principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the City of Morgan Hill, hereinafter called "City," to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code of the State of California.

Now, therefore, the principal and the undersigned as corporate surety, and their successors and assigns are held firmly bound unto City and all contractors, subcontractors, laborers, materialmen, and other persons employed in the performance of the agreement and referred to in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code in the sum of **one million three hundred thirty six thousand seven hundred fifteen dollars (\$1,336,715)**, for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this work or labor, that the surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety's office is located at _____,
 Telephone No. _____; the Surety is licensed to do business in the State of California; and

Labor and Material Bond
 Page 1 of 3
 Version: October 2017

the California Insurance Agent's License No., address, and telephone number as follows:

License No.: _____
 Address: _____
 Telephone No.: _____.

The following non-resident agent, if any, for the Surety is a party to the transaction:

Name of non-resident agent: _____,
 Non-resident agent's office address: _____
 Telephone No.: _____.

The surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

Executed this _____ day of _____ 20 ____ .

 Principal Principal

By: _____
 Surety

By: _____
 Attorney-in Fact

By: _____
 California Resident Agent

By: _____
 Non-resident Agent - Attorney-in-Fact

APPROVED:

 Karl Bjarke, Public Works Director

Date: _____

APPROVED AS TO FORM:

By: _____

Donald A. Larkin, City Attorney

Date: _____

(Acknowledgment on following page.)

Labor and Material Bond

Page 2 of 3

Version: October 2017

Attachment: Improvement Agreement [Revision 1] (1478 : FINAL MAP APPROVAL OF EVERGREEN RENTAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

Labor and Material Bond

Page 3 of 3

Version: October 2017

**EXHIBIT “D”
FORM OF WARRANTY BOND
(50% of Engineer’s Estimate)**

Bond No.:

Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California (hereinafter designated as “City”), and **MH Evergreen Multi, LLC** (hereinafter designated as “Principal”) have entered into an Improvement Agreement (hereinafter “Agreement”):

**[ENTER PROPERTY OWNER NAME]
[ENTER APN & ADDRESS]**

whereby the Principal agrees to install and complete certain designated public improvements (hereinafter “Improvements”), which said Agreement, dated _____, 2017, and identified as project **Evergreen Rental**, is hereby referred to and made a part hereof; and

Whereas, under the terms of said Agreement, the Principal is required to furnish a bond to guarantee and warrant the work required by said Agreement for a period of one year following the completion and acceptance by the City of the Improvements, against any defective work or labor performed, or defective materials furnished by Principal.

Now, therefore, we, the Principal and _____ as Surety, are held and firmly bound unto the City of Morgan Hill in the penal sum of **six hundred sixty-eight thousand three hundred fifty-eight dollars (\$668,358)** for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

If Principal faithfully carries out and performs its guarantee and warranty under the Agreement, and, on due notice from City, repairs and make good at its sole expense any and all defects in materials and workmanship in the Project which are discovered during the Warranty Period, or if Principal promptly reimburses City for all loss and damage that City sustains because of Principal’s failure to makes such repairs in accordance with the Agreement requirements, then Surety’s obligations under this Bond will be null and void. Otherwise, Surety’s obligations will remain in full force and effect.

Surety waives the provisions of Civil Code Sections 2819 and 2845. Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

Warranty Bond
Page 1 of 3
Version: October 2017

Attachment: Improvement Agreement [Revision 1] (1478 : FINAL MAP APPROVAL OF EVERGREEN RENTAL)

Any notice to Surety may be given in the manner specified in the Agreement and delivered or transmitted to Surety as follows:

Attn: _____

Address: _____

City/State/Zip: _____

Phone: _____

Fax: _____

Email: _____

This Bond will be governed by California law, and the venue for any dispute pursuant to this Bond will be in the Superior Court of Santa Clara County, and no other place. Surety will be responsible for City's attorneys' fees and costs in any action to enforce the provisions of this Bond.

In witness whereof, this instrument has been duly executed by the principal and surety above named.

SURETY:

Principal:

Date: _____

Date: _____

s/ _____

s/ _____

Name: _____

Name: _____

Title: _____

Title: _____

(Attach Acknowledgment with Notary
Seal and Power of Attorney)

APPROVED AS TO FORM:

By: _____

Date: _____

Donald A. Larkin, City Attorney

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

Warranty Bond
Page 3 of 3
Version: October 2017



CITY OF MORGAN HILL PUBLIC WORKS DEPARTMENT

17575 Peak Avenue Morgan Hill CA 95037 - Office (408)778-6480 Fax (408)779-7236

10/6/2017	FEE SCHEDULE: 07.01.2017	
DATE	PER RESOLUTION 5902, EFFECTIVE JULY 1, 2006 AND PER RESOLUTION 5592, INCREASED JANUARY 15, 2009 AND PER RESOLUTION 6082, EFFECTIVE FEBRUARY 5, 2007 **SEE BACK PAGE FOR ADDITIONAL FEE RESOLUTIONS	NAME
Evergreen Apartments		MAILING ADDRESS
TRACT / APN		CITY, STATE, ZIP CODE
San Pedro and Condit		
ADDRESS / LOT		PHONE NUMBER
168 Apartments	FEE SCHEDULE EXPIRATION DATE	
PROJECT DESCRIPTION		

NOTES:

MAP RECORDATION FEE

1. PRESSURE REGULATORS ARE REQUIRED ON ALL WATER SERVICES.
2. BACKFLOW PREVENTORS ARE REQUIRED ON ALL NON-RESIDENTIAL WATER SERVICES & FIRE SPRINKLER SERVICES. BACKFLOW INSPECTION FEE SHALL BE PAID PRIOR TO INSPECTION.
3. **MULTI-FAMILY** IS DEFINED AS ANY UNIT WITH TWO BEDROOMS OR LESS.
SINGLE FAMILY IS DEFINED AS ANY UNIT WITH 3 BEDROOMS OR MORE.

☐ **THIS FEE SCHEDULE IS ESTIMATE ONLY**

CHARLIE HA
CALCULATED BY

CHECKED BY

PWPR2017-0002
PROJECT #

DATE BLD PERMIT ISSUED

SEWER IMPACT FEES WITHIN RDA BOUNDARY

CHECK APPLICABLE SCENARIO BELOW

☒ **COMMERCIAL OR INDUSTRIAL WITHIN RDA BOUNDARY**

SEWER IMPACT FOR COMMERCIAL & INDUSTRIAL PROJECTS
TEMPORARILY ADJUSTED TO \$0 EFFECTIVE 02/05/07 PER RES# 6082.

☒ **RESIDENTIAL PROJECTS WITHIN RDCS DOWNTOWN AREA**

SEWER IMPACT FOR SINGLE-FAMILY AND MULTI-FAMILY RESIDENTIAL
TEMPORARILY ADJUSTED TO \$0 EFFECTIVE 02/05/07.

☒ **NOT IN RDA AREA BOUNDARY**

** BOTH NORMAL FEES AND ADJUSTED FEES ARE SUBJECT
TO ANNUAL CPI INCREASES.

☐ **COMMERCIAL OR INDUSTRIAL SHELL**

**RDA SEWER ALLOCATION
COMPLETED BY:**
(write initials below)

version 07.01.17 std

WATER FEES:

1. METER DEPOSIT:					650-37672
(Authority: Res. #5658 approved 03.19.03, Updated 07.01.17)					
1"	\$476	x	0	=	\$0
1 1/2"	\$1,444	x	0	=	\$0
2"	\$1,660	x	18	=	\$29,880
3" or larger-Time & Material + Meter Cost					\$0
17 WM + 1 IRR M					
METER CREDITS					
	\$0	x	0	=	\$0
SUBTOTAL =					\$29,880
2. BACKFLOW CONST. INSPECTION:					650-37859
(Authority: Res. #5658 approved 03.19.03, Updated 07.01.17)					
\$64	x	1	Each	=	\$64
3. WATER FRONTAGE CHARGE:					650-37663
(Authority: Res. #5658 approved 03.19.03, Updated 07.01.17)					
1 Side	\$68	x	0	LF	= \$0
2 Sides	\$38	x	1405	LF	= \$53,390
580' along San Pedro; 825' along Condit.					
4. WATER IMPACT FEE:					651-37648
(Auth: Res. #5592 approved 08.21.02, Increased 01.15.17)					
a) Residential					
\$3,751 /DU	x	0	DU	=	\$0
(Single Family)					
\$3,384 /DU	x	0	DU	=	\$0
(Multi Family)					
b) Commercial & Industrial					
(Includes Landscape Service)					
\$10,648 /AC	x	0	AC	=	\$0
WATER CREDITS					
	\$0	x	0	=	\$0
SUBTOTAL =					\$0
WATER FEE TOTALS =					\$83,334
5. ENGINEERING & INSPECTION FEE:					206-38734
(Minimum \$500.00):					
(Authority: Res. #5902 approved 05.04.05, Updated 07.01.09)					
ENGINEERING ESTIMATE:					\$1,336,715
DATE ENGINEERING EST. SUBMITTED:					
% APPLIES TO ENGINEER'S ESTIMATE					
13.3%	\$1	to	\$100,000	=	\$13,300
11.8%	\$100,001	to	\$200,000	=	\$11,800
10.3%	\$200,001	to	\$500,000	=	\$30,900
8.8%	OVER		\$500,000	=	\$73,631
ENGINEERING FEE					\$129,631
DEPOSIT PAID					\$10,000
ENGINEERING FEE TOTAL =					\$119,631
5A. LONG RANGE PLANNING FEE:					207-37912
LONG RANGE PLANNING FEE (15% of E&I) =					\$19,445

SEWER FEES:

6. SEWER FRONTAGE CHARGE:					640-37663
(Authority: Res. #5658 approved 03.19.03, Updated 07.01.17)					
1 Side	\$68	/LF	x	0	LF = \$0
2 Sides	\$38	/LF	x	384	LF = \$14,592
Along Condit.					
7. SEWER IMPACT FEE:					641-37648
(Auth: Res. #6082 approved 02.05.07 & Res. #5592 approved 08.21.02, Increased 01.15.17).					
a) Residential					
\$14,680 /DU	x	0	DU	=	\$0
(Single Family)					
\$12,424 /DU	x	0	DU	=	\$0
(Multi Family)					
b) Commercial & Industrial					
\$50.26 /GPD	x	0	GPD	=	\$0
\$50.26 /GPD	x	0	GPD	=	\$0
SEWER CREDITS					
	\$0	x	0	=	\$0
RDA ASSUMED SEWER OBLIGATION					
\$14,680 /DU	x	0	DU	=	\$0
(Single Family)					
\$12,424 /DU	x	0	DU	=	\$0
(Multi Family)					
\$50.26 /GPD	x	0	GPD	=	\$0
(Commercial & Industrial)					
SUBTOTAL =					\$0
SEWER FEE TOTALS =					\$14,592
STORM DRAIN FEES:					
8. STORM DRAIN FRONTAGE CHARGE:					304-37663
(Authority: Res. #5658 approved 03.19.03, Updated 07.01.17)					
1 Side	\$112	/LF	x	0	LF = \$0
2 Sides	\$55	/LF	x	820	LF = \$45,100
555' along San Pedro; 265' along Condit.					
9. STORM DRAIN IMPACT FEE:					303-37648
(Auth: Res. #5592 approved 8.21.02, Amdd by Res. 6326 4.28.10, Increased 01.15.17)					
\$3,982 /DU	x	17	DU	=	\$67,694
(Single Family)					
\$2,071 /DU	x	151	DU	=	\$312,721
(Multi Family)					
\$43,364 /ACRE	x	0	AC	=	\$0
(Commercial & Office)					
\$31,572 /ACRE	x	0	AC	=	\$0
(Industrial)					
STORM CREDITS					
	\$0	x	0	=	\$0
SUBTOTAL =					\$380,415
STORM DRAIN FEE TOTALS =					\$425,515

10. UNDERGROUNDING UTILITIES: 350-37649

(Authority: Res. #5658 approved 03.19.03, Updated 07.01.17)

1 Side	\$706	x	0	LF	=	\$0
2 Sides	\$356	x	0	LF	=	\$0

11a. PARK IMPACT FEE: 301-37648

(Auth: Res. #5592 appr'd 8.21.02, Amdd by Res. 6326 4.28.10, Increased 01.15.17)

\$5,566 /DU	x	0	DU	=	\$0
(Single Family - Sub)					
\$4,047 /DU	x	0	DU	=	\$0
(Single Family - No Sub)					
\$5,363 /DU	x	0	DU	=	\$0
(Multi Family - Sub)					
\$3,903 /DU	x	0	DU	=	\$0
(Multi Family - No Sub)					

11b. PARK MAINTENANCE DEV. FEE: 302-37649

\$0	x	0	EACH	=	\$0
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PARK CREDITS

\$0	x	0		=	\$0
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PARK FEE TOTAL = \$0**12. TRAFFIC IMPACT FEE: 309-37648**

(Auth: Res. #15-152 approved 06.17.15 & Res. #5592 approved 08.21.02, Increased 01.15.17).

\$1,928 /DU	x	0	DU	=	\$0
(Single Family)					
\$1,196 /DU	x	0	DU	=	\$0
(Multi Family)					
\$1,928 /PHT	x	0	PHT	=	\$0
(Commercial)					
\$1,928 /PHT	x	0	PHT	=	\$0
(Industrial)					

TRAFFIC CREDITS

\$0	x	0		=	\$0
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TRAFFIC FEE TOTAL = \$0**13. LIBRARY IMPACT FEE: 348-37648**

(Auth: Res. #5837 appr'd 09.01.04, Amdd by Res. 6326 4.28.10, Increased 01.15.17)

\$2,044 /DU	x	0	DU	=	\$0
(Single Family)					
\$1,969 /DU	x	0	DU	=	\$0
(Multi Family)					

LIBRARY CREDITS

\$0	x	0		=	\$0
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LIBRARY FEE TOTAL = \$0**14. BURROWING OWL MITIGATION: 232-38145**

(Authority: Res. #5765 approved 01.21.04, Increased 07.01.17)

\$207 /DU	168	DU	=	\$34,776
(Residential)				
\$1,447 /AC	0	AC	=	\$0
(Commercial/Industrial)				

15a. MAP CHECK FEE: 206-38716

(Authority: Res. #5658 approved 03.19.03, Updated 07.01.17)

PARCEL MAP:	\$3,946	=	\$0
TRACT MAP:	\$5,877	=	\$0

16. POLICE IMPACT FEE: 311-37648

(Auth: Res. #5686 appr'd 06.18.03, Amdd by Res. 6326 4.28.10, Increased 01.15.17)

\$794 /DU	x	0	DU	=	\$0
(Single Family)					
\$767 /DU	x	0	DU	=	\$0
(Multi Family)					
\$1,724 /ACRE	x	0	AC	=	\$0
(Commercial)					
\$2,415 /ACRE	x	0	AC	=	\$0
(Industrial)					

POLICE CREDITS

\$0	x	0		=	\$0
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POLICE FEE TOTAL = \$0**17. FIRE IMPACT FEE: 313-37648**

(Auth: Res. #6671 approved 07.17.13, Increased 01.15.17)

\$122 /DU	x	0	DU	=	\$0
(Single Family)					
\$116 /DU	x	0	DU	=	\$0
(Multi Family)					
\$1,604 /ACRE	x	0	AC	=	\$0
(Commercial)					
\$1,604 /ACRE	x	0	AC	=	\$0
(Industrial)					

FIRE CREDITS

\$0	x	0		=	\$0
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FIRE FEE TOTAL = \$0**18. PUBLIC FACILITIES IMPACT FEE: 347-37648**

(Auth: Res. #5592 appr'd 8.21.02, Amdd by Res. 6326 4.28.10, Increased 01.15.17)

\$530 /DU	x	0	DU	=	\$0
(Single Family)					
\$510 /DU	x	0	DU	=	\$0
(Multi Family)					
\$1,167 /ACRE	x	0	AC	=	\$0
(Commercial)					
\$1,634 /ACRE	x	0	AC	=	\$0
(Industrial)					

PUBLIC FACILITIES CREDITS

\$0	x	0		=	\$0
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PUBLIC FACILITIES FEE TOTAL = \$0**20. COMMNTY/REC CTRS IMPACT FEE: 360-37648**

(Auth: Res. #15-152 appr'd 8.17.15, increased 01.15.17)

\$3,791 /DU	x	0	DU	=	\$0
(Single Family)					
\$3,326 /DU	x	0	DU	=	\$0
(Multi Family)					

PUBLIC FACILITIES CREDITS

\$0	x	0		=	\$0
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PUBLIC FACILITIES FEE TOTAL = \$0

19. RDCS MEASURE C FEES:			
School Pedestrian Safety	(355-37655)	=	\$0
Public Facilities	(346-37649)	=	\$0
Park Development	(302-37649)	=	\$0
Public Fac. - Circulation	(346-37649)	=	\$0
TOTAL RDCS MEASURE C FEES			<u>\$0</u>

OTHER:			
LED Streetlight Fund	(010-37722)	=	\$252,000
		=	\$0
		=	\$0
TOTAL FEES DUE			<u>\$949,292</u>

Notes & Comments: DA-2016-0004-; MC-15-18 (80 units); MC2016-2018 (85 units): RDCS commitments.

18.78.210 Schools (Deferred for public improvements)	Fee	No. of Units	Total
4. School Pedestrian Safety improvements per unit=	\$4,950	x 168	= \$831,600

18.78.230 Public Facilities	Fee	No. of Units	Total
B 2f. Public out of tract improvements per unit=	\$3,300	x 168	\$554,400
B 2g. Capital out of tract Improvement per unit=	\$1,100	x 168	\$184,800
18.78.250 Parks and Paths			
3. Class II bike lane 1/4 mile per 10 units (@\$1.60/ft)	\$1.60	x 22176	\$35,482
(Deferred for public improvements)		Public Facilities =	\$774,682

18.78.250 Parks and Paths	Fee	No. of Units	Total
1. Park in-lieu fee per unit =	\$0	x 0	\$0
6. Park fee in addition to standard park fee per unit =	\$0	x 0	\$0
7. Park fee in addition to standard park fee per unit =	\$0	x 0	\$0
		Park =	\$0

18.78.300 Circulation Efficiency	Fee	No. of Units	Total
4 Dedication or out of tract improvements per unit =	\$2,200	x 168	\$369,600
18.78.355 Livable Communities			
2 b. Pay in-lieu cost of VTA bus stop improvements =	\$0	x 0	\$0
(Deferred for public improvements)		Circulation =	\$369,600

18.78.300 Circulation Efficiency - LED	Fee	No. of Units	Total
3. Convert street lights to LED or pay in-lieu per unit =	\$1,500	x 168	\$252,000

****OTHER FEE RESOLUTIONS:**

RESOLUTION 5006, EFFECTIVE 07.03.1996
 RESOLUTION 5128, EFFECTIVE 01.05.1998
 RESOLUTION 5658, EFFECTIVE 03.19.2003
 RESOLUTION 5686, EFFECTIVE 08.18.2003
 RESOLUTION 5765, EFFECTIVE 01.21.2004
 RESOLUTION 5837, EFFECTIVE 10.18.2004
 RESOLUTION 6080, EFFECTIVE 01.17.2007
 RESOLUTION 6133, EFFECTIVE 12.05.2007
 RESOLUTION 6326, EFFECTIVE 04.28.2010
 RESOLUTION 6671, EFFECTIVE 09.16.2013



CITY OF MORGAN HILL PUBLIC WORKS DEPARTMENT

17575 Peak Avenue Morgan Hill CA 95037 - Office (408)778-6480 Fax (408)779-7236

10/5/2017	FEE SCHEDULE: 07.01.2017	
DATE	PER RESOLUTION 5902, EFFECTIVE JULY 1, 2006 AND PER RESOLUTION 5592, INCREASED JANUARY 15, 2009 AND PER RESOLUTION 6082, EFFECTIVE FEBRUARY 5, 2007 **SEE BACK PAGE FOR ADDITIONAL FEE RESOLUTIONS	NAME
Evergreen Apartments		MAILING ADDRESS
TRACT / APN		CITY, STATE, ZIP CODE
San Pedro and Condit		
ADDRESS / LOT		PHONE NUMBER
168 Apartments	FEE SCHEDULE EXPIRATION DATE	
PROJECT DESCRIPTION		

NOTES:

IMPACT FEE ESTIMATE

1. PRESSURE REGULATORS ARE REQUIRED ON ALL WATER SERVICES.
2. BACKFLOW PREVENTORS ARE REQUIRED ON ALL NON-RESIDENTIAL WATER SERVICES & FIRE SPRINKLER SERVICES. BACKFLOW INSPECTION FEE SHALL BE PAID PRIOR TO INSPECTION.
3. **MULTI-FAMILY** IS DEFINED AS ANY UNIT WITH TWO BEDROOMS OR LESS.
SINGLE FAMILY IS DEFINED AS ANY UNIT WITH 3 BEDROOMS OR MORE.

☐ **THIS FEE SCHEDULE IS ESTIMATE ONLY**

CHARLIE HA
CALCULATED BY

CHECKED BY

PWPR2017-0002
PROJECT #

DATE BLD PERMIT ISSUED

SEWER IMPACT FEES WITHIN RDA BOUNDARY

CHECK APPLICABLE SCENARIO BELOW

☒ **COMMERCIAL OR INDUSTRIAL WITHIN RDA BOUNDARY**

SEWER IMPACT FOR COMMERCIAL & INDUSTRIAL PROJECTS
TEMPORARILY ADJUSTED TO \$0 EFFECTIVE 02/05/07 PER RES# 6082.

☒ **RESIDENTIAL PROJECTS WITHIN RDCA DOWNTOWN AREA**

SEWER IMPACT FOR SINGLE-FAMILY AND MULTI-FAMILY RESIDENTIAL
TEMPORARILY ADJUSTED TO \$0 EFFECTIVE 02/05/07.

☒ **NOT IN RDA AREA BOUNDARY**

** BOTH NORMAL FEES AND ADJUSTED FEES ARE SUBJECT
TO ANNUAL CPI INCREASES.

☐ **COMMERCIAL OR INDUSTRIAL SHELL**

**RDA SEWER ALLOCATION
COMPLETED BY:**
(write initials below)

version 07.01.17 std

WATER FEES:**1. METER DEPOSIT: 650-37672**

(Authority: Res. #5658 approved 03.19.03, Updated 07.01.17)

1"	\$476	x	0	=	\$0
1 1/2"	\$1,444	x	0	=	\$0
2"	\$1,660	x	0	=	\$0
3" or larger-Time & Material + Meter Cost				=	\$0

METER CREDITS

\$0	x	0	=	\$0
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SUBTOTAL = \$0**2. BACKFLOW CONST. INSPECTION: 650-37859**

(Authority: Res. #5658 approved 03.19.03, Updated 07.01.17)

\$64	x	0	Each	=	\$0
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3. WATER FRONTAGE CHARGE: 650-37663

(Authority: Res. #5658 approved 03.19.03, Updated 07.01.17)

1 Side	\$68	x	0	LF	=	\$0
2 Sides	\$38	x	0	LF	=	\$0

4. WATER IMPACT FEE: 651-37648

(Auth: Res. #5592 approved 08.21.02, Increased 01.15.17)

a) Residential

\$3,751	/DU	x	17	DU	=	\$63,767
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(Single Family)

\$3,384	/DU	x	151	DU	=	\$510,984
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(Multi Family)

b) Commercial & Industrial

(Includes Landscape Service)

\$10,648	/AC	x	0	AC	=	\$0
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WATER CREDITS

\$0	x	0	=	\$0
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SUBTOTAL = \$574,751**WATER FEE TOTALS = \$574,751****5. ENGINEERING & INSPECTION FEE: 206-38734**

(Minimum \$500.00):

(Authority: Res. #5902 approved 05.04.05, Updated 07.01.09)

ENGINEERING ESTIMATE: \$0

DATE ENGINEERING EST. SUBMITTED:

% APPLIES TO ENGINEER'S ESTIMATE

13.3% \$1 to \$100,000 = \$0

11.8% \$100,001 to \$200,000 = \$0

10.3% \$200,001 to \$500,000 = \$0

8.8% OVER \$500,000 = \$0

ENGINEERING FEE = \$0

DEPOSIT PAID = \$0

ENGINEERING FEE TOTAL = \$0**5A. LONG RANGE PLANNING FEE: 207-37912**

LONG RANGE PLANNING FEE (15% of E&I) = \$0

SEWER FEES:**6. SEWER FRONTAGE CHARGE: 640-37663**

(Authority: Res. #5658 approved 03.19.03, Updated 07.01.17)

1 Side	\$68	/LF	x	0	LF	=	\$0
2 Sides	\$38	/LF	x	0	LF	=	\$0

Along Condit.

7. SEWER IMPACT FEE: 641-37648

(Auth: Res. #6082 approved 02.05.07 & Res. #5592 approved 08.21.02, Increased 01.15.17).

a) Residential

\$14,680	/DU	x	17	DU	=	\$249,560
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(Single Family)

\$12,424	/DU	x	151	DU	=	\$1,876,024
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(Multi Family)

b) Commercial & Industrial

\$50.26	/GPD	x	0	GPD	=	\$0
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\$50.26	/GPD	x	0	GPD	=	\$0
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SEWER CREDITS

\$0	x	0	=	\$0
-----	---	---	---	-----

RDA ASSUMED SEWER OBLIGATION

\$14,680	/DU	x	0	DU	=	\$0
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(Single Family)

\$12,424	/DU	x	0	DU	=	\$0
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(Multi Family)

\$50.26	/GPD	x	0	GPD	=	\$0
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(Commercial & Industrial)

SUBTOTAL = \$2,125,584**SEWER FEE TOTALS = \$2,125,584****STORM DRAIN FEES:****8. STORM DRAIN FRONTAGE CHARGE: 304-37663**

(Authority: Res. #5658 approved 03.19.03, Updated 07.01.17)

1 Side	\$112	/LF	x	0	LF	=	\$0
2 Sides	\$55	/LF	x	0	LF	=	\$0

9. STORM DRAIN IMPACT FEE: 303-37648

(Auth: Res. #5592 approved 8.21.02, Amdd by Res. 6326 4.28.10, Increased 01.15.17)

\$3,982	/DU	x	0	DU	=	\$0
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(Single Family)

\$2,071	/DU	x	0	DU	=	\$0
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(Multi Family)

\$43,364	/ACRE	x	0	AC	=	\$0
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(Commercial & Office)

\$31,572	/ACRE	x	0	AC	=	\$0
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(Industrial)

STORM CREDITS

\$0	x	0	=	\$0
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SUBTOTAL = \$0**STORM DRAIN FEE TOTALS = \$0**

10. UNDERGROUNDING UTILITIES:					350-37649
(Authority: Res. #5658 approved 03.19.03, Updated 07.01.17)					
1 Side	\$706	x	0	LF	= \$0
2 Sides	\$356	x	0	LF	= \$0
11a. PARK IMPACT FEE:					301-37648
(Auth: Res. #5592 appr'd 8.21.02, Amdd by Res. 6326 4.28.10, Increased 01.15.17)					
\$5,566 /DU	x	0	DU	=	\$0
(Single Family - Sub)					
\$4,047 /DU	x	17	DU	=	\$68,799
(Single Family - No Sub)					
\$5,363 /DU	x	0	DU	=	\$0
(Multi Family - Sub)					
\$3,903 /DU	x	151	DU	=	\$589,353
(Multi Family - No Sub)					
11b. PARK MAINTENANCE DEV. FEE:					302-37649
\$0	x	0	EACH	=	\$0
PARK CREDITS					
\$0	x	0		=	\$0
PARK FEE TOTAL =					\$658,152
12. TRAFFIC IMPACT FEE:					309-37648
(Auth: Res. #15-152 approved 06.17.15 & Res. #5592 approved 08.21.02, Increased 01.15.17)					
\$1,928 /DU	x	17	DU	=	\$32,776
(Single Family)					
\$1,196 /DU	x	151	DU	=	\$180,596
(Multi Family)					
\$1,928 /PHT	x	0	PHT	=	\$0
(Commercial)					
\$1,928 /PHT	x	0	PHT	=	\$0
(Industrial)					
TRAFFIC CREDITS					
\$0	x	0		=	\$0
TRAFFIC FEE TOTAL =					\$213,372
13. LIBRARY IMPACT FEE:					348-37648
(Auth: Res. #5837 appr'd 09.01.04, Amdd by Res. 6326 4.28.10, Increased 01.15.17)					
\$2,044 /DU	x	17	DU	=	\$34,748
(Single Family)					
\$1,969 /DU	x	151	DU	=	\$297,319
(Multi Family)					
LIBRARY CREDITS					
\$0	x	0		=	\$0
LIBRARY FEE TOTAL =					\$332,067
14. BURROWING OWL MITIGATION:					232-38145
(Authority: Res. #5765 approved 01.21.04, Increased 07.01.17)					
\$207 /DU		0	DU	=	\$0
(Residential)					
\$1,447 /AC		0	AC	=	\$0
(Commercial/Industrial)					

15a. MAP CHECK FEE:					206-38716
(Authority: Res. #5658 approved 03.19.03, Updated 07.01.17)					
PARCEL MAP:	\$3,946	=			\$0
TRACT MAP:	\$5,877	=			\$0
16. POLICE IMPACT FEE:					311-37648
(Auth: Res. #5686 appr'd 06.18.03, Amdd by Res. 6326 4.28.10, Increased 01.15.17)					
\$794 /DU	x	17	DU	=	\$13,498
(Single Family)					
\$767 /DU	x	151	DU	=	\$115,817
(Multi Family)					
\$1,724 /ACRE	x	0	AC	=	\$0
(Commercial)					
\$2,415 /ACRE	x	0	AC	=	\$0
(Industrial)					
POLICE CREDITS					
\$0	x	0		=	\$0
POLICE FEE TOTAL =					\$129,315
17. FIRE IMPACT FEE:					313-37648
(Auth: Res. #6671 approved 07.17.13, Increased 01.15.17)					
\$122 /DU	x	17	DU	=	\$2,074
(Single Family)					
\$116 /DU	x	151	DU	=	\$17,516
(Multi Family)					
\$1,604 /ACRE	x	0	AC	=	\$0
(Commercial)					
\$1,604 /ACRE	x	0	AC	=	\$0
(Industrial)					
FIRE CREDITS					
\$0	x	0		=	\$0
FIRE FEE TOTAL =					\$19,590
18. PUBLIC FACILITIES IMPACT FEE:					347-37648
(Auth: Res. #5592 appr'd 8.21.02, Amdd by Res. 6326 4.28.10, Increased 01.15.17)					
\$530 /DU	x	17	DU	=	\$9,010
(Single Family)					
\$510 /DU	x	151	DU	=	\$77,010
(Multi Family)					
\$1,167 /ACRE	x	0	AC	=	\$0
(Commercial)					
\$1,634 /ACRE	x	0	AC	=	\$0
(Industrial)					
PUBLIC FACILITIES CREDITS					
\$0	x	0		=	\$0
PUBLIC FACILITIES FEE TOTAL =					\$86,020
20. COMMNTY/REC CTRS IMPACT FEE:					360-37648
(Auth: Res. #15-152 appr'd 8.17.15, increased 01.15.17)					
\$3,791 /DU	x	17	DU	=	\$64,447
(Single Family)					
\$3,326 /DU	x	151	DU	=	\$502,226
(Multi Family)					
PUBLIC FACILITIES CREDITS					
\$0	x	0		=	\$0
PUBLIC FACILITIES FEE TOTAL =					\$566,673

19. RDCS MEASURE C FEES:			
School Pedestrian Safety	(355-37655)	=	\$831,600
Public Facilities	(346-37649)	=	\$774,682
Park Development	(302-37649)	=	\$0
Public Fac. - Circulation	(346-37649)	=	\$369,600
TOTAL RDCS MEASURE C FEES = \$1,975,882			

OTHER:			
LED Streetlight Fund	(010-37722)	=	\$0
		=	\$0
		=	\$0
TOTAL FEES DUE = \$6,681,406			

Notes & Comments: DA-2016-0004-; MC-15-18 (80 units); MC2016-2018 (85 units): RDCS commitments.

18.78.210 Schools (Deferred for public improvements)	Fee	No. of Units	Total
4. School Pedestrian Safety improvements per unit=	\$4,950	x 168	= \$831,600

18.78.230 Public Facilities	Fee	No. of Units	Total
B 2f. Public out of tract improvements per unit=	\$3,300	x 168	\$554,400
B 2g. Capital out of tract Improvement per unit=	\$1,100	x 168	\$184,800
18.78.250 Parks and Paths			
3. Class II bike lane 1/4 mile per 10 units (@\$1.60/ft)	\$1.60	x 22176	\$35,482
(Deferred for public improvements)		Public Facilities =	\$774,682

18.78.250 Parks and Paths	Fee	No. of Units	Total
1. Park in-lieu fee per unit =	\$0	x 0	\$0
6. Park fee in addition to standard park fee per unit =	\$0	x 0	\$0
7. Park fee in addition to standard park fee per unit =	\$0	x 0	\$0
		Park =	\$0

18.78.300 Circulation Efficiency	Fee	No. of Units	Total
4 Dedication or out of tract improvements per unit =	\$2,200	x 168	\$369,600
18.78.355 Livable Communities			
2 b. Pay in-lieu cost of VTA bus stop improvements =	\$0	x 0	\$0
(Deferred for public improvements)		Circulation =	\$369,600

18.78.300 Circulation Efficiency - LED (TO BE PAID AT MAP)	Fee	No. of Units	Total
3. Convert street lights to LED or pay in-lieu per unit =	\$1,500	x 168	\$252,000

****OTHER FEE RESOLUTIONS:**

RESOLUTION 5006, EFFECTIVE 07.03.1996
 RESOLUTION 5128, EFFECTIVE 01.05.1998
 RESOLUTION 5658, EFFECTIVE 03.19.2003
 RESOLUTION 5686, EFFECTIVE 08.18.2003
 RESOLUTION 5765, EFFECTIVE 01.21.2004
 RESOLUTION 5837, EFFECTIVE 10.18.2004
 RESOLUTION 6080, EFFECTIVE 01.17.2007
 RESOLUTION 6133, EFFECTIVE 12.05.2007
 RESOLUTION 6326, EFFECTIVE 04.28.2010
 RESOLUTION 6671, EFFECTIVE 09.16.2013

RECORDING REQUESTED BY:

CITY OF MORGAN HILL

WHEN RECORDED MAIL DOCUMENT TO:

CITY CLERK
CITY OF MORGAN HILL
17575 PEAK AVENUE
MORGAN HILL, CA 95037

RECORD AT NO FEE PER
GOVERNMENT CODE SECTIONS 6103
& 27383

SPACE ABOVE THIS LINE FOR RECORDER'S
USE

**STORMWATER BEST MANAGEMENT PRACTICES,
OPERATION, AND MAINTENANCE AGREEMENT**

THIS STORMWATER BEST MANAGEMENT PRACTICES OPERATION, AND MAINTENANCE AGREEMENT ("AGREEMENT") is made and entered into this ____ day of _____, 2017, by **MH EVERGREEN MULTI, LLC**, (hereinafter referred to as "COVENANTOR") and the City of Morgan Hill ("CITY"). CITY and COVENANTOR may be referred to individually as a "Party" or collectively as the "Parties" throughout this AGREEMENT.

RECITALS:

This AGREEMENT is made and entered into with reference to the following facts:

- A. CITY is authorized and required to regulate and control the disposition of storm and surface waters as set forth in CITY's National Pollutant Discharge Elimination System permit.
- B. COVENANTOR is the owner of a certain tract or parcel of land more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "PROPERTY").
- C. COVENANTOR desires to construct certain improvements of the kind or nature described in Morgan Hill Municipal Code Chapter 18.71 (the "ORDINANCE") on the PROPERTY that may alter existing stormwater conditions on both the PROPERTY and adjacent lands.
- D. To minimize adverse impacts due to these anticipated changes in existing storm and surface water flow conditions, COVENANTOR is required by CITY to implement Best Management Practices ("BMPs") and to build and maintain, at COVENANTOR's expense, stormwater management facilities ("FACILITIES"), more particularly described and shown in the **Post-Construction Stormwater Control Plan for Evergreen** prepared by **Ruggeri Jensen Asar (RJA)** and dated **January 2017**, which plans and any amendments thereto, are on file with CITY's Public Works Department, and are hereby incorporated by this reference.
- E. CITY has reviewed and approved the Stormwater Runoff Management Plan (the "PLAN") subject to the execution of this AGREEMENT.

NOW, THEREFORE, in consideration of the benefit received and to be received by COVENANTOR, its successors, and assigns, as a result of CITY's approval of the Stormwater Runoff Management Plan, COVENANTOR, hereby covenants and agrees with CITY as follows:

1. Covenants Running With the Land; Property Subject to Agreement: All of the real property described in Exhibit "A" shall be subject to this AGREEMENT. It is intended and determined that the provisions of this AGREEMENT shall run with the land and shall be

binding on all parties having or acquiring any right, title, or interest in the real PROPERTY or any portion thereof and shall be for the benefit of each owner of any of said parcels or any portion of said PROPERTY and shall inure to the benefit of and be binding upon each successor in interest of the owners thereof. Each and all of the limitations, easements, obligations, covenants, conditions, and restrictions contained herein shall be deemed to be, and shall be construed as, equitable servitudes, enforceable by any of the owners of any of the PROPERTY subject to this AGREEMENT against any other owner, tenant or occupant of the said PROPERTY, or any portion thereof.

2. Responsibility for Installation, Operation, and Maintenance: At its sole expense, COVENANTOR, its successors, and assigns, shall construct, operate, and perpetually maintain the FACILITIES in strict accordance with the PLAN and any amendments thereto that have been approved by CITY or required by the ORDINANCE.
3. Facility Modifications: At its sole expense, COVENANTOR, its successors, and assigns, shall make such changes or modifications to the FACILITIES as may be determined as reasonably necessary by CITY to ensure that the FACILITIES are properly maintained and continue to operate as originally designed and approved. COVENANTOR agrees that it shall not modify the BMPs and shall not allow BMP maintenance activities to alter the designed function of the FACILITIES from its original design unless approved by CITY prior to the commencement of the proposed modification or maintenance activity.
4. Facility Inspections by CITY: At reasonable times and in a reasonable manner as provided in the ORDINANCE, CITY, its agents, employees, and contractors shall have the right of ingress and egress to the FACILITIES and the right to inspect the FACILITIES in order to ensure that the FACILITIES are being properly maintained, are continuing to perform in an adequate manner, and are in compliance with the ORDINANCE, the PLAN and any amendments thereto approved by CITY.
5. Failure to Perform Required Facility Repairs or Modifications: Should either COVENANTOR or its successors and assigns fail to implement the BMPs, maintain the facilities, or correct any defects in the FACILITIES in accordance with the approved design standards and/or the PLAN, and in accordance with the law and applicable regulations of the ORDINANCE, after thirty (30) days from the date of the written notice from CITY, CITY shall have the right to enter the PROPERTY to perform remedial work, for which CITY will collect reimbursement for such work from COVENANTOR. Additionally, conditions from failure to implement the BMPs or to maintain or correct the FACILITIES shall be deemed a nuisance subject to abatement of such conditions as provided in Chapter 1.18 of the Morgan Hill Municipal Code. In addition, CITY may pursue other such remedies as provided by law, including, but not limited to, such civil and criminal remedies set forth in the ORDINANCE.
6. Indemnity: COVENANTOR, its successors, and assigns, shall defend, indemnify, and hold CITY harmless of and from any and all claims, liabilities, actions, causes of action, and damages for personal injury and property damage, including, without limitation, reasonable attorneys' fees, arbitration fees, or costs and court costs, arising out of or related to COVENANTOR's, its successors', and/or assigns' construction, operation, or maintenance of the FACILITIES except claims, liabilities, actions, causes of action, and damages that arise out of CITY's sole negligence or willful misconduct or the sole negligence or willful misconduct of any of CITY'S employees, agents, representatives, contractors, vendors, or consultants.
7. Obligations and Responsibilities of COVENANTOR: Initially, COVENANTOR is solely responsible for the performance of the obligations required hereunder and, to the extent permitted under applicable law, the payment of any and all fees, fines, and penalties associated with such performance or failure to perform under this AGREEMENT.

Notwithstanding any provisions of this AGREEMENT to the contrary, upon the recordation of a deed or other instrument of sale, transfer or other conveyance of fee simple title to the PROPERTY or any portion thereof (a "Transfer") to a third party (the "Transferee"), COVENANTOR shall be released of all of its obligations and responsibilities under this AGREEMENT accruing after the date of such Transfer to the extent such obligations and responsibilities are applicable to that portion of the PROPERTY included in such Transfer, but such release shall be expressly conditioned upon the Transferee assuming such obligations and responsibilities by recorded written agreement for the benefit of CITY. Such written agreement may be included in the Transfer deed or instrument, provided that the Transferee joins in the execution of such deed or instrument. A certified copy of such deed, instrument, or agreement shall be provided to CITY. The provisions of the preceding three sentences shall be applicable to the original COVENANTOR and any successor Transferee who has assumed the obligations and responsibilities of COVENANTOR under this AGREEMENT as provided above.

8. Property Transfer: Nothing herein shall be construed to prohibit a transfer by COVENANTOR to subsequent owners and assigns.
9. Attorneys' Fees: In the event that any Party institutes legal action or arbitration against the other to interpret or enforce this AGREEMENT, or to obtain damages for any alleged breach hereof, the prevailing party in such action or arbitration shall be entitled to reasonable attorneys' or arbitrators' fees in addition to all other recoverable costs, expenses, and damages.
10. Further Documents: The Parties covenant and agree that they shall execute such further documents and instructions as shall be necessary to fully effectuate the terms and provisions of this AGREEMENT.
11. Entire Agreement: This AGREEMENT constitutes the entire agreement of the Parties with respect to the subject matter contained herein and supersedes all prior agreements, whether written or oral. There are no representations, agreements, arrangements, or undertakings, oral or written, that are not fully expressed herein.
12. Severability: In the event any part or provision of this AGREEMENT shall be determined to be invalid or unenforceable under the laws of the State of California, the remaining portions of this AGREEMENT that can be separated from the invalid, unenforceable provisions shall, nevertheless, continue in full force and effect.
13. No Waiver: The waiver of any covenant contained herein shall not be deemed to be a continuing waiver of the same or any other covenant contained herein.
14. Amendment: This AGREEMENT may be amended in whole or in part only by mutual written agreement. Any such amendment shall be recorded in Santa Clara County, California. In the event any conflict arises between the provisions of any such amendment and any of the provisions of any earlier document or documents, the most recently duly executed and recorded amendment shall be controlling.
15. Authority to Execute: The persons executing this AGREEMENT on behalf of the parties warrant that they are duly authorized to execute this AGREEMENT.
16. In the event that CITY shall determine, at its sole discretion, at any future time, that the FACILITIES are no longer required, then at the written request of COVENANTOR, its successors, and/or assigns, CITY shall execute a release of this AGREEMENT which COVENANTOR, its successors, and/or assigns, shall record in the Recorder's Office, at its expense.

Executed the day and year first above written.

COVENANTOR:

MH EVERGREEN MULTI, LLC

A Delaware Limited Liability Company

**By: VHV Investment Properties I, LLC
Its Managing Member**

By: _____

Name: **JEFFREY M. HACK**

Title: **CEO & PRESIDENT**

CITY OF MORGAN HILL:

By: _____

Name: **CHRISTINA J. TURNER**

Title: **CITY MANAGER, CITY OF MORGAN HILL**

APPROVED AS TO FORM:

By: _____

Name: **DONALD A. LARKIN**

Title: **CITY ATTORNEY, CITY OF MORGAN HILL**

Attachment: Stormwater BMP Operation and Maintenance Agreement (1478 : FINAL MAP APPROVAL OF EVERGREEN RENTAL)

EXHIBIT "A"

All that real property situated in the City of Morgan Hill, Santa Clara County, State of California being more particularly described as follows:

PARCEL B as shown on that Parcel Map (EVERGREEN) thereof filed in Book _____ of Maps at Pages _____, Santa Clara County Records

Attachment: Stormwater BMP Operation and Maintenance Agreement (1478 : FINAL MAP APPROVAL OF EVERGREEN RENTAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)



CITY COUNCIL STAFF REPORT

MEETING DATE: November 15, 2017

PREPARED BY: Charlie Ha, Supervising Civil Engineer
APPROVED BY: None

FINAL MAP APPROVAL OF EVERGREEN FOR SALE - TRACT NO. 10403

RECOMMENDATION(S)

1. Approve the Final Map;
2. Authorize the City Manager to execute the Subdivision Improvements Agreement with MH Evergreen 74, LLC;
3. Authorize the City Manager to execute a Stormwater Best-Management-Practices (BMP) Operation and Maintenance Agreement pending review and approval by the City Attorney; and
4. Authorize the recordation of the Final Map, Subdivision Improvements Agreement, and the Stormwater BMP Operation and Maintenance Agreement.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment

2017 Strategic Priorities

Infrastructure

REPORT NARRATIVE:

Evergreen For Sale – Tract No. 10403 is a 74-unit subdivision located on the northwest corner of San Pedro Avenue and Murphy Avenue (see attached site map). The developer, MH Evergreen 74, LLC, has completed all the conditions specified by the Planning Commission in the approval of the Tentative Map on August 23, 2016.

The City Council is required to approve the map if it conforms to all the requirements of the Subdivision Map Act, and any conditions of approval for the Tentative Map.

The developer has furnished the City with the necessary documents to complete the processing of the Final Map and has made provisions to provide the City with the required fees, security, and insurance prior to recordation of the Final Map. The Final Map conforms to the requirements of the Subdivision Map Act, and conditions of approval have been met. Staff recommends that City Council authorize the City Manager to sign a Subdivision Improvements Agreement on behalf of the City and sign a Stormwater BMP Operation and Maintenance Agreement pending review and approval by the City Attorney.

COMMUNITY ENGAGEMENT: Involve

On August 23, 2016, the Planning Commission approved the Tentative Map. Residents within a 300 feet radius were informed of the Planning Commission's intent to approve

the Tentative Map for the project, in which a public hearing was held to allow the public to be involved and voice their concerns over Tentative Map requirements.

ALTERNATIVE ACTIONS:

There is no feasible alternative action as the developer has met the requirements of the tentative map conditions approved by the Planning Commission to file for a final map approval.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On September 7, 2016, the City Council approved the Development Agreement.

FISCAL AND RESOURCE IMPACT:

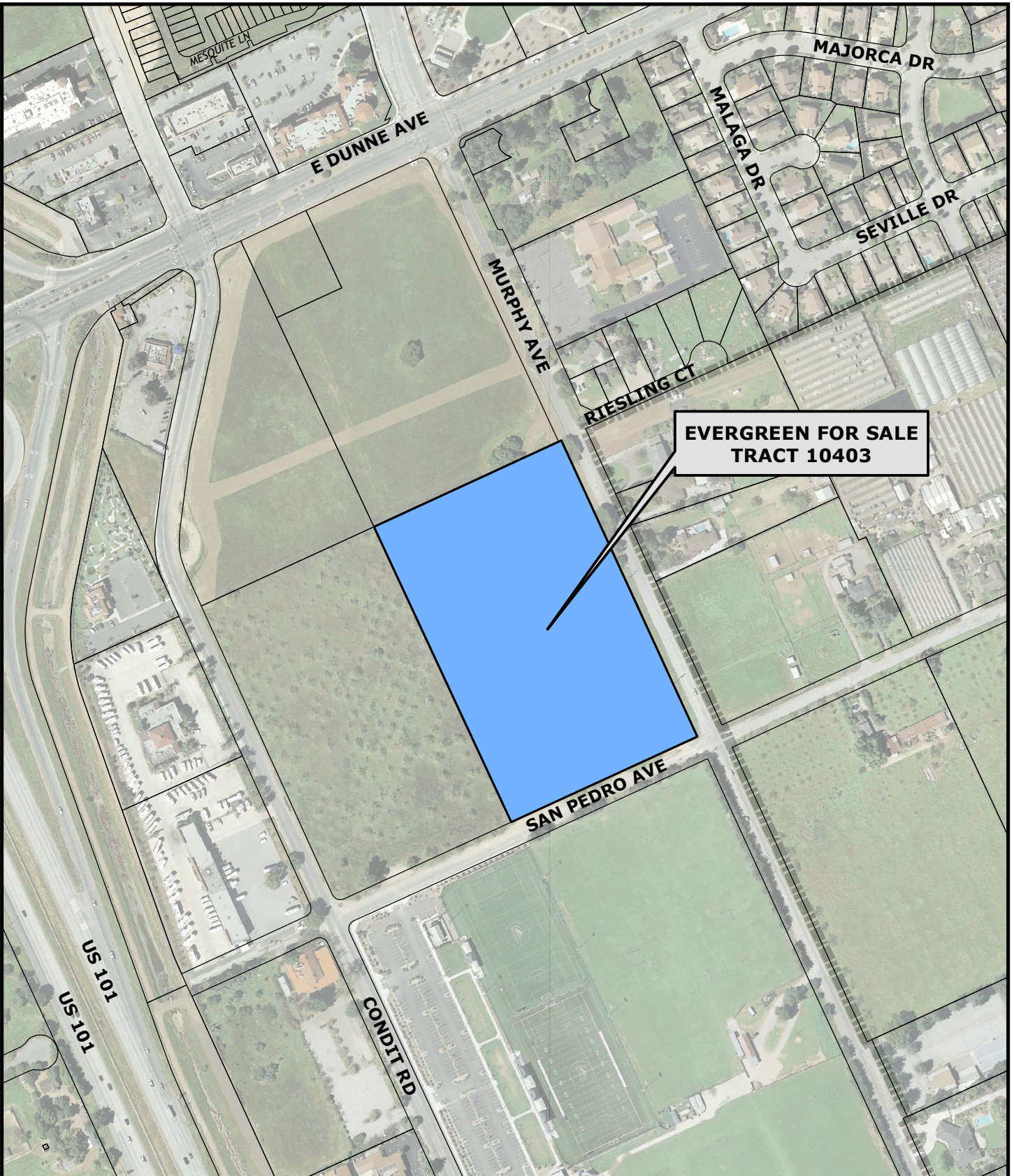
Development review costs for this project are paid for from development processing fees.

CEQA (California Environmental Quality Act):

Project - An Environmental Impact Report (EIR) has been prepared and certified for the project site. An Addendum analyzing the project has been completed which has concluded that the project is consistent with the development project analyzed in the EIR for the project site.

LINKS/ATTACHMENTS:

1. Site Map
2. Final Map
3. Subdivision Improvements Agreement
4. Stormwater BMP Operation and Maintenance Agreement



Attachment: Site Map (1477 : FINAL MAP APPROVAL OF EVERGREEN FOR SALE - TRACT NO. 10403)



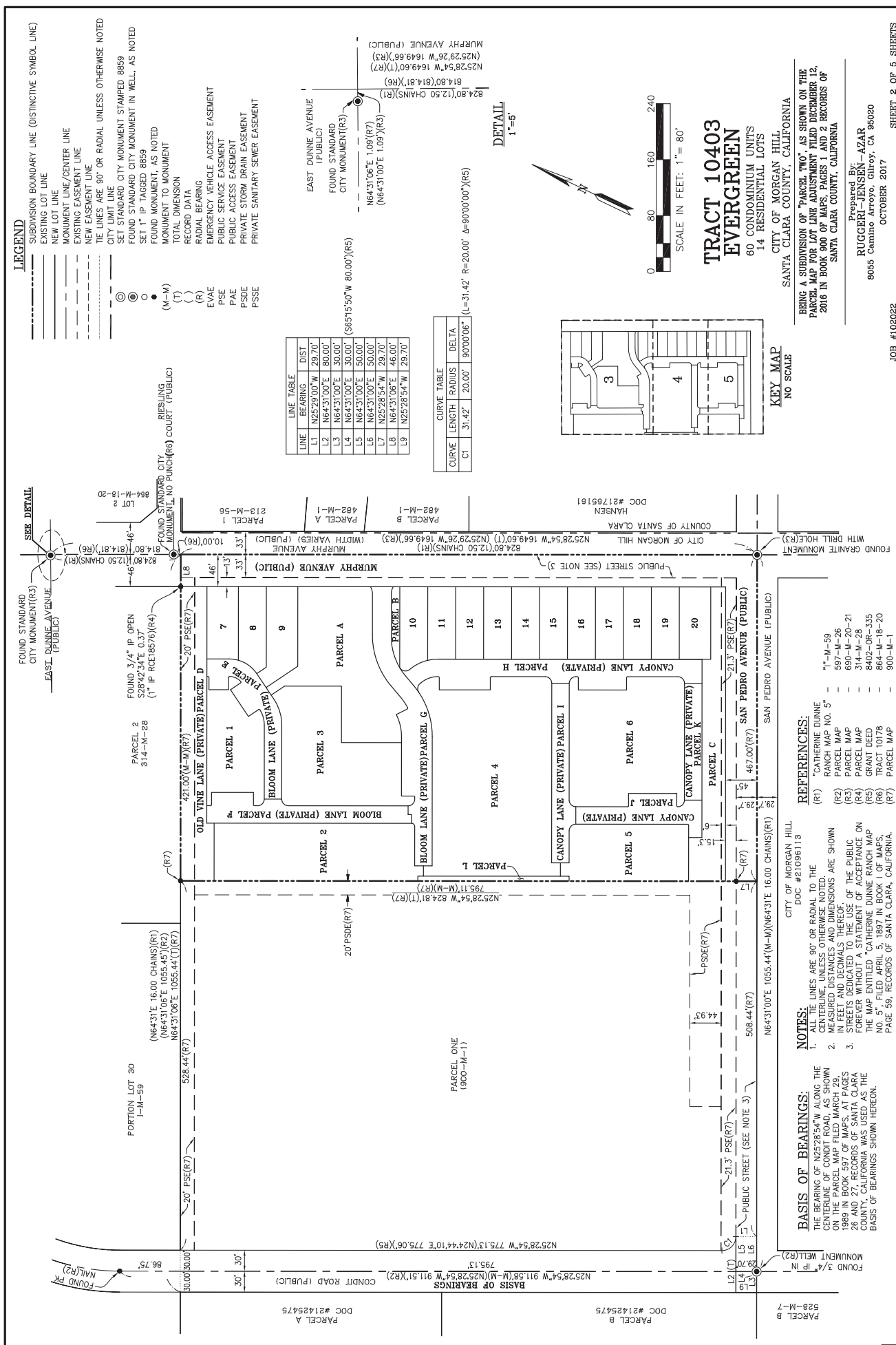
CITY OF MORGAN HILL

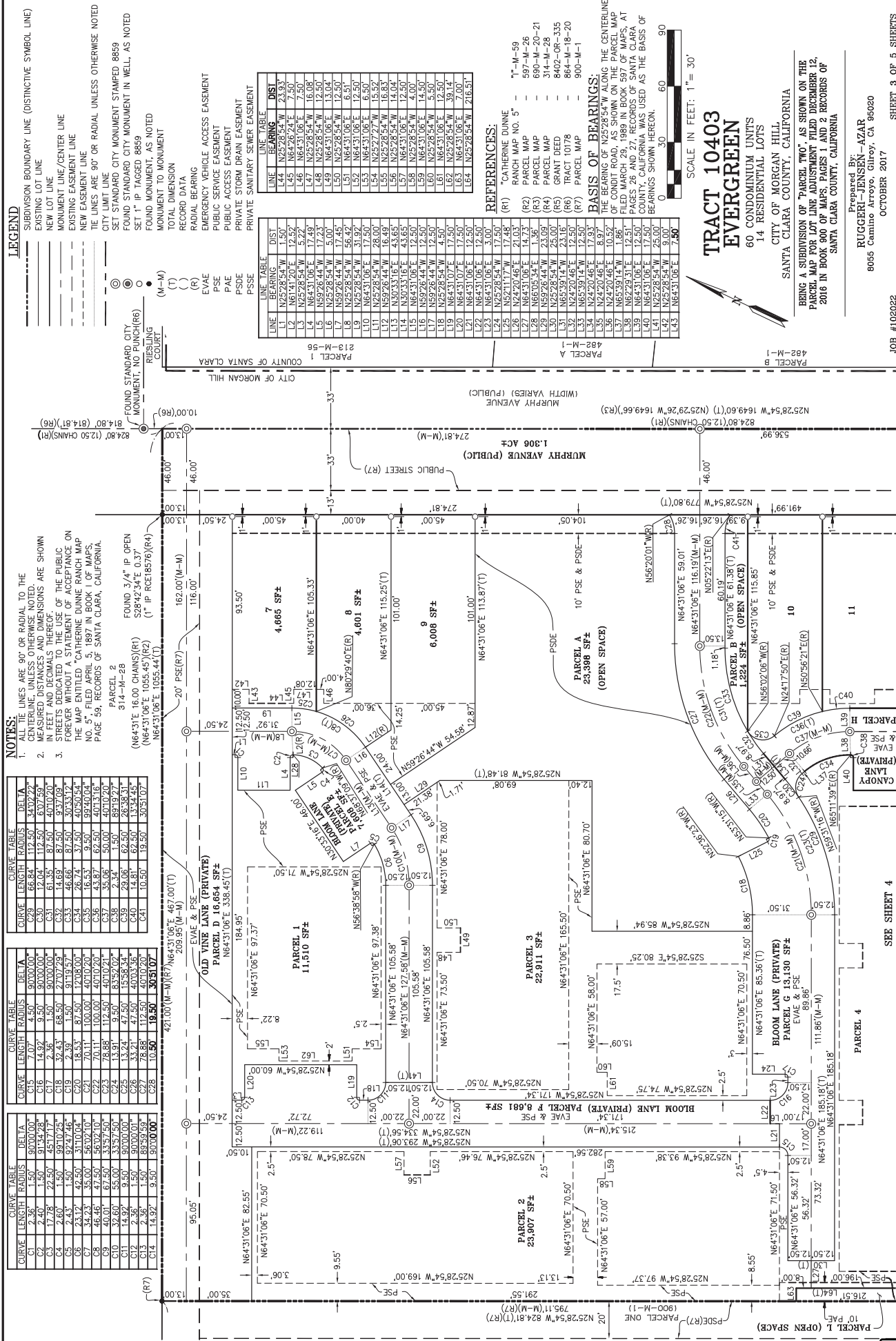
**Department of Public Works
Engineering and Utilities Division**

G:\R-14\Proj\GIS\John\Charlie_EvergreenForSale.mxd

SITE MAP EVERGREEN FOR SALE







BASIS OF BEARINGS:

THE BEARING OF N25°28'54"W ALONG THE CENTERLINE OF CONDOT ROAD, AS SHOWN ON THE PARCEL MAP FILED MARCH 29, 1989 IN BOOK 597 OF MAPS, AT PAGES 1 AND 2, SANTA CLARA COUNTY, CALIFORNIA, IS THE BASIS OF BEARINGS SHOWN HEREON.

NOTES:

- ALL THE LINES ARE 90' OR RADIAL TO THE CENTERLINE, UNLESS OTHERWISE NOTED.
- STREETS DEDICATED TO THE USE OF THE PUBLIC FOREWER WITHOUT A STATEMENT OF ACCEPTANCE ON THE MAP ENTITLED "CATHERINE DUNNE RANCH MAP NO. 5", FILED APRIL 5, 1897 IN BOOK 1 OF MAPS, PAGE 59, RECORDS OF SANTA CLARA, CALIFORNIA.

REFERENCES:

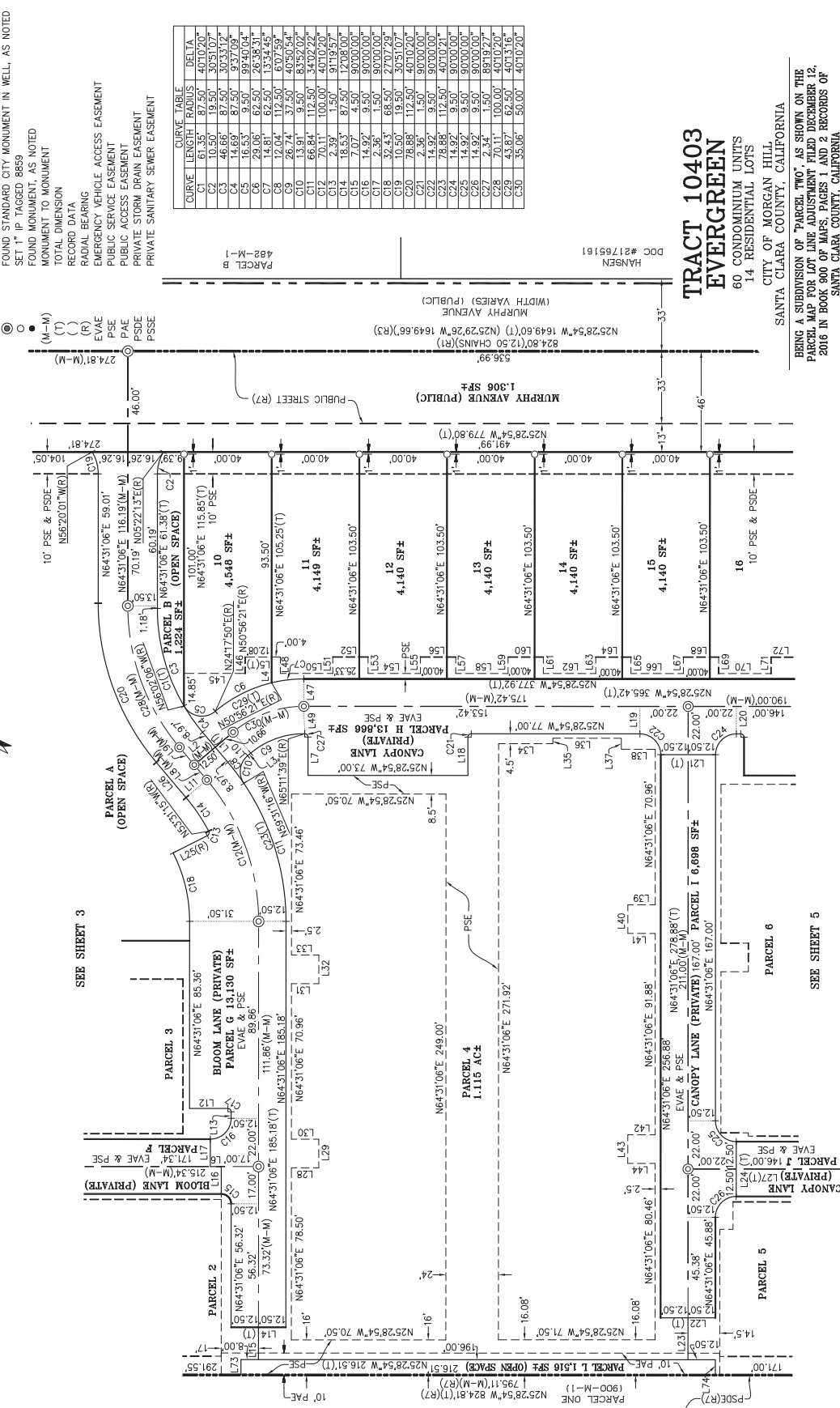
- (R1) "CATHERINE DUNNE RANCH MAP NO. 5"
- (R2) PARCEL MAP
- (R3) PARCEL MAP
- (R4) PARCEL MAP
- (R5) GRANT DEED
- (R6) TRACT 10178
- (R7) PARCEL MAP

LEGEND

- SUBDIVISION BOUNDARY LINE (DISTINCTIVE SYMBOL LINE)
- EXISTING LOT LINE
- NEW LOT LINE
- MONUMENT LINE/CENTER LINE
- EXISTING EASEMENT LINE
- NEW EASEMENT LINE
- THE LINES ARE 90' OR RADIAL UNLESS OTHERWISE NOTED
- CITY LIMIT LINE
- SET STANDARD CITY MONUMENT STAMPED 8859
- FOUND MONUMENT, AS NOTED
- SET 1" IP TAGGED 8859
- FOUND MONUMENT, AS NOTED
- MONUMENT TO MONUMENT
- TOTAL DIMENSION
- RECORD DATA
- RADIAL BEARING
- EMERGENCY VEHICLE ACCESS EASEMENT
- PUBLIC SERVICE EASEMENT
- PUBLIC ACCESS EASEMENT
- PRIVATE STORM DRAIN EASEMENT
- PRIVATE SANITARY SEWER EASEMENT



LINE	BEARING	DIST
L1	N24°20'46"E	17.93
L2	N65°39'14"W	23.16
L3	N65°39'14"W	1.86
L4	N64°31'06"E	11.75
L5	N25°28'54"W	16.00
L6	N25°28'54"W	16.00
L7	N64°31'06"E	8.97
L8	N24°20'46"E	17.93
L9	N24°20'46"E	10.52
L10	N24°20'46"E	12.50
L11	N65°39'14"W	12.50
L12	N65°39'14"W	3.00
L13	N64°31'06"E	12.50
L14	N25°28'54"W	25.00
L15	N64°31'06"E	14.73
L16	N64°31'06"E	12.50
L17	N64°31'06"E	12.50
L18	N64°31'06"E	12.50
L19	N64°31'06"E	12.50
L20	N64°31'06"E	12.50
L21	N25°28'54"W	25.00
L22	N25°28'54"W	25.00
L23	N64°31'06"E	19.12
L24	N64°31'06"E	25.00
L25	N64°31'06"E	25.00
L26	N24°20'46"E	21.03
L27	N25°28'54"W	19.00
L28	N25°28'54"W	12.50
L29	N64°31'06"E	13.04
L30	N25°28'54"W	12.50
L31	N64°31'06"E	13.04
L32	N64°31'06"E	13.04
L33	N25°28'54"W	12.50
L34	N25°28'54"W	24.75
L35	N64°31'06"E	2.50
L36	N25°28'54"W	31.25
L37	N64°31'06"E	5.04
L38	N25°28'54"W	12.50
L39	N25°28'54"W	12.50
L40	N64°31'06"E	13.04
L41	N25°28'54"W	12.50
L42	N25°28'54"W	12.50
L43	N64°31'06"E	13.04
L44	N25°28'54"W	12.50
L45	N25°28'54"W	27.92
L46	N64°31'06"E	7.50
L47	N64°31'06"E	12.50
L48	N64°31'06"E	7.50
L49	N62°29'31"E	12.51
L50	N25°28'54"W	23.97
L51	N25°28'54"W	16.08
L52	N25°28'54"W	16.08
L53	N64°31'06"E	7.50
L54	N25°28'54"W	23.97
L55	N64°31'06"E	7.50
L56	N25°28'54"W	16.08
L57	N25°28'54"W	16.08
L58	N25°28'54"W	23.97
L59	N64°31'06"E	7.50
L60	N25°28'54"W	16.08
L61	N64°31'06"E	7.50
L62	N25°28'54"W	23.97
L63	N64°31'06"E	7.50
L64	N64°31'06"E	12.50
L65	N64°31'06"E	7.50
L66	N25°28'54"W	23.97
L67	N64°31'06"E	7.50
L68	N25°28'54"W	16.08
L69	N64°31'06"E	7.50
L70	N64°31'06"E	7.50
L71	N64°31'06"E	7.50
L72	N25°28'54"W	16.08
L73	N64°31'06"E	7.00
L74	N64°31'06"E	7.00



CURVE	LENGTH	RADIUS	DELTA
C1	61.35	87.50	40°10'20"
C2	10.50	19.50	30°51'07"
C3	46.66	87.50	30°51'07"
C4	14.69	87.50	30°51'07"
C5	29.38	87.50	30°51'07"
C6	29.38	87.50	30°51'07"
C7	14.81	62.50	13°24'45"
C8	12.04	112.50	6°07'59"
C9	26.74	37.50	40°50'54"
C10	13.91	9.50	83°52'02"
C11	66.84	12.50	34°02'22"
C12	2.30	10.50	91°19'57"
C13	2.30	1.50	91°19'57"
C14	18.53	87.50	12°08'00"
C15	7.07	4.50	90°00'00"
C16	14.92	9.50	90°00'00"
C17	2.36	1.50	90°00'00"
C18	10.50	19.50	30°51'07"
C19	10.50	19.50	30°51'07"
C20	78.88	112.50	40°10'20"
C21	2.36	1.50	90°00'00"
C22	14.92	9.50	90°00'00"
C23	78.88	112.50	40°10'20"
C24	14.92	9.50	90°00'00"
C25	14.92	9.50	90°00'00"
C26	14.92	9.50	90°00'00"
C27	2.34	1.50	89°19'27"
C28	70.11	100.00	40°10'20"
C29	43.87	62.50	40°13'16"
C30	35.06	50.00	40°10'20"

TRACT 10403 EVERGREEN

60 CONDOMINIUM UNITS
14 RESIDENTIAL LOTS
CITY OF MORGAN HILL
SANTA CLARA COUNTY, CALIFORNIA

BEING A SUBDIVISION OF "PARCEL TWO" AS SHOWN ON THE PARCEL MAP FOR LOT LINE ADJUSTMENT FILED DECEMBER 12, 2016 IN BOOK 900 OF MAPS, PAGES 1 AND 2 RECORDS OF SANTA CLARA COUNTY, CALIFORNIA

Prepared By:
RUGGERI-JENSEN-AZAR
8055 Camino Arroyo, Gilroy, CA 95020
OCTOBER 2017

RECORDING REQUESTED BY
WHEN RECORDED RETURN TO

CITY OF MORGAN HILL
City Clerk's Office
17575 PEAK AVENUE
MORGAN HILL, CA 95037

(RECORD AT NO FEE PURSUANT TO
GOVERNMENT CODE SECTION 27383)

THE AREA ABOVE IS RESERVED FOR RECORDER'S USE

SUBDIVISION IMPROVEMENTS AGREEMENT

MH EVERGREEN 74, LLC

EVERGREEN FOR SALE – TRACT 10403

This Subdivision Improvements Agreement ("Agreement") between the City of Morgan Hill, a municipal corporation ("City"), and **MH Evergreen 74, LLC**, a California limited liability company ("Subdivider"), is entered into this ____ day of _____, 20___. City and Subdivider hereby acknowledge the following:

1. Subdivider has filed a Tentative Subdivision Map and supporting documents for **Tract No. 10403**, the subdivision known as **Evergreen For Sale** ("Map").
2. City desires, as part of the conditions of approval ("Conditions") of the Final Tract Map or Parcel Map ("Final Map"), that certain improvements be installed by Subdivider ("Improvements") as shown on the City Engineer approved and signed Subdivision Improvement Plans entitled "**Improvement Plans for Evergreen For Sale, Tract No. 10403**" ("Plans").
3. Subdivider has been unable to complete, prior to filing of the Final Map, all of the improvements required by City to the satisfaction of the City Engineer.
4. Subdivider is required by the terms of the Morgan Hill Municipal Code ("Municipal Code"), to improve all streets, highways, or public areas which are part of the development, including but not limited to necessary paving, curbs, sidewalks, catch basins, water mains, culverts, storm drains, and sanitary sewers, in accordance with the plans and specifications on file with the City Engineer and to post certain securities to secure the completion of the Improvements.
5. To assure City that Subdivider will construct, install and complete all Improvements required for the Subdivision, the parties have entered into this Agreement.

Attachment: Subdivision Improvements Agreement (1477 : FINAL MAP APPROVAL OF EVERGREEN FOR SALE - TRACT NO. 10403)

6. This Agreement is executed pursuant to California Government Code Section 66410, et seq., and Chapter 17.32 of the Municipal Code in order to provide for the manner in which Improvements shall be constructed and completed.

NOW, THEREFORE, and in consideration of the approval of the Final Map, and in order to ensure satisfactory performance by Subdivider of Subdivider's obligations under the Conditions, the Subdivision Map Act, and applicable ordinances of City, the parties hereto, for themselves, their successors, and assigns, hereby agree as follows:

Section 1. Incorporation by Reference

The Development Agreement between Subdivider and City, if applicable, Subdivider's Map application, the Conditions, the Map, all Plans as referenced in Section 2 below and all items submitted to the Planning Department, Planning Commission and City Council, all are incorporated herein by reference. In the event of any inconsistency between their representations in any incorporated documents and this Agreement, this Agreement shall govern.

Section 2. Construction of Improvements

(a) Subdivider shall construct to the approval of City, and as provided for in the Conditions, the Improvements as shown fully executed in the Plans entitled "**Improvement Plans for Evergreen For Sale**".

(b) Acquire and dedicate, or pay the cost of acquisition by City, of all rights-of-way, easements, and other interests in real property for the construction or installation of the Improvements, free and clear of all liens and encumbrances.

(c) Survey Monumentation:

(1) Subdivider shall place survey monumentation as described on the Map.

(2) Subdivider shall replace or repair all survey monumentation that is destroyed or damaged as a result of Subdivider's activities. Any such repair or replacement shall be to the satisfaction and subject to the approval of City.

Section 3. Modification of Plans

Subdivider agrees that, if during the construction of the Improvements, it is determined by City that revisions to the Plans are necessary in the interest of the public, Subdivider will undertake such design and construction changes required by City. Said changes, if any, shall be confined to the premises owned by Subdivider.

Section 4. Security

(a) Pursuant to California Government Code Section 66499.3(a), and the Municipal Code, Subdivider shall, concurrently with the execution hereof, furnish a surety bond in an amount equal to at

least one hundred percent (100%) of the estimated construction cost of the Improvements as security guaranteeing the faithful performance of the Improvements and this Agreement ("Performance Bond").

Improvements and the City Engineer's Estimated Costs of Improvements as of September 2017 are attached hereto as Exhibit "A".

The Performance Bond shall be in a form substantially the same as Exhibit "B".

(b) Pursuant to California Government Code Section 66499.3(b), Subdivider shall, concurrently with the execution hereof, furnish a surety bond in an amount equal to one hundred percent (100%) of the estimated construction cost of the Improvements (as listed in Section 4(a) above) as security guaranteeing the payment to the contractors, subcontractors and persons furnishing labor, materials, or equipment in connection with this Agreement ("Labor and Materials Bond"). The Labor and Materials Bond shall be in a form substantially the same as Exhibit "C".

(c) Subdivider shall, upon completion of the Improvements, furnish a surety bond in an amount equal to fifty percent (50%) of the estimated construction cost of the Improvements (as listed in Section 4(a) above) to secure the guarantee and warranty of the work for a period of one year following the completion and acceptance thereof by the City Council ("Warranty Period") against any defective work or labor performed, or defective materials furnished by Subdivider in connection with this Agreement ("Warranty Bond"). The Warranty Bond shall be in a form substantially the same as Exhibit "D".

(d) Pursuant to Government Code Section 66499.9, any liability upon the security given for faithful performance of any act or agreement shall be limited to:

(1) The performance of the work covered by the Agreement or the performance of the required act.

(2) The performance of any changes or alterations in such work; provided that all changes or alterations do not exceed ten percent of the original estimated cost of the Improvements.

(3) The guarantee and warranty of the work for a period of one year following completion and acceptance thereof, against any defective work or labor done or defective materials furnished in the performance of the Agreement or the performance of the act.

(4) Costs and reasonable expenses and fees, including reasonable attorneys' fees.

(e) The surety on each bond and the form thereof shall be satisfactory to City. The surety shall be furnished by a surety company authorized to write the same in the State of California and that is approved and accepted by the City's risk manager.

(f) Subdivider agrees to furnish any bonds required by the State or County for Improvements outside the City's jurisdiction.

(g) The release of any securities shall be governed by the provisions of Government Code Section 66499.7.

Section 5. Inspections

At least fifteen (15) calendar days prior to the commencement of any work hereunder, Subdivider shall notify City in writing of the fixed start date of construction so that City shall be able to provide inspection services. Subdivider shall at all times maintain proper facilities and provide safe access to all parts of the work site(s) for City inspections, including any workshops or plants where work related to the Improvements is being conducted.

Subdivider shall pay and reimburse City for all expenses incurred by City for inspecting and checking all work to be performed under the provisions of the Municipal Code or this Agreement. City Engineering plan checking and field improvement inspection costs are included in the Department of Public Works Fee Schedule which may be revised from time to time.

Section 6. Timing of Performance

Subdivider agrees to perform and complete all Improvements within eighteen (18) months from the date of the recording of the Final Map; provided however, the City Manager may extend the deadline for completion by not more than six (6) months at his reasonable discretion and determination that granting the extension will not be detrimental to the public welfare. No extension of this deadline for completion shall be made except upon the basis of a written application made by Subdivider stating fully the ground for the application and the facts relied upon for an extension.

It is further agreed by and between Subdivider and City that any extension granted shall in no way affect the validity of this Agreement or release the surety (ies) on any bond attached hereto or the financial institution guaranteeing the same. Subdivider further agrees to maintain the securities described in Section 4 above in full force and effect during the terms of this Agreement, including any extensions of time as may be granted, and until such time as the Improvements have been accepted for maintenance by City

Section 7. Work Performance and Warranty

(a) Subdivider shall construct, at Subdivider's own expense, all of the Improvements in a good and workmanlike manner, and furnish all required materials incident thereto, in accordance with the Plans and to the satisfaction of City, including any changes required by City which in City's opinion are necessary to complete the Improvements.

(b) All work shall be conducted and completed in accordance with the Plans and federal, state, Municipal Code, laws, ordinances, and regulations. For any Improvements partially completed prior to this Agreement, Subdivider agrees to complete the Improvements in accordance with this Agreement.

(c) Neither Subdivider, nor any of Subdivider's agents or contractors in connection with Subdivider's obligations under this Agreement are, or shall be considered to be, employees or agents of City.

(d) The work performance for the Improvements shall not be deemed complete until such time as such Improvements have been accepted for maintenance by the City Council.

(e) Subdivider warrants that: (1) it has investigated the work to be performed under this agreement, (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the work under this Agreement. Should Subdivider discover any conditions materially differing from those inherent in the Improvements or work or as represented by City, it shall immediately inform City and shall not proceed, except at Subdivider's risk, until written instructions are received from City.

(f) Subdivider guarantees and warrants the work required by this Agreement and agrees to remedy any defects in the Improvements or work arising from faulty or defective materials or construction occurring within one year after its acceptance. Following notice, Subdivider shall, without delay or cost to City, repair, replace, or construct any defective or unsatisfactory portion of the Improvements. City may, at its sole option, perform the repair or replacement itself if Subdivider or its surety has failed to commence repair within twenty (20) days after City has mailed written notice to Subdivider. In such event, Subdivider or its surety agrees to pay the cost of repair and replacement to City, plus fifteen percent (15%); and City may recover such costs as a lien against the Subdivision. City may proceed immediately to make repairs should an emergency arises.

Section 8. Acquisition and Dedication of Easements or Rights-of-Way

(a) No construction or installation of the Improvements shall be commenced before:

(1) The offer of dedication to City of appropriate rights-of-way, easements, or other interests in real property for the Improvements, which offer of dedication shall be irrevocable and remain open pursuant to California Government Code Section 66477.2, and authorization from the property owner to allow construction or installation of Improvements, or

(2) The dedication to, and acceptance by, City of appropriate rights-of-way, easements, or other interests in real property, as determined by the City Engineer, or

(3) The issuance by a court of competent jurisdiction pursuant to state Eminent Domain Law of an order of possession.

(b) Except as otherwise provided by this Agreement, City rejects all lands, rights-of-way, and easements offered for dedication on the Final Map of the Subdivision. All such offers shall, however, remain open, and shall constitute irrevocable offers of dedication in accordance with Government Code Section 66477.2. All such offers may be accepted by City in its sole discretion at any later date without further notice to Subdivider as provided by law. By way of explanation only, it is the current intention of City to accept all or part of the irrevocable offers to dedicate upon acceptance of the Improvements called for in this Agreement.

(c) Nothing in this Section 8 shall be construed as authorizing or granting an extension of time to Subdivider.

Section 9. Indemnity

Subdivider hereby agrees to save harmless and indemnify, including, without limitation, City's defense costs (including reasonable attorney's fees), from and against any and all suits, actions, or claims, of any character whatever, brought for, or on account of any injuries or damages sustained by any person or property resulting or arising, or alleged to have resulted or arisen, from Subdivider or Subdivider's contractors, subcontractors, agents, or employees activities, omissions or operations pursuant to this Agreement. Should City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of this Agreement, or its performance, Subdivider will defend City, (at City's request and with counsel satisfactory to City) and will indemnify City for any judgment rendered against it or any sums paid out in settlement or otherwise.

Subdivider shall defend, indemnify, and hold harmless the City and its elective and appointive boards, officials, officers, agents, employees and volunteers from any claim, action, or proceeding to review, set aside, void, or annul an approval of the City concerning the Map and acts made in respect thereof, provided any such action is brought within the time period provided for in California Government Code Section 66499.37.

City shall promptly notify Subdivider of any claim, action, or proceeding, and cooperate fully in the defense of any claim, action, or proceeding.

It is expressly understood and agreed that this Subsection (a) will survive termination of this Agreement.

Section 10. Insurance

Concurrent with the execution of this Agreement, Subdivider is required to procure and provide proof of the insurance coverage required by this section in the form of certificates and endorsements. The required insurance must cover the activities of Subdivider and its Subcontractors relating to or arising from the performance of work associated with the Improvements, and must remain in full force and effect at all times during the period covered by the Agreement, including any extensions of time as may be granted, and until such time as the Improvements have been accepted for maintenance by the City. The coverages may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or "umbrella" policies, provided each such policy complies with the requirements set forth herein. If the Subdivider will utilize the services of a General Contractor to perform all of the work associated with the Improvements, then Subdivider may opt to have all coverages provided by Subdivider's General Contractor. If Subdivider fails to provide any of the required coverage in full compliance with the requirements outlined in this Agreement City shall issue a stop work order, or terminate the Agreement for default. Subdivider further understands that the City reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to Subdivider, at any time as deemed necessary to protect the interests of the City.

(a) Policies and Limits. The following insurance policies and limits are required for this Agreement:

- (1) Commercial General Liability Insurance ("CGL"): Subdivider shall maintain CGL and shall include coverage for liability arising from Subdivider's or its Subcontractor's acts or omissions in the performance of work associated with the Improvements against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) five million dollars (\$5,000,000.00) combined single limit and a general aggregate limit of ten million dollars

(\$10,000,000.00), or (ii) the maximum amount of such insurance available to Subdivider under Subdivider's combined insurance policies (including any excess or "umbrella" policies), whichever is greater. Further, if CGL coverage is being provided by Subdivider's General Contractor pursuant to Section 10, General Contractor may elect to insure the CGL exposures under an "Owners and Contractors Protective Liability Policy (OCP)" on which the City is included as an additional insured.

a. CGL policy may not exclude explosion, collapse, underground excavation hazard, or removal of lateral support.

b. CGL policy must include contractor's protected coverage, blanket contractual, and completed operations.

(2) **Workers' Compensation Insurance and Employer's Liability:** Subdivider shall maintain Workers Compensation coverage, as required by law. The policy must comply with the requirements of the California Workers' Compensation Insurance and Safety Act and provide protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to Subdivider under Subdivider's combined insurance policies (including any excess or "umbrella" policies), whichever is greater. If Subdivider is self-insured, Subdivider must provide its Certificate of Permission to Self-Insure, duly authorized by the State of California Department of Industrial Relations.

(3) **Automobile Liability:** Subdivider shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if Subdivider does not own automobiles, then Subdivider shall maintain Hired/Non-owned Automobile Liability) against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) combined single limit, or (ii) the maximum amount of such insurance available to Subdivider under Subdivider's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

(4) **Pollution (Environmental) Liability:** The performance of Subdivider's work or service under this Agreement involves handling of hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases or hazardous materials. Subdivider shall procure and maintain Pollution Liability covering the Subdivider's liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous materials. Such coverage shall be in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to Subdivider under Subdivider's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

(b) **Required Endorsements.** Subdivider shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below. Further, if coverages are

being provided by Subdivider's General Contractor pursuant to Section 10, endorsements may not be restricted to work performed "under a written contract" (i.e. "blanket endorsements")

(1) ALL Policies:

"Waiver of Subrogation" - Each required policy must include an endorsement providing that the carrier agrees to waive any right of subrogation it may have against the City of Morgan Hill and the City's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

(2) ALL Policies except Workers Compensation:

a. "Additionally Insured" - The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds.

(3) General Liability:

a. "Primary and Non-Contributing" - Insurance shall be primary non-contributing;

b. "Separation of Insureds" - The inclusion of more than one insured will not operate to impair the rights of one insured against another, and the coverages afforded will apply as though separate policies have been issued to each insured.

(c) Subcontractors. Subdivider must ensure that each Subcontractor is required to maintain the same insurance coverage required under this Section 10 as appropriate based on each subcontractor's scope of work, with respect to its performance of work associated with the Improvements, including those requirements related to the additional insureds and waiver of subrogation.

(d) Qualification of Insurers. All insurance required pursuant to this Agreement must be issued by a company licensed and admitted, or otherwise legally authorized to carry out insurance business in the State of California, and each insurer must have a current A.M. Best's financial strength rating of "A" or better and a financial size rating of "VIII" or better.

(e) Certificates. Subdivider shall furnish City with copies of all policies or certificates as outlined herein, whether new or modified, promptly upon receipt. No policy subject to the Subdivider's agreement with the City shall be reduced, canceled, allowed to expire, or materially changed except after thirty (30) days' notice by the insurer to City, unless due to non-payment of premiums, in which case ten (10) days written notice must be made to City. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein.

Certificate Holder address:

City of Morgan Hill
Attn: Risk Management
17575 Peak Avenue
Morgan Hill, CA 95037

Section 11. Permits and Requisite Fees

(a) Subdivider shall pay all current fee obligations in the total amount of **\$4,155,385** due under City Resolution No. 5592 and 6082, as amended, in accordance with the Department of Public Work fee schedule, as follows:

(1) **\$827,812** payable at the time of recording of the Final Map, and

(2) **\$3,327,573** payable on a pro-rata basis for each individual lot in the Subdivision prior to final inspection of each and every residence.

(3) All fees payable pursuant to this Subsection (a) constitutes valid and due consideration for City's approval of the Final Map, and amounts set forth are estimates that are subject to change prior to the issuance of building permit(s), subject to resolution or ordinance of the City Council.

(b) Subdivider shall, at its expense, obtain all necessary permits and licenses for the construction of the Improvements, give all necessary notices, and pay all fees and taxes required by law.

(c) Subdivider shall obtain a City of Morgan Hill Business License.

(d) Subdivider agrees to procure, at its expense, any necessary permits for Improvements outside the City's jurisdiction.

Section 12. On-Site Supervision

Subdivider shall designate an on-site supervisor, satisfactory to City, who shall be on the work site(s) at all times during the construction of the Improvements, and who has the authority to act on behalf of Subdivider when communicating with City personnel.

Section 13. Waiver

Waiver by City or Subdivider of any breach of any of the provisions of the Agreement shall not constitute a waiver of any other provision, nor a waiver of any subsequent breach or violation of the same or any other provision of this Agreement. Acceptance by City of any work by Subdivider shall not be a waiver of any of the provisions of this Agreement.

Section 14. Notices. All notices shall be personally delivered or mailed, via first class mail to the below listed addresses. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

- a. Address of Subdivider is as follows:
MH Evergreen 74, LLC
2900 Adams Street, Suite C25
Riverside, CA 92504

b. Address of City is as follows:

Public Works Director
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

With a copy to:

City Clerk
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

Section 15. Noncompliance

If City determines that Subdivider is in violation of any federal, state, County or City laws, ordinances, rules, regulations, and requirements, and/or the terms and provisions of this Agreement, it may issue a cease and desist order, stop work order, or other action City deems necessary.

Section 16. Notice of Breach and/or Default

City may serve written notice upon Subdivider and surety of breach of this Agreement or of any portion thereof, and default of Subdivider for any of the following circumstances:

- (a) Subdivider refuses or fails to complete the Improvements as required in Section 6 above.
- (b) Subdivider refuses or fails to perform or cure any defects in the Improvements as required in Section 7.
- (c) Subdivider is insolvent, is subject to a receivership, or files any petition in bankruptcy, either voluntary or involuntary which Subdivider fails to discharge within thirty (30) days.
- (d) The commencement of a foreclosure action against the Subdivision or any portion thereof, or any conveyance in lieu of or in avoidance of foreclosure.
- (e) Subdivider or any of Subdivider's contractors, subcontractors, agent, or employees materially violates any of the provisions of this Agreement and not cure the violation within a reasonable time.

Section 17. Performance by Surety or City

- (a) In the event of a material breach and/or default by Subdivider, Subdivider's surety shall have the duty to take over and complete the Improvements.
- (b) If the surety, within a reasonable time after receiving notice of Subdivider's default does not provide City written notice to take over the performance of this Agreement or if the surety does not commence performance thereof within the time specified in such notice to City, City may take over the construction of the Improvements and prosecute the same to completion, by contract or by any method City may deem advisable, on behalf and at the expense of Subdivider, and Subdivider's surety shall be liable to City for any excess cost or damages incurred by City thereby. In such event, City, without liability for so doing, may take possession of and utilize such materials, appliances, and other property belonging to Subdivider as may be on the work site(s) and necessary therefore to complete the Improvements.

(c) City shall have the right to draw upon or utilize the appropriate security provided for in Section 4 to recover costs and damages to City damages. The right of City to draw upon or utilize the security is additional and not in lieu of any other remedy available to City at law or in equity. The parties agree that the estimated costs and security amounts may not reflect the actual cost of construction or installation of Improvements, and therefore, City damages for Subdivider's default shall be measured by the cost of completing the required Improvements.

(d) Failure of Subdivider to comply with terms of this Agreement shall constitute consent to filing by City of a notice of violation against all lots in the Subdivision, or to rescind the approval or otherwise revert the Subdivision to acreage. The remedies provided in this Subsection (d) are in addition to and not in lieu of other remedies available to City.

(e) In the event that Subdivider fails to perform any obligation under this Agreement, Subdivider agrees to pay all costs and expenses incurred by City in securing performance of such obligation, including the costs of suit and reasonable attorney's fees.

(f) The failure by City to take an enforcement action with respect to a default, or to declare a breach, shall not be construed as a waiver of that default or breach or subsequent default or breach.

Section 18. Successors in Interest

This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the parties. It shall be recorded in the Office of the Recorder of Santa Clara County concurrently with the Final Map of the Subdivision and shall constitute a covenant running with the land and an equitable servitude upon the real property within the Subdivision. It shall be the responsibility of City to cause the executed Agreement to be recorded.

Section 19. Effective Date

This Agreement shall be effective as of the date and year first above written.

Section 20. Amendment of Agreement

This Agreement may only be amended by mutual consent of the original parties or their successors in interest, provided that any such amendment is executed in writing by the parties to be bound thereby.

Section 21. Execution

By signing this Agreement, the person signing states that he or she is authorized to enter into contracts on behalf of Subdivider. The undersigned, on behalf of Subdivider, binds Subdivider, its partners, successors, executors, administrators, and assigns with respect to the terms and conditions of this Agreement.

Section 22. Non-Liability of Officials and Employees of the City.

No official or employee of City shall be personally liable for any default or liability under this Agreement.

Section 23. Law to Govern: Venue

The law of the State of California shall govern this Agreement. In the event of litigation between the parties, the action must be filed in the Santa Clara County Superior Court.

Section 24. Limitations Upon Subcontracting and Assignment.

Neither this Agreement or any portion shall be assigned by Subdivider without prior written consent of City.

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Attachment: Subdivision Improvements Agreement (1477 : FINAL MAP APPROVAL OF EVERGREEN FOR SALE - TRACT NO. 10403)

Section 25. Miscellaneous

- (a) Compliance with Law: Subdivider shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government.
- (b) Non-Discrimination. Subdivider covenants there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, disability, national origin, ancestry, or sexual orientation in any activity pursuant to this Agreement.
- (c) Conflict of Interest and Reporting. Subdivider shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.
- (d) Time of Essence. Time is of the essence in the performance of this Agreement.
- (e) Interpretation. This Agreement shall be interpreted as though prepared by both parties.
- (f) Preservation of Agreement. Should any provision of this Agreement be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.

IN WITNESS THEREOF, these parties have executed this Agreement on the day and year shown below.

[TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS: (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; **AND** (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.]

CITY OF MORGAN HILL

"Subdivider"

MH Evergreen 74, LLC

A California limited liability company

By: Van Daele Homes of Northern California, Inc.

A California Corporation

Its Managing Member

By:

Christina J. Turner, City Manager

Date: _____

ATTEST:

By:

Michelle Wilson, Deputy City Clerk

Date: _____

By:

Jeffery M. Hack, CEO

(If Corporation, must be Chairperson of the Board, President, or Vice President)

Date: _____

By:

Print Name and Title

Attachment: Subdivision Improvements Agreement (1477 : FINAL MAP APPROVAL OF EVERGREEN FOR SALE - TRACT NO. 10403)

APPROVED AS TO FORM:

By:

Donald A. Larkin, City Attorney

Date: _____

(If Corporation, must be Secretary, Assistant
Secretary, CFO, or Assistant Treasurer)

Date: _____

Attachment: Subdivision Improvements Agreement (1477 : FINAL MAP APPROVAL OF EVERGREEN FOR SALE - TRACT NO. 10403)

EXHIBIT "A"

IMPROVEMENTS AND

ESTIMATED COSTS OF IMPROVEMENTS

AS OF SEPTEMBER 2017

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
E. WATER					
1.	1.5" Water Service with 1" Meter	61	EA	\$1,600.00	\$97,600
2.	4" Water Service with 1" Meter Cluster (3 Meters)	1	EA	\$5,000.00	\$5,000
3.	4" Water Service with 1" Meter Cluster (4 Meters)	1	EA	\$6,500.00	\$6,500
4.	4" Water Service with 1" Meter Cluster (6 Meters)	1	EA	\$10,000.00	\$10,000
Sub-Total Water:					\$119,100

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
F. MISCELLANEOUS					
1.	Street Monument	18	EA	\$1,000.00	\$18,000
2.	Signing and Striping	1	LS	\$10,000.00	\$10,000
Sub-Total Miscellaneous:					\$28,000

ITEM	DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL
G. PUBLIC IMPROVEMENTS					
1.	Remove Existing AC Pavement	890	SF	\$2.00	\$1,780
2.	2" AC Grind and Overlay	7,100	SF	\$2.00	\$14,200
3.	Street Fine Grading (to R/W)	29,980	SF	\$0.75	\$22,485
4.	AC Pavement at Murphy Avenue (4.5"/12)	20,800	SF	\$8.00	\$166,400
5.	Curb and Gutter (incl. driveway depression)	1,870	LF	\$25.00	\$46,750
6.	4" PCC Sidewalk & Base	3,920	SF	\$5.00	\$19,600
7.	6" PCC Driveway & Base	520	SF	\$6.00	\$3,120
8.	Accessible Ramp	2	EA	\$1,200.00	\$2,400
9.	15" Storm Drain (RCP)	70	LF	\$75.00	\$5,250
10.	Storm Drain Manhole (less than 10' deep)	1	EA	\$4,500.00	\$4,500
11.	Connect to Existing Storm Drain	2	EA	\$3,500.00	\$7,000
12.	Curb Inlet	2	EA	\$3,600.00	\$7,200
13.	8" Water (incl. valves, thrust blocks, etc.)	2,360	LF	\$60.00	\$141,600
14.	Fire Hydrant (incl. lateral, valves, etc.)	7	EA	\$5,000.00	\$35,000
15.	Street Lights	5	EA	\$3,000.00	\$15,000
16.	Signing and Striping	1	LS	\$10,000.00	\$10,000
17.	Monuments	3	EA	\$1,000.00	\$3,000
18.	Rule 20 Overhead Utility Undergrounding		LS	NIC	NIC
Sub-Total Miscellaneous:					\$505,285

SAN PEDRO PUBLIC IMPROVEMENTS

SUMMARY

A. DEMOLITION	\$71,350
B. PAVING & CONCRETE	\$503,125
C. STORM DRAIN	\$60,450
D. SANITARY SEWER	\$57,000
E. WATER	\$146,120
F. MISCELLANEOUS	\$29,000
Sub-Total Improvements:	<u>\$867,045</u>

CONTINGENCY 10% \$86,705

Total Improvements: \$953,750

TOTAL SUMMARY

E. Water	\$119,100
F. Misc - Street Mon and Striping	\$28,000
G. Public Improvements	\$505,285
San Pedro Public Improvements (50% of \$953,750)	\$476,875

TOTAL BOND AMOUNT \$1,129,260
WARRANTY BOND AMOUNT \$564,630

EXHIBIT "B"
PERFORMANCE BOND
(100% of Engineer's Estimate)

Bond No.: _____

Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California, and **MH Evergreen 74, LLC** (hereinafter designated as "principal") have entered into a Subdivision Improvement Agreement:

MH Evergreen 74, LLC
EVERGREEN FOR SALE – TRACT 10403

whereby principal agrees to install and complete certain designated public improvements, which said agreement, dated _____, 2017, and identified as project **Evergreen For Sale**, is hereby referred to and made a part hereof; and

Whereas, said principal is required under the terms of said agreement to furnish a bond for the faithful performance of said agreement.

Now, therefore, we, the principal and _____, as surety, are held and firmly bound unto the City of Morgan Hill hereinafter called ("City"), in the penal sum of **one million one hundred twenty nine thousand two hundred sixty dollars (\$1,129,260)** lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The Surety's office is located at _____,

Telephone No. _____; the Surety is licensed to do business in the State of California; and the California Insurance Agent's License No., address, and telephone number are as follows:

License No.: _____

Address: _____

Telephone No.: _____ .

The non-resident agent for the Surety, if any, is a party to the transaction:

Name of non-resident agent: _____

Non-resident agent's office address: _____

Telephone No.: _____

The condition of this obligation is such that if the above bounded principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided, on his or their part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

Executed this _____ day of _____ 20 ____ .

Principal

Principal

By: _____
Surety

By: _____
Attorney-in Fact

By:

California Resident Agent

By:

Non-resident Agent - Attorney-in-Fact

APPROVED:

Karl Bjarke, Public Works Director

Date:

APPROVED AS TO FORM:

By:

Donald A. Larkin, City Attorney

Date:

(Acknowledgment on following page.)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

EXHIBIT "C"
LABOR AND MATERIAL BOND
(100% of Engineer's Estimate)

Bond No.:

Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California, and **MH Evergreen 74, LLC** (hereinafter designated as "the principal") have entered into a Subdivision Improvement Agreement:

MH Evergreen 74, LLC
EVERGREEN FOR SALE – TRACT 10403

whereby the principal agrees to install and complete certain designated public improvements, which agreement, dated _____, 2017, and identified as **Evergreen For Sale**, is hereby referred to and made a part hereof; and

Whereas, under the terms of the agreement, the principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the City of Morgan Hill to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code of the State of California.

Now, therefore, the principal and the undersigned as corporate surety, and their successors and assigns are held firmly bound unto the City of Morgan Hill and all contractors, subcontractors, laborers, material suppliers, and other persons employed in the performance of the agreement and referred to in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code in the sum of **one million one hundred twenty nine thousand two hundred sixty dollars (\$1,129,260)**, for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this work or labor, that the surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City of Morgan Hill in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety's office is located at _____,

Telephone No. _____; the Surety is licensed to do business in the State of California; and the California Insurance Agent's License No., address, and telephone number as follows:

License No.:

Address:

Telephone No.:

The following non-resident agent, if any, for the Surety is a party to the transaction:

Name of non-resident agent:

Non-resident agent's office address:

Telephone No.:

The surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

Executed this _____ day of _____ 20____.

Principal

Principal

By:

Surety

By:

Attorney-in Fact

By:

California Resident Agent

By:

Non-resident Agent - Attorney-in-Fact

APPROVED:

Karl Bjarke, Public Works Director

Date:

APPROVED AS TO FORM:

By:

Donald A. Larkin, City Attorney

Date:

(Acknowledgment on following page.)

Attachment: Subdivision Improvements Agreement (1477 : FINAL MAP APPROVAL OF EVERGREEN FOR SALE - TRACT NO. 10403)

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

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State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

**EXHIBIT “D”
WARRANTY BOND
(50% of Engineer’s Estimate)**

Bond No.:

Premium: _____

Whereas, the City Council of the City of Morgan Hill, State of California (hereinafter designated as “City”), and **MH Evergreen 74, LLC** (hereinafter designated as “Principal”) have entered into a Subdivision Improvement Agreement (hereinafter “Agreement”):

**MH Evergreen 74, LLC
EVERGREEN FOR SALE – TRACT 10403**

whereby the Principal agrees to install and complete certain designated public improvements (hereinafter “Improvements”), which said Agreement, dated _____, 20_____, and identified as project _____, is hereby referred to and made a part hereof; and

Whereas, under the terms of said Agreement, the Principal is required to furnish a bond to guarantee and warrant the work required by said Agreement for a period of one year following the completion and acceptance by the City of the Improvements, against any defective work or labor performed, or defective materials furnished by Principal.

Now, therefore, we, the Principal and _____ as Surety, are held and firmly bound unto the City of Morgan Hill in the penal sum of **five hundred sixty four thousand six hundred thirty dollars (\$564,630)** for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

If Principal faithfully carries out and performs its guarantee and warranty under the Agreement, and, on due notice from City, repairs and make good at its sole expense any and all defects in materials and workmanship in the Project which are discovered during the Warranty Period, or if Principal promptly reimburses City for all loss and damage that City sustains because of Principal’s failure to makes such repairs in accordance with the Agreement requirements, then Surety’s obligations under this Bond will be null and void. Otherwise, Surety’s obligations will remain in full force and effect.

Surety waives the provisions of Civil Code Sections 2819 and 2845. Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

Warranty Bond Page 1 of 4
Version July 2017

Any notice to Surety may be given in the manner specified in the Agreement and delivered or transmitted to Surety as follows:

Attn: _____

Address: _____

City/State/Zip: _____

Phone: _____

Fax: _____

Email: _____

This Bond will be governed by California law, and any dispute pursuant to this Bond will be venued in the Superior Court of Santa Clara County, and no other place. Surety will be responsible for City's attorneys' fees and costs in any action to enforce the provisions of this Bond.

In witness whereof, this instrument has been duly executed by the principal and surety above named.

SURETY:

Principal:

Date: _____

Date: _____

s/ _____

s/ _____

Name: _____

Name: _____

Title: _____

Title: _____

(Attach Acknowledgment with Notary

Seal and Power of Attorney)

APPROVED AS TO FORM:

By: _____

Donald A. Larkin, City Attorney

Date: _____

END OF WARRANTY BOND

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

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County of **Santa Clara**

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I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

RECORDING REQUESTED BY:

CITY OF MORGAN HILL

WHEN RECORDED MAIL DOCUMENT TO:

CITY CLERK
CITY OF MORGAN HILL
17575 PEAK AVENUE
MORGAN HILL, CA 95037

RECORD AT NO FEE PER
GOVERNMENT CODE SECTIONS 6103
& 27383

SPACE ABOVE THIS LINE FOR RECORDER'S
USE

**STORMWATER BEST MANAGEMENT PRACTICES,
OPERATION, AND MAINTENANCE AGREEMENT**

THIS STORMWATER BEST MANAGEMENT PRACTICES OPERATION, AND MAINTENANCE AGREEMENT ("AGREEMENT") is made and entered into this ____ day of _____, 2017, by **MH EVERGREEN 74, LLC**, (hereinafter referred to as "COVENANTOR") and the City of Morgan Hill ("CITY"). CITY and COVENANTOR may be referred to individually as a "Party" or collectively as the "Parties" throughout this AGREEMENT.

RECITALS:

This AGREEMENT is made and entered into with reference to the following facts:

- A. CITY is authorized and required to regulate and control the disposition of storm and surface waters as set forth in CITY's National Pollutant Discharge Elimination System permit.
- B. COVENANTOR is the owner of a certain tract or parcel of land more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "PROPERTY").
- C. COVENANTOR desires to construct certain improvements of the kind or nature described in Morgan Hill Municipal Code Chapter 18.71 (the "ORDINANCE") on the PROPERTY that may alter existing stormwater conditions on both the PROPERTY and adjacent lands.
- D. To minimize adverse impacts due to these anticipated changes in existing storm and surface water flow conditions, COVENANTOR is required by CITY to implement Best Management Practices ("BMPs") and to build and maintain, at COVENANTOR's expense, stormwater management facilities ("FACILITIES"), more particularly described and shown in the **Post-Construction Stormwater Control Plan for Evergreen** prepared by **Ruggeri Jensen Asar (RJA)** and dated **January 2017**, which plans and any amendments thereto, are on file with CITY's Public Works Department, and are hereby incorporated by this reference.
- E. CITY has reviewed and approved the Stormwater Runoff Management Plan (the "PLAN") subject to the execution of this AGREEMENT.

NOW, THEREFORE, in consideration of the benefit received and to be received by COVENANTOR, its successors, and assigns, as a result of CITY's approval of the Stormwater Runoff Management Plan, COVENANTOR, hereby covenants and agrees with CITY as follows:

1. Covenants Running With the Land; Property Subject to Agreement: All of the real property described in Exhibit "A" shall be subject to this AGREEMENT. It is intended and determined that the provisions of this AGREEMENT shall run with the land and shall be

binding on all parties having or acquiring any right, title, or interest in the real PROPERTY or any portion thereof and shall be for the benefit of each owner of any of said parcels or any portion of said PROPERTY and shall inure to the benefit of and be binding upon each successor in interest of the owners thereof. Each and all of the limitations, easements, obligations, covenants, conditions, and restrictions contained herein shall be deemed to be, and shall be construed as, equitable servitudes, enforceable by any of the owners of any of the PROPERTY subject to this AGREEMENT against any other owner, tenant or occupant of the said PROPERTY, or any portion thereof.

2. Responsibility for Installation, Operation, and Maintenance: At its sole expense, COVENANTOR, its successors, and assigns, shall construct, operate, and perpetually maintain the FACILITIES in strict accordance with the PLAN and any amendments thereto that have been approved by CITY or required by the ORDINANCE.
3. Facility Modifications: At its sole expense, COVENANTOR, its successors, and assigns, shall make such changes or modifications to the FACILITIES as may be determined as reasonably necessary by CITY to ensure that the FACILITIES are properly maintained and continue to operate as originally designed and approved. COVENANTOR agrees that it shall not modify the BMPs and shall not allow BMP maintenance activities to alter the designed function of the FACILITIES from its original design unless approved by CITY prior to the commencement of the proposed modification or maintenance activity.
4. Facility Inspections by CITY: At reasonable times and in a reasonable manner as provided in the ORDINANCE, CITY, its agents, employees, and contractors shall have the right of ingress and egress to the FACILITIES and the right to inspect the FACILITIES in order to ensure that the FACILITIES are being properly maintained, are continuing to perform in an adequate manner, and are in compliance with the ORDINANCE, the PLAN and any amendments thereto approved by CITY.
5. Failure to Perform Required Facility Repairs or Modifications: Should either COVENANTOR or its successors and assigns fail to implement the BMPs, maintain the facilities, or correct any defects in the FACILITIES in accordance with the approved design standards and/or the PLAN, and in accordance with the law and applicable regulations of the ORDINANCE, after thirty (30) days from the date of the written notice from CITY, CITY shall have the right to enter the PROPERTY to perform remedial work, for which CITY will collect reimbursement for such work from COVENANTOR. Additionally, conditions from failure to implement the BMPs or to maintain or correct the FACILITIES shall be deemed a nuisance subject to abatement of such conditions as provided in Chapter 1.18 of the Morgan Hill Municipal Code. In addition, CITY may pursue other such remedies as provided by law, including, but not limited to, such civil and criminal remedies set forth in the ORDINANCE.
6. Indemnity: COVENANTOR, its successors, and assigns, shall defend, indemnify, and hold CITY harmless of and from any and all claims, liabilities, actions, causes of action, and damages for personal injury and property damage, including, without limitation, reasonable attorneys' fees, arbitration fees, or costs and court costs, arising out of or related to COVENANTOR's, its successors', and/or assigns' construction, operation, or maintenance of the FACILITIES except claims, liabilities, actions, causes of action, and damages that arise out of CITY's sole negligence or willful misconduct or the sole negligence or willful misconduct of any of CITY'S employees, agents, representatives, contractors, vendors, or consultants.
7. Obligations and Responsibilities of COVENANTOR: Initially, COVENANTOR is solely responsible for the performance of the obligations required hereunder and, to the extent permitted under applicable law, the payment of any and all fees, fines, and penalties associated with such performance or failure to perform under this AGREEMENT.

Notwithstanding any provisions of this AGREEMENT to the contrary, upon the recordation of a deed or other instrument of sale, transfer or other conveyance of fee simple title to the PROPERTY or any portion thereof (a "Transfer") to a third party (the "Transferee"), COVENANTOR shall be released of all of its obligations and responsibilities under this AGREEMENT accruing after the date of such Transfer to the extent such obligations and responsibilities are applicable to that portion of the PROPERTY included in such Transfer, but such release shall be expressly conditioned upon the Transferee assuming such obligations and responsibilities by recorded written agreement for the benefit of CITY. Such written agreement may be included in the Transfer deed or instrument, provided that the Transferee joins in the execution of such deed or instrument. A certified copy of such deed, instrument, or agreement shall be provided to CITY. The provisions of the preceding three sentences shall be applicable to the original COVENANTOR and any successor Transferee who has assumed the obligations and responsibilities of COVENANTOR under this AGREEMENT as provided above.

8. Property Transfer: Nothing herein shall be construed to prohibit a transfer by COVENANTOR to subsequent owners and assigns.
9. Attorneys' Fees: In the event that any Party institutes legal action or arbitration against the other to interpret or enforce this AGREEMENT, or to obtain damages for any alleged breach hereof, the prevailing party in such action or arbitration shall be entitled to reasonable attorneys' or arbitrators' fees in addition to all other recoverable costs, expenses, and damages.
10. Further Documents: The Parties covenant and agree that they shall execute such further documents and instructions as shall be necessary to fully effectuate the terms and provisions of this AGREEMENT.
11. Entire Agreement: This AGREEMENT constitutes the entire agreement of the Parties with respect to the subject matter contained herein and supersedes all prior agreements, whether written or oral. There are no representations, agreements, arrangements, or undertakings, oral or written, that are not fully expressed herein.
12. Severability: In the event any part or provision of this AGREEMENT shall be determined to be invalid or unenforceable under the laws of the State of California, the remaining portions of this AGREEMENT that can be separated from the invalid, unenforceable provisions shall, nevertheless, continue in full force and effect.
13. No Waiver: The waiver of any covenant contained herein shall not be deemed to be a continuing waiver of the same or any other covenant contained herein.
14. Amendment: This AGREEMENT may be amended in whole or in part only by mutual written agreement. Any such amendment shall be recorded in Santa Clara County, California. In the event any conflict arises between the provisions of any such amendment and any of the provisions of any earlier document or documents, the most recently duly executed and recorded amendment shall be controlling.
15. Authority to Execute: The persons executing this AGREEMENT on behalf of the parties warrant that they are duly authorized to execute this AGREEMENT.
16. In the event that CITY shall determine, at its sole discretion, at any future time, that the FACILITIES are no longer required, then at the written request of COVENANTOR, its successors, and/or assigns, CITY shall execute a release of this AGREEMENT which COVENANTOR, its successors, and/or assigns, shall record in the Recorder's Office, at its expense.

Executed the day and year first above written.

COVENANTOR:

MH EVERGREEN 74, LLC

A California Limited Liability Company

By: Van Daele Homes of Northern California, Inc.

A California Corporation

Its Managing Member

By: _____

Name: **JEFFREY M. HACK**

Title: **CEO & PRESIDENT**

CITY OF MORGAN HILL:

By: _____

Name: **CHRISTINA J. TURNER**

Title: **CITY MANAGER, CITY OF MORGAN HILL**

APPROVED AS TO FORM:

By: _____

Name: **DONALD A. LARKIN**

Title: **CITY ATTORNEY, CITY OF MORGAN HILL**

EXHIBIT "A"

All that real property situated in the City of Morgan Hill, Santa Clara County, State of California being more particularly described as follows:

PARCEL C as shown on that Map of Tract No. 10403 (EVERGREEN) thereof filed in Book _____ of Maps at Pages _____, Santa Clara County Records.

Attachment: Stormwater BMP Operation and Maintenance Agreement (1477 : FINAL MAP APPROVAL OF EVERGREEN FOR SALE - TRACT NO.

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of **California**
County of **Santa Clara**

On _____ 20__, before me, _____ a Notary Public in and for said County and State, personally appeared _____ proved to me on the basis of satisfactory evidence to be the person whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)

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State of **California**
County of **Santa Clara**

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I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

SIGNATURE OF NOTARY PUBLIC

(ABOVE AREA FOR NOTARY SEAL)



CITY COUNCIL STAFF REPORT

MEETING DATE: November 15, 2017

PREPARED BY: Angie Gonzalez, Council Services Assistant
APPROVED BY: City Manager

ADOPT ORDINANCE APPROVING ZONING AMENDMENT ZA 2017-0004 CHANGING THE ZONING DESIGNATION OF AN APPROXIMATELY 1.745-ACRE SITE LOCATED ON THE WEST SIDE OF DEL MONTE AVENUE OPPOSITE MATHILDA COURT (ASSESSOR PARCEL NUMBERS 767-16-013, -043) FROM RE 100,000 RESIDENTIAL ESTATE DISTRICT TO R-1 7,000 SINGLE FAMILY MEDIUM DENSITY RESIDENTIAL DISTRICT

RECOMMENDATION(S)

Waive the reading, adopt Ordinance No. 2263, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment
Preserving and Cultivating Public Trust

REPORT NARRATIVE:

On November 1, 2017, the City Council introduced Ordinance No. 2263 New Series, by the following roll call vote: AYES: Carr, Constantine, Spring, Robinett Jachimowicz, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

This ordinance will amend the zoning designation on two parcels from RE 100,000 to R-1 7,000. The two parcels total 1.745 acres and are located on the west side of Del Monte Avenue opposite Mathilda Court.

COMMUNITY ENGAGEMENT: Involve

The proposed project was publicly noticed (mailing to property owners within 300 feet of the project and newspaper legal noticing) for the minimum 10-day period and a sign has been posted at the property location.

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On October 10, 2017, the Planning Commission considered the application request to rezone two parcels totaling 1.745 acres from RE 100,000 to R-1 7,000. The Planning Commission voted 6-1 to recommend rezoning the two parcels to R-1 7,000 with Commissioner Mueller voting no. Commissioner Mueller believed the R-1 7,000 designation would allow lot sizes that are too small to provide an appropriate transition to the larger 39,490 square foot lot size minimum required by the Hillside Combining District. The 7,000-square foot minimum would only apply to that portion of both parcels where the average ground slope is less than 10 percent.

FISCAL AND RESOURCE IMPACT:

Application fees were collected to cover the cost of processing the zoning amendment request.

CEQA (California Environmental Quality Act):

The project was reviewed as part of the Master Environmental Impact Report for the 2035 General Plan update and has been found consistent with the California Environmental Quality Act Section 21083.3 and Guidelines Section 15183 (Projects Consistent with a Community Plan, General Plan, or Zoning), there are no new environmental effects peculiar to the property or the project and no new information, and thus additional environmental review is not required. The Zoning Amendment complies with the General Plan as required by Government Code Section 65860 and as noted in this report.

LINKS/ATTACHMENTS:

1. 2263 Del Monte- Caruso

ORDINANCE NO. 2263, NEW SERIES

AN ORDINANCE OF THE CITY OF MORGAN HILL APPROVING ZONING AMENDMENT ZA 2017-0004 CHANGING THE ZONING DESIGNATION OF AN APPROXIMATELY 1.745-ACRE SITE LOCATED ON THE WEST SIDE OF DEL MONTE AVENUE OPPOSITE MATHILDA COURT (ASSESSOR PARCEL NUMBERS 767- 16-013, -043) FROM RE 100,000 RESIDENTIAL ESTATE DISTRICT TO R-1 7,000 SINGLE FAMILY MEDIUM DENSITY RESIDENTIAL DISTRICT

WHEREAS, an application for rezoning of the property located at 16615 and 16625 Del Monte Avenue, APN 767-16-013, - 043 was made by the owners of the properties, Salvatore Caruso and Lucas Caruso (“Owners”), from RE-100,000 Residential Estate District to R-1 7,000 Residential Detached Medium to be consistent with the General Plan;

WHEREAS, the General Plan designates the two above-referenced parcels as Residential Detached Medium;

WHEREAS, such application was considered by the City Council at their regular meeting of November 1, 2017 at which time the City Council approved application ZA2017-0004: Del Monte - Caruso; and

WHEREAS, the project site was reviewed as part of Master Environmental Impact Report for the 2035 General Plan update and has been found consistent with the requirements of the California Environmental Quality Act. No new environmental effects peculiar to the property or the project and no new information has been identified, and thus additional environmental review is not required pursuant to Public Resources Code Section 21083.3 and CEQA Guidelines Section 15183; and

WHEREAS, the Zoning Amendment complies with the General Plan as required by Government Code Section 65860; and

WHEREAS, testimony received at a duly-noticed public hearing, along with exhibits and drawings and other materials have been considered in the review process.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES ORDAIN AS FOLLOWS:

SECTION 1. The proposed zoning amendment is consistent with the General Plan.

SECTION 2. The zone change is required in order to serve the public convenience, necessity and general welfare as provided in Section 18.62.050 of the Municipal Code.

SECTION 3. Further development and any future building additions shall comply with the site development standards of the R-1 7,000 Single Family Medium Density Residential District and the (H) Hillside Combining District.

SECTION 4. The City Council hereby approves amendment to the City zoning map changing the zoning designation from RE-100,000 Residential Estate to the R-1 7,000 Single Family Medium Density Residential District to the site described attached hereto, as Exhibit "A", Legal Description and Exhibit "B" Zoning Plat and by this reference incorporated herein.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A MEETING OF THE CITY COUNCIL HELD ON THE 1ST DAY OF NOVEMBER 2017, AND WAS FINALLY ADOPTED AT A MEETING OF THE CITY COUNCIL HELD ON THE 15TH DAY OF NOVEMBER 2017, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS: None

ABSTAIN: COUNCIL MEMBERS: None

ABSENT: COUNCIL MEMBERS: None

APPROVED:

DATE:

STEVE TATE, Mayor

ATTEST:

DATE:

IRMA TORREZ, City Clerk

Effective Date: December 16, 2017

Attachment: 2263 Del Monte- Caruso (1482 : Adopt Ordinance 2263 Del Monte- Caruso)

⌘ CERTIFICATE OF THE CITY CLERK ⌘

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. 2263, New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the 15th day of November 2017.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk

Attachment: 2263 Del Monte- Caruso (1482 : Adopt Ordinance 2263 Del Monte- Caruso)

Exhibit "A"

Parcel One:

A portion of Lot 17 as said Lot is shown on that certain Map entitled, "Catherine Dunne Ranch Map No. 3", in the City of Morgan Hill, County of Santa Clara, State of California, which Map was filed for record on May 11, 1894 in Book "H" of Maps, at Pages 64 and 65, Santa Clara County Records, more particularly described as follows;

Beginning at the point of intersection of the Southwesterly line of said Lot 17 with the Southwesterly corner of the Parcel of land conveyed to Richard L. Pennington, et ux, by Deed recorded December 24, 1970 in Book 9167 of Official Records, Page 525; thence along the Southwesterly line of said Lot 17 South 24° 29' 00" West 31 feet, more or less, to the most Westerly corner of the Parcel of land described as Parcel 1 in the Deed to Robert H. Wetter, Jr., also known as Robert H. Wetter, et ux, recorded February 6, 1962 in Book 5457 of Official Records, Page 325; thence along a line of said land so conveyed to Wetter, North 80° 09' East 228.28 feet to an angle therein; thence continuing along a line of said land, North 13° 32' West 52.83 feet to the Southerly corner of the Parcel of land described as Parcel 2 in the Deed to Robert H. Wetter, a widower, recorded August 4, 1964 in Book 6609 of Official Records, Page 291; thence along the Southeasterly line of said Parcel 2, North 65° 31' 00" East 13.67 feet to a point in Parcel "E" as said Parcel is shown on the Record of Survey Portion of Lands of Pellicano and Wetter, filed for record on July 18, 1964 in Book 181 of Maps, at Page 46, Santa Clara County Records; thence along the Southerly, Southeasterly and Southwesterly line of said Parcel "E", the following courses and distances: North 78° 05' 40" West 43.83 feet; South 65° 31' 00" West 24.00 feet; North 24° 29' 00" West 11.00 feet to a Southeast corner of the Parcel of land described as Parcel I in the Deed to Robert L. Pennington hereinabove referred to; thence along a Southeasterly line of said Parcel 1, South 65° 31' 00" West 184.44 feet to a point of beginning.

Parcel Two:

An easement for ingress and egress and for public utilities over the following described Parcel of Land:

Beginning at the common corner for Lots 3, 4, 17 and 20 in the centerline of Spring Avenue, 60 feet wide, as said Lots and Avenue are shown upon the Map hereinafter referred to; thence along said center line of Spring Avenue South 65° 31' West 100 feet to the Northeasterly corner of that certain parcel of land conveyed by Ivan F. Funderhill, et ux, to Leona Nettleton, by Deed dated February 28, 1953 and recorded March 3, 1953 in Book 2591 of Official Records Page 459; thence leaving said center line and running along the Easterly line of the parcel so conveyed to Nettleton the following courses and distances: South 24° 29' East 200.00 feet; thence South 40° 26' East 144.72 feet, South 13° 32' East to a point which is South 24° 29' East 464 feet in a direct line from the center line of Spring Avenue, said point being the true point of beginning of the parcel described herein; thence from said true point of beginning North 65° 31' East to a point in the Northeasterly line of the property conveyed to Richard L. Higgins, et al, in Deed recorded August 12, 1958 in Book 4146 of Official Record at Page 422, which is South 24° 29' East 464 feet from the Point of Beginning; thence South 24° 29' East 20 feet; thence South 65° 31' West to a point which bears South 13° 32' East from the true point of beginning; thence North 13° 32' West to the true point of beginning. Being a portion of Lot 17, Catherine Dunne Ranch Map No. 3, a Map of which was filed for record on May 11, 1894 in Book "H" of Maps, at Pages 64 and 65, Santa Clara County Records.

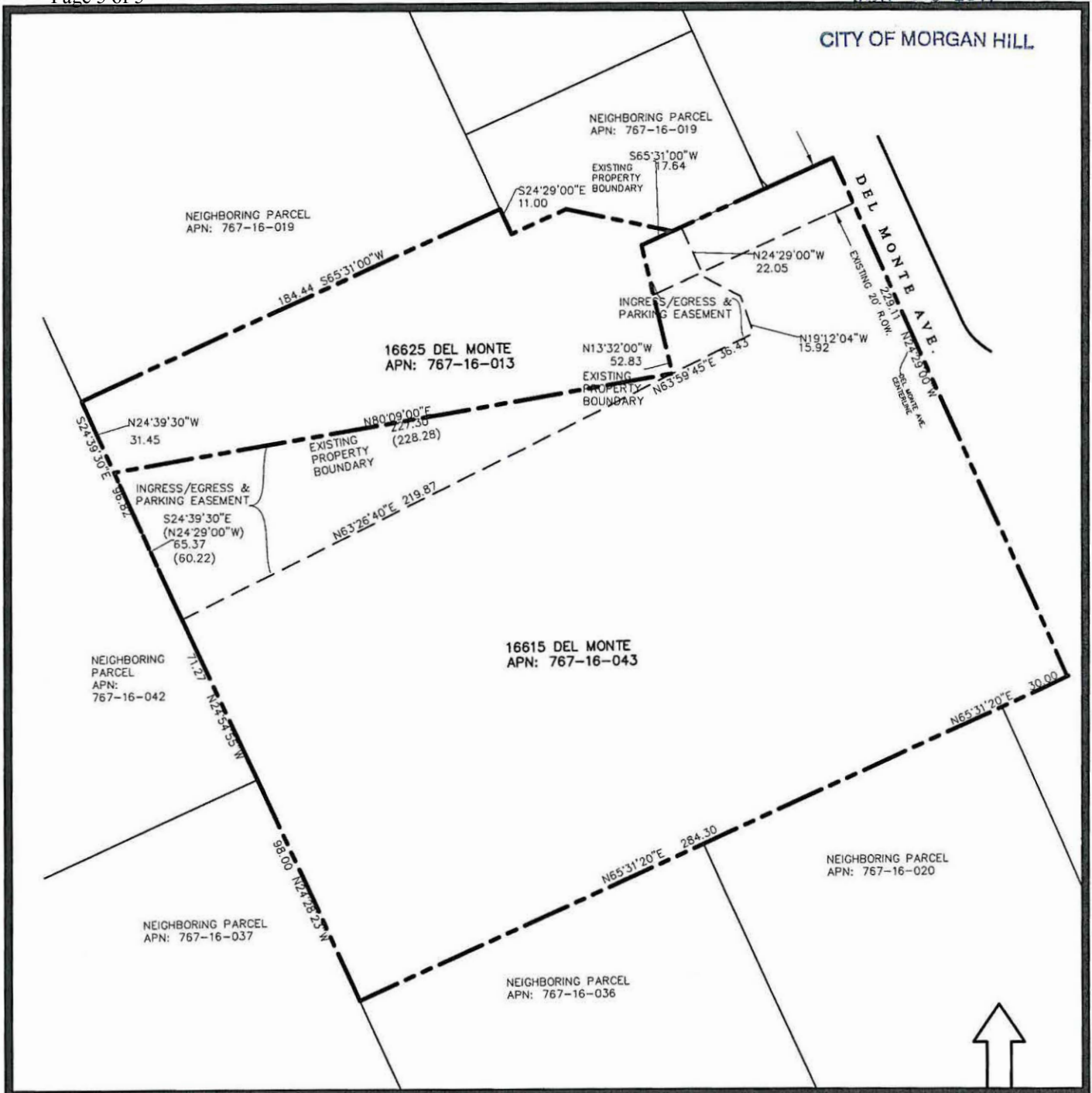
Parcel Three:

An easement for ingress/egress and parking purposes lying over, on and across a portion of those lands conveyed to Terry S. and Bernice T. Peabody by Grant Deed recorded 2/25/2005 in Document No. 18248534, Official Records of Santa Clara County, being more particularly described as follows:

Beginning at the most northwesterly corner of said lands; thence along the northerly boundary of said lands North 80° 09' 00" East 228.28 feet to an angle point thereof; thence along a westerly boundary of said lands North 13° 32' 00" West 52.83 feet to an angle point thereof; thence along the northwesterly boundary of said lands North 65° 31' 00" East 17.61 feet to a point; thence leaving said boundary South 24° 29' 00" East 22.05 feet to a point; thence South 62° 38' 07" East 16.53 feet to a point; thence South 19° 12' 04" East 15.92 feet to a point; thence South 63° 26' 40" West 257.43 feet to a point on the southwesterly boundary of said lands; thence along said southwesterly boundary North 24° 29' 00" West 66.02 feet to the point of beginning.

JUN 20 2017

CITY OF MORGAN HILL



Attachment: 2263 Del Monte- Caruso (1482 : Adopt Ordinance 2263 Del Monte- Caruso)

EXHIBIT 'B'
PLAT MAP TO ACCOMPANY
REZONING

SALVATORE CARUSO
DESIGN CORPORATION

980 EL CAMINO REAL #200
SANTA CLARA, CA 95050



DRAFT



Meeting Minutes City Council

Steve Tate - Mayor
Larry Carr - Mayor Pro Tem
Rich Constantine - Council Member
Caitlin Jachimowicz - Council Member
Rene Spring - Council Member

Wednesday, November 1, 2017 5:30 PM

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

SPECIAL/REGULAR MEETING

(5:30 P.M. Workshop/ 7:00 P.M. Regular Meeting)

SPECIAL MEETING

5:30 P.M.

CALL TO ORDER

Mayor Tate called the special/regular meeting to order at 5:32 p.m.

ROLL CALL ATTENDANCE

Attendee Name	Title	Status	Arrived
Steve Tate	Mayor	Present	
Larry Carr	Mayor Pro Tem	Present	
Rich Constantine	Council Member	Present	
Caitlin Jachimowicz	Council Member	Present	
Rene Spring	Council Member	Present	

Minutes Acceptance: Minutes of Nov 1, 2017 5:30 PM (CONSENT CALENDAR)

DECLARATION OF POSTING AGENDA

Minutes Clerk Angie Gonzalez declared the posting of the agenda.

WORKSHOP

1. STATION AREA MASTER PLAN

Recommendation:

1. Review and provide comments on the draft Station Area Master Plan (SAMP); and
2. Provide direction for further study of Depot Street.

City Manager Christina Turner introduced Economic Development Director Edith Ramirez and Associate Planner Tiffany Brown who gave a presentation and answered questions.

Mayor Tate opened public comment at 6:47 p.m.

Brian Faircloth was called to speak.

Hearing no further requests to speak, the public comment was closed.

The special meeting was adjourned at 6:54 p.m.

RESULT:	NO ACTION TAKEN
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REGULAR MEETING
Mayor Tate convened the regular meeting at 7:02 P.M.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Mayor Tate announced that on November 11, 2017 he will be hosting a Coffee with the Mayor at Grinds Vines and Automobiles (GVA Café) from 10:00-11:30 a.m. City Manager Christina Turner will be his guest. This will take place right after the Veterans Day Celebration at First St. and Monterey Rd. which will take place from about 9:00-9:30 a.m.

He spoke regarding the Library Joint Powers Authority. The Authority purchased a property on Dell Street in Campbell for it's headquarters. The property came with a second building. Tomorrow they will be talking about re-fitting the additional building to be another part of the headquarters building of the library.

He encouraged everyone to visit the library and see all the things they have to offer.

CITY MANAGER'S REPORT

City Manager Christina Turner reported that the City's Leadership team went to the library for a meeting with our Community Librarian, Heather Geddes, who gave them a tour and a presentation about the library. Annually the number of visitors to the library is approximately 300,000, and they have 884 annual programs during the year. Some of the different programs they offer are story time for infants to 5-year-olds, Lego Club, bilingual story time, robotics, coding, bridge lessons, Zumba classes, ESL Conversation Club, speaker series, music performances, discussion clubs, and movies. One of the newest things they have is virtual reality goggles that people over the age of 13 can use. Heather is very committed to working with the City and the School District and we are very excited about that collaboration.

Minutes Acceptance: Minutes of Nov 1, 2017 5:30 PM (CONSENT CALENDAR)

She announced that on November 8th the City will have a Retail Community Meeting at the Granada Theater from 6:00-8:00 p.m. She encouraged the community to attend. There will be a panel of experts to talk about retail and the evolving retail landscape.

She reminded everyone of the time change on November 5th.

CITY ATTORNEY'S REPORT

City Attorney Donald Larkin had no report.

OTHER REPORTS

None.

PROCLAMATIONS

Proclaiming the week of November 5-11, 2017 as California Retired Teachers Week

Proclaiming November 7, 2017 as
Law Enforcement Records and Support Personnel Day

PUBLIC COMMENT

Mayor Steve Tate opened public comment 7:15 p.m.

Hearing no requests to speak, the public comment was closed.

ADOPTION OF AGENDA

MOTION:

Adopting the agenda as presented.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Larry Carr, Mayor Pro Tem
SECONDER:	Caitlin Jachimowicz, Council Member
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

CONSENT CALENDAR

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Rene Spring, Council Member
SECONDER:	Caitlin Jachimowicz, Council Member
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

2. UPCOMING 2018 COMMISSION VACANCIES - PER MADDY ACT

Recommendation:

Accept report.

3. AWARD REBID OF GALVAN PARK HANDBALL COURT IMPROVEMENTS PROJECT

Recommendation:

1. Adopt resolution appropriating \$270,000 from Park Impact Fund (301) and \$120,000 from CDBG Fund (215) to the Galvan Park Handball Court Improvement Project (Project);
2. Approve Project plans and specifications;
3. Award contract to Calstate Construction, Inc. for the re-bid of the Galvan Park Handball Court Improvement Project in the amount of \$482,888;
4. Authorize expenditure of construction contingency funds not to exceed \$48,288; and
5. Authorize the City Manager to execute and administer the construction contract with Calstate Construction, Inc.

4. FOURTH AMENDMENT TO AGREEMENT WITH FIRATO SERVICE COMPANY

Recommendation:

Approve the fourth amendment to the maintenance service agreement with Firato Service Company for \$900,920 for four years of service.

5. AUGUST 2017 FINANCIAL AND INVESTMENT REPORT

Recommendation:

Accept and file report.

6. CITY CORRESPONDENCE REGARDING BROADBAND DEPLOYMENT

Recommendation:

Receive correspondence urging the Federal Communications Commission and the Broadband Deployment Advisory Committee to be more transparent and provide an appropriate level of local government representation when considering items related to broadband deployment.

7. AWARD PROFESSIONAL SERVICES AGREEMENT FOR THE TENNANT AND DUNNE SEWER UPGRADE PROJECT

Recommendation:

1. Award Service Agreement for Design Professionals to Mott MacDonald, Inc. for amount not to exceed \$287,800 to providing engineering design services for the Tennant and Dunne Sewer Upgrade Project, and
2. Authorize the City Manager to execute and administer a Services Agreement for Design Professionals with Mott MacDonald, Inc. for the Tennant and Dunne Sewer Upgrade Project.

8. APPROVE THE OCTOBER 18, 2017 MEETING MINUTES

Recommendation:

Approve Minutes.

PUBLIC HEARING

9. ADOPT UPDATED DEVELOPMENT FEE SCHEDULE

Recommendation:

1. Open/Close Public Hearing; and
2. Adopt resolution establishing the updated Development Fee Schedule as proposed in the 2017 NBS Citywide User Fee Study.

Community Development Director Jennifer Carman presented the staff report and introduced Stacey Shell with NBS Consulting and Finance Director Dat Nguyen, who assisted in the presentation.

Mayor Tate opened the public hearing at 7:48 p.m. The following people were called to speak:

Dennis Martin

Dick Oliver

Hearing no further requests to speak, the public hearing was closed.

MOTION:

Adopting resolution approving a 50% increase for January 1, 2018, an additional 25% at adoption of the next budget July 1, 2018 and the final 25% on January 1, 2019, to include a work plan that gets us a time and motion study to analyze efficiencies that we can find. Bringing back to Council a workplan with a fee study to occur in three years and includes a Time and Motion Study which takes into account the efficiencies found in the Zoning Code update and through the complete process of the first Measure S competition. Outliers as well as the tiered appeal fee will be included in the resolution.

RESULT:	ADOPTED [UNANIMOUS]
MOVER:	Larry Carr, Mayor Pro Tem
SECONDER:	Rene Spring, Council Member
AYES:	Tate, Carr, Constantine, Jachimowicz, Spring

10. ZONING AMENDMENT, ZA2017-0004: DEL MONTE – CARUSO: REQUEST FOR ZONING AMENDMENT TO CHANGE THE ZONING MAP DESIGNATION FOR TWO PARCELS FROM RE 100,000 TO R-1 7,000. THE PROJECT IS LOCATED ON THE WEST SIDE OF DEL MONTE AVENUE OPPOSITE MATHILDA COURT (ASSESSOR PARCEL NUMBERS 767-16-013, -043) CEQA: PROJECT COMPLIES WITH SECTION 15183 (CONSISTENT WITH COMMUNITY PLAN, GENERAL PLAN OR ZONING)

Recommendation:

1. Open/close public hearing;
2. Waive the first and second reading of Ordinance approving zoning amendment; and
3. Introduce Ordinance.

Community Development Director Jennifer Carman presented the staff report.

Mayor Tate opened public hearing at 8:34 p.m.

Sal Caruso was called to speak.

Hearing no further requests to speak, the public hearing was closed.

Motion:

Waiving the first and second reading of the ordinance.

RESULT: WAIVED [UNANIMOUS]
MOVER: Rich Constantine, Council Member
SECONDER: Larry Carr, Mayor Pro Tem
AYES: Tate, Carr, Constantine, Jachimowicz, Spring

MOTION

Motion:
 Introducing Ordinance.

RESULT: INTRODUCED [UNANIMOUS]
MOVER: Rich Constantine, Council Member
SECONDER: Larry Carr, Mayor Pro Tem
AYES: Tate, Carr, Constantine, Jachimowicz, Spring

FUTURE COUNCIL INITIATED AGENDA ITEMS

None.

CLOSED SESSION

City Attorney Donald Larkin read the closed session in to the record.

OPPORTUNITY FOR PUBLIC COMMENT

Mayor Steve Tate opened public comment at 8:39 p.m.

Hearing no requests to speak, the public comment was closed.

ADJOURN TO CLOSED SESSION

LIABILITY CLAIMS

Authority: Pursuant to Government Code Section 54956.95
 Claimant: Leslie Anderson
 Agency claimed against: City of Morgan Hill

The meeting adjourned to closed session at 8:39 p.m.

RECONVENE

The meeting was reconvened at 8:48 p.m.

CLOSED SESSION ANNOUNCEMENT

Mayor Tate announced that there was no reportable action.

ADJOURNMENT

There being no further business, Mayor Steve Tate adjourned the meeting at 8:49 p.m.

MINUTES PREPARED BY:

Angie Gonzalez, Minutes Clerk

Minutes Acceptance: Minutes of Nov 1, 2017 5:30 PM (CONSENT CALENDAR)



Sustainable Morgan Hill Vision

Morgan Hill is a socially responsible, environmentally conscious, and economically sound community that embraces inclusiveness with participation by all.

CITY COUNCIL ONGOING PRIORITIES

Enhancing Public Safety · Protecting the Environment · Maintaining Fiscal Responsibility ·
Supporting Our Youth, Seniors, and Entire Community · Fostering a Positive Organizational Culture ·
Preserving and Cultivating Public Trust · Preserving Our Cultural Heritage

2017 STRATEGIC PRIORITIES

High Speed Rail

Inclusiveness

Infrastructure

Regional Initiatives

Telecommunications

2017 STRATEGIC PRIORITIES:



High Speed Rail

The City of Morgan Hill will directly advocate for our community's needs through our communications, discussions, and decisions. We will continue to engage the community, the High Speed Rail Authority, our state and federal legislators, and other regional agencies to mitigate negative impacts and convey our position that the High Speed Rail Authority should only use the existing Highway 101 right-of-way to avoid all impacts to residents, schools, and businesses. Should the Authority decide the 101 right-of-way is not feasible, we will strongly advocate for the route with the least impact on Morgan Hill.



Inclusiveness

We will celebrate the diversity, history, and culture of our community. Through City Council workshops, community meetings, and researching successes in other communities, the City will listen to and collaborate with the community to define how inclusiveness will be further woven into our community's fabric and to increase public participation. The City's communications, services, public spaces, and projects will embrace all community members as partners, advancing our vision of being a socially responsible community.



Infrastructure

The City will review its streets, parks, and public facilities infrastructure needs initially by updating its 2014 infrastructure study to quantify the funding gap. We will identify potential funding options as ongoing revenue is insufficient to fund our vital community assets at a sustainable level without significantly impacting existing service levels that our community has come to expect. Morgan Hill will actively work with the Valley Transportation Agency, the County, and the State to secure funding for the Santa Teresa extension and road maintenance. We will continue to work closely with our community to inform them of the needs and engage them to find an affordable and sustainable solution.



Regional Initiatives

City Council and staff will focus on influencing regional decisions that benefit Morgan Hill. This regional involvement will include, but not be limited to, partnering with the League of California Cities, Valley Transportation Authority, Santa Clara Valley Water District, Cities Association of Santa Clara County, the City of Gilroy, Santa Clara County, Morgan Hill Unified School District, the Local Agency Formation Commission, the Open Space Authority, and Silicon Valley Clean Energy to advance projects that further Sustainable Morgan Hill.



Telecommunications

The City will collaborate with the private sector to explore ways to provide fast, reliable access and wireless connectivity for residents and businesses. The 2016 Telecommunications Infrastructure and Economic Development Blueprint reports will be the foundation for continuing discussions with broadband providers, public utilities, and other infrastructure service providers in developing an implementation plan for growing our telecommunications infrastructure. The plan will be used to signal Morgan Hill's support for business expansion.



CITY COUNCIL STAFF REPORT

MEETING DATE: November 15, 2017

PREPARED BY: Angie Gonzalez, Council Services Assistant

APPROVED BY: City Manager

REVIEW OF CITY COUNCIL MEETING SCHEDULE

RECOMMENDATION(S)

1. Review and adjust the City Council meeting schedule as deemed appropriate; and
2. Approve 2018 City Council meeting schedule.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety
 Protecting the Environment
 Maintaining Fiscal Responsibility
 Supporting Our Youth
 Seniors
 and Entire Community
 Fostering a Positive Organizational Culture
 Preserving and Cultivating Public Trust
 Preserving Our Cultural Heritage

2017 Strategic Priorities

High Speed Rail
 Inclusiveness
 Infrastructure
 Regional Initiatives
 Telecommunications

REPORT NARRATIVE:

The City Council has adopted a policy regarding its meeting schedule (policy CP 06-02 attached). Staff requests the City Council review its meeting schedule for the months of January 2018 through December 2018. The following meetings are proposed to be cancelled and/or scheduled:

1. January 3rd regular meeting of the City Council cancelled per Council Policy CP-06-02. **(Cancel)**
2. January 26th at 9:00 a.m. and January 27th at 9:00 a.m. Special City Council Goal Setting Workshop. **(Schedule)**
3. May 2nd regular meeting of the City Council. The City Attorney, Assistant City Attorney, and special counsel will be unavailable due to the League of California Cities attorney conference. **(Cancel)** In lieu of cancellation, Council may wish to schedule workshop items only.
4. May 18th at 9:00 a.m. Special City Council Budget and CIP Workshop. **(Schedule)**
5. July 4th regular meeting of the City Council cancelled pursuant to Council Policy CP-06-02 **(Cancel)**
6. July 13th at 9:00 a.m. Special City Council Mid-Year Goal Review Workshop. **(Schedule)**

7. August 1st and 15th regular meetings of the City Council for the summer break. The meeting on August 15th cancelled pursuant to Council Policy, CP-06-02. **(Cancel)**
8. September 19th regular meeting of the City Council cancelled per Council Policy CP-06-02. **(Cancel)**
9. November 21st regular meeting of the City Council cancelled pursuant to Council Policy CP-06-02. **(Cancel)**
10. December 26th regular meeting of the City Council cancelled pursuant to Council Policy CP-06-02. **(Cancel)**

Given the above information, the City Council may wish to retain, adjust and/or cancel regularly scheduled meetings.

COMMUNITY ENGAGEMENT: Inform

ALTERNATIVE ACTIONS:

Not Applicable.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The City Council reviews the meeting schedule annually.

FISCAL AND RESOURCE IMPACT:

There is no fiscal impact associated with this action.

CEQA (California Environmental Quality Act):

Not a Project. Administrative activities of governments that do not result in direct physical changes in the environment do not qualify as a project for purposes of CEQA.

LINKS/ATTACHMENTS:

1. Council Policy -06-02
2. DRAFT 2018 City Council Meeting Schedule

CITY OF MORGAN HILL

CITY COUNCIL POLICIES AND PROCEDURES

CP-06-02

SUBJECT: CITY COUNCIL MEETING SCHEDULE

EFFECTIVE DATE: March 22, 2006, Revised November 20, 2013,
Revised October 21, 2015

ORIGINATING DEPT: City Clerk

The City Council has ordained that regular meetings are to be held on the first, third, and fourth Wednesdays of every month at 7:00 p.m. In the event of a legal holiday occurring on a regular City Council meeting day, the meeting(s) will be canceled. Should the Mayor and City Manager determine that the third meeting of the month is not necessary, they shall have the authority to cancel the meeting.

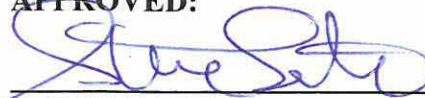
The City Council desires to take official legislative recesses, at various times, to accommodate community and civic commitments, vacations, and the City's operations schedule. As such, the following meeting schedule will apply for the months of January, July, August, September, October, November and December of every year:

- For the month of January, should the City furlough its employees the last week in December, the first meeting in January shall be canceled. The Council will hold its annual Goal Setting retreat the last Friday and Saturday of the month.
- The Council will hold its annual Budget Workshop during the month of May.
- For the month of July, the first Wednesday meeting is to be canceled.
- For the month of August, the third Wednesday meeting is to be canceled.
- For the months of September and October, regular meetings will be held on the first, third, and fourth Wednesdays, beginning at 7:00 p.m.; unless the meeting date falls on Rosh Hashanah or Yom Kippur. In which case, said meeting will be canceled.
- For the month of November, regular meetings will be held on the first, third, and fourth Wednesdays, beginning at 7:00 p.m.; unless the Wednesday meeting date falls the day before the Thanksgiving Holiday. In which case, said meeting will be canceled.
- For the month of December, regular meetings will be held on the first, third, and fourth Wednesdays, beginning at 7:00 p.m.; unless the Wednesday meeting date(s) fall on the Christmas Holiday and/or during the Holiday furlough. In which case, said meeting(s) will be canceled.

The City Council shall have the ability to adjust and/or add other meeting dates, as deemed appropriate.

This policy shall remain in effect until modified by the City Council respectively.

APPROVED:


 STEVE TATE, Mayor

Attachment: Council Policy -06-02 (1448 : 2018 CC Meeting Schedule)

DRAFT 2018 City Council Meeting Schedule

Note: Should a scheduled City Council meeting be cancelled, the Council Member reporting will be rotated to avoid a lapse in reporting of a Council Member.

Special meetings that are added during the year will not have City Council Member reporting.

Meeting Date	Type of Meeting	Notes	Council Member Report
01/03/2018 Wednesday	Regular CC	Cancelled per Council Policy (CP 06-02)	
01/17/2018 Wednesday	Regular CC		Jachimowicz
01/24/2018 Wednesday	Regular CC		Tate
01/26/2018 Friday	Special CC	9:00 a.m. – 5:00 p.m. Goal Setting Advance	
01/27/2018 Saturday	Continued from 01/26/2018	9:00 a.m. Continued Goal Setting Advance	
02/07/2018 Wednesday	Regular CC		Carr
02/14/2018 Wednesday	Agenda Not Required	State of the City Address (Tentative)	
02/21/2018 Wednesday	Regular CC		Spring
02/28/2018 Wednesday	Regular CC		Constantine
03/07/2018 Wednesday	Regular CC		Jachimowicz
03/21/2018 Wednesday	Regular CC		Tate
03/28/2018 Wednesday	Regular CC		Carr
04/04/2018 Wednesday	Regular CC		Spring
04/18/2018 Wednesday	Regular CC		Constantine
04/25/2018 Wednesday	Regular CC		Jachimowicz
05/02/2018 Wednesday	Regular CC		Tate
05/16/2018 Wednesday	Regular CC		Carr

Attachment: DRAFT 2018 City Council Meeting Schedule (1448 : 2018 CC Meeting Schedule)

DRAFT 2018 City Council Meeting Schedule

Meeting Date	Type of Meeting	Notes	Council Member Report
05/18/2018 Friday	Special CC	9:00 a.m. – 5:00 p.m. Budget workshop	
5/23/2018 Wednesday	Regular CC		Spring
06/06/2018 Wednesday	Regular CC		Constantine
06/20/2018 Wednesday	Regular CC		Jachimowicz
06/27/2018 Wednesday	Regular CC		Tate
07/04/2018 Wednesday	Regular CC	Cancelled per Council Policy (CP 06-02)	
07/13/2018 Friday	Special CC	9:00 a.m. – 5:00 p.m. Mid-Year Goal Review Workshop	
07/18/2018 Wednesday	Regular CC		Carr
07/25/2018 Wednesday	Regular CC		Spring
08/01/2018 Wednesday	Regular CC	Cancelled	
08/15/2018 Wednesday	Regular CC	Cancelled	
08/22/2018 Wednesday	Regular CC		Constantine
09/05/2018 Wednesday	Regular CC		Jachimowicz
09/19/2018 Wednesday	Regular CC	Cancelled per Council Policy (CP 06-02)	
09/26/2018 Wednesday	Regular CC		Tate
10/03/2018 Wednesday	Regular CC		Carr
10/17/2018 Wednesday	Regular CC		Spring
10/24/2018 Wednesday	Regular CC		Constantine
11/07/2018 Wednesday	Regular CC		Jachimowicz

Attachment: DRAFT 2018 City Council Meeting Schedule (1448 : 2018 CC Meeting Schedule)

DRAFT 2018 City Council Meeting Schedule

Meeting Date	Type of Meeting	Notes	Council Member Report
11/21/2018 Wednesday	Regular CC	Cancelled per Council Policy (CP 06-02)	
11/28/2018 Wednesday	Regular CC		Tate
12/05/2018 Wednesday	Regular CC		Carr
12/19/2018 Wednesday	Regular CC		Spring
12/26/2018 Wednesday	Regular CC	Cancelled per Council Policy (CP 06-02)	

Attachment: DRAFT 2018 City Council Meeting Schedule (1448 : 2018 CC Meeting Schedule)



CITY COUNCIL STAFF REPORT

MEETING DATE: November 15, 2017

PREPARED BY: Rebecca Garcia, Housing Manager
APPROVED BY: City Manager

APPROVE AGREEMENT WITH CAL-SOAP FOR COLLEGE SCHOLARSHIP PROGRAM

RECOMMENDATION(S)

Authorize the City Manager to enter into an agreement between the City of Morgan Hill and the California Student Opportunity and Access Program (South County Cal-SOAP) to provide a \$25,000 college scholarship to a Morgan Hill student, for a maximum contract amount of \$26,000 with administrative fees.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Supporting Our Youth
Seniors
and Entire Community

2017 Strategic Priorities

Inclusiveness

POLICY CONSIDERATIONS:

The City Council is being asked to consider the program for providing a one-time, \$25,000 college scholarship to a Morgan Hill student who is of a lower socioeconomic status and is college bound as discussed at the Mid Cycle Budget workshop in May 2017.

REPORT NARRATIVE:

Each year the City Council adopts goals and priorities. In addition, the City unifies with a common vision, "Morgan Hill is a socially responsible, environmentally conscious, and economically sound community that embraces inclusiveness and participation by all." In furtherance of this vision, the City Council established an on-going priority to Support Youth, Seniors and the Entire Community. Consistent with this vision and goal, the City Council has committed to growing and fostering access to higher education for underserved youth of Morgan Hill by creating a college scholarship, to provide access to an economically challenged, first generation, full time college student

The California Student Opportunity and Access Program, Cal-SOAP, is a statewide, outreach program established in 1978 to increase the number of students attending college. This pre-college program serves elementary, middle, high school, and community college students who 1) are from low income families, 2) will be the first in their family to attend college, or 3) are from areas or schools with low eligibility or college participation rates.

Cal-SOAP is administered by the California Student Aid Commission (CSAC). Individual Cal-SOAP consortium members, such as South County Cal-SOAP, apply each year for continued State funding. State funding must be matched by an equal or higher level of corresponding resources by the consortium member.

Today, Cal-SOAP operates in locations throughout California through a consortium of secondary and postsecondary schools and community agencies. Current Cal-SOAP agencies include: Central Coast (Santa Maria), Central Valley (San Joaquin), East Bay (Oakland and Richmond), Long Beach, Los Angeles, Merced, North Coast (Eureka), Sacramento, San Diego/Imperial, San Francisco, San Jose, Santa Barbara, South San Joaquin, Solano, Hollister, Aromas and South Santa Clara County (Morgan Hill and Gilroy).

Each agency specializes in serving students within its community and shares the common goal of improving the dissemination of information about postsecondary education and financial aid while raising achievement levels of targeted students. Some common services provided by the Cal-SOAP consortia include advising, tutoring, parent outreach, and college awareness workshops. Cal-SOAP has extensive participation and presence, including:

- One hundred twenty-six public school districts, from the largest urban districts to small rural districts plus individual high schools;
- Nine of the ten general campuses of the University of California system;
- Seventeen of the twenty-three campuses of the California State University system;
- Forty of the state's one hundred and thirteen community colleges- including all those in each area in which a project is located;
- Sixteen of the seventy-one Association of Independent California Colleges and Universities members; and;
- Fifty-three other community-based organizations.

South County Cal-SOAP is one of 15 Cal-SOAP consortiums throughout the state of California. Its mission is to create educated communities, one underrepresented student at a time. South County Cal-SOAP is committed to empowering, educating and advocating for students and their parents in their quest to provide equal opportunity from kindergarten to college. After school and in-class tutoring, financial aid education, college campus exposure and academic/general counseling is provided by South County Cal-SOAP staff for over 10,000 students and parents in the South County region. Together, with sponsors and staff members from the South County Morgan Hill and Gilroy school districts in its consortium (ASJUSD, GUSD, MHUSD, & SBHSD), South County Cal-SOAP reports a 93.75% college attendance rate of the youth who have accessed the program. Cal-SOAP is working with students and parents, guiding them to ensure they are on a path to success and higher education.

This request of City Council is to consider funding a one-time \$25,000 college scholarship to a qualified Morgan Hill student who is 1) from a low-income family, 2) will be the first in their family to attend college, and 3) who without the scholarship would not be able to attend a four-year university. The Scholarship program acts in conjunction with the larger South County Cal-SOAP infrastructure of advisement and tutoring. Students who have become part of Cal-SOAP, either through intensive activities such as meeting with an academic advisor, or through activities including college fairs and tours, are eligible to apply for a scholarship.

The City of Morgan Hill Scholarship would be available to all low-income students who have specifically participated in the South County Cal-SOAP program at Ann Sobrato, Central, or Live Oak High Schools. The application would be available to students in December 2017 and due on March 2, 2018. It is important to note that the students being granted scholarships come from low-income, often first-generation families, which have a statistically diminished chance of succeeding in post-secondary education without the help of a program such as this one. Applications are graded with a clear set of criteria using a variety of markers to measure student needs and merit. Scholarship selection readers use a rubric consisting of six attributes, scaled from one to five. Some of the attributes measured include the quality and clarity of application responses, Cal-SOAP involvement, and financial need, derived from sources such as the Expected Family Contribution (EFC) determined upon submission of the student's Free Application for Federal Student Aid (FAFSA) or Dream Act application and personal narrative. Volunteer readers from the community and from our higher education partners are used in the grading process.

COMMUNITY ENGAGEMENT: Inform

This report serves to inform the community of the recommended scholarship program.

ALTERNATIVE ACTIONS:

City Council could decide to reduce the agreement amount or direct that an alternative program be used to implement the Scholarship program.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The scholarship was discussed at the City Council Mid Cycle workshop on May 19, 2017 and it was conceptually approved on June 7, 2017.

FISCAL AND RESOURCE IMPACT:

The proposed agreement with South County Cal-SOAP is for \$26,000. Cal-SOAP will apply a 4% fee, or \$1,000, for administering the process. Thus, \$25,000 would go towards the student scholarship, provided directly to the school.

Scholarship funding of up to \$25,000 was approved by the City Council and such amount was appropriated from the General Fund. The additional \$1,000 for the 4% administrative fee would also be required of the General Fund as indicated on the attached Budget Scorecard.

CEQA (California Environmental Quality Act):

Creation of government funding mechanisms or other governmental fiscal activities that do not involve commitment to a specific project that may result in physical changes to the environment are not projects subject to environmental review under CEQA.

LINKS/ATTACHMENTS:

1. cal-SOAP scholarship FINAL
2. Budget Scorecard 018-Scholarship Admin Fee Fund 010

CONSULTANT AGREEMENT South County Cal-SOAP Scholarship Award

THIS AGREEMENT is entered into and becomes effective on _____ (Effective Date), by and between the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and South County Cal-SOAP a California nonprofit corporation ("CONSULTANT") hereinafter referred to collectively as "Parties." In consideration of the promises and the mutual covenants contained in this Agreement, the Parties agree as follows:

1. **City Authority.** This Agreement is entered into pursuant to authority of the City Manager pursuant to Chapter 3.04 of the Morgan Hill Municipal Code.
2. **Term of Agreement.** This Agreement shall cover services rendered from the Effective Date of this Agreement until June 30, 2021 at which time CONSULTANT'S services shall be completed. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both Parties to this Agreement.
3. **Scope of Service.** The services to be performed by CONSULTANT shall be to coordinate the information dissemination and selection process of a \$25,000.00 college scholarship for an eligible MHUSD graduate as further described in **Exhibit A.**
4. **Compensation.** CONSULTANT shall be compensated as follows:
 - 4.1. **Amount.** \$26,000.00. Total compensation to CONSULTANT under this Agreement during its initial term set forth in Section 2 above shall not exceed twenty-six thousand dollars and shall be billed based on the rate and basis set forth in **Exhibit B.** If the City Manager extends the term of this Agreement for up to one year pursuant to the provisions of Section 2 above, the City Manager shall have the authority to increase the maximum compensation allowed to be paid to CONSULTANT during that extended term period, so long as City Council has appropriated sufficient funds therefor, the Parties mutually agree to such amount in a writing signed by both Parties to this Agreement and provided further that in no event shall such maximum compensation allowed during the extended term period exceed an additional five percent (5%) above the compensation allowed to be paid to CONSULTANT during the initial term of this Agreement.
 - 4.2. **Billing.** CONSULTANT shall provide CITY with an invoice containing the dated, detailed, and itemized descriptions of all services performed and expenses incurred (if such expenses are reimbursable pursuant to Exhibit B) by CONSULTANT on a monthly basis unless otherwise specified in Exhibit B. Any rate charged shall be prorated where services are interrupted or not provided for any rate period (for example, any monthly rate charge should be prorated when services were interrupted or provided for only part of the month). For services billed on an hourly rate, the minimum unit of billed time shall not exceed one tenth of one hour. CITY shall pay for services and expenses (if so provided in Exhibit B) up to the limit of compensation set forth above, that in the CITY's judgment were necessary and reasonable. Services for work performed and expenses incurred in excess of the total compensation set forth in paragraph 4.1 above shall be at no cost to CITY.
5. **Termination.** CITY or CONSULTANT shall have the right to terminate this Agreement, without cause, by giving thirty (30) days' written notice or less under urgent circumstances. Upon such termination, CONSULTANT shall submit to CITY an itemized statement of services performed for which compensation has not been paid. CITY may require CONSULTANT to complete certain work product or documents and

CONSULTANT shall deliver to CITY all documents in its possession without additional compensation to CONSULTANT. The CITY Manager of CITY is authorized to terminate this AGREEMENT on behalf of CITY.

6. **Performance of Work.** CONSULTANT represents that it is qualified by virtue of experience, training, education, and expertise to accomplish these services. Services shall be performed by CONSULTANT in accordance with professional practices in a manner consistent with a level of care, competence and skill exercised by qualified members of the CONSULTANT'S profession. By delivery of completed work, CONSULTANT certifies that the work conforms to the requirements of this Agreement and all applicable federal, state and local laws. CONSULTANT shall perform all work and services under this Agreement in conformance with the time schedule set forth on Exhibit C, "Schedule of Performance," attached hereto and incorporated herein by this reference. CITY's City Manager is authorized on behalf of CITY to modify the timeframes set forth on the Schedule of Performance within the term of this Agreement. If CONSULTANT desires to leave or store any of CONSULTANT's equipment at a CITY site while CONSULTANT is performing work or service pursuant to this Agreement, CONSULTANT will first obtain the consent of CITY's City Manager, or his delegate, to do so, and any such storage shall occur only in the manner and location allowed by such CITY official and entirely at CONSULTANT's sole risk.

7. **Insurance Requirements.** CONSULTANT shall procure and provide proof of the insurance coverage required by this section in the form of certificates and endorsements. The required insurance must cover the activities of CONSULTANT, including its subcontractors, employees and agents, relating to or arising from the performance of any work or service under this Agreement, and must remain in full force and effect at all times during the period covered by this Agreement. The coverages may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by excess or "umbrella" policies, provided each such policy complies with the requirements set forth herein. CONSULTANT further understands that the CITY reserves the right to modify the insurance requirements set forth herein, with thirty (30) days' notice provided to CONSULTANT, at any time as deemed necessary to protect the interests of the CITY.

7.1. **Insurance Types and Amounts.**

7.1.1. **Commercial General Liability (CGL).** CONSULTANT shall maintain CGL against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) for bodily injury or death to any one person for any one accident or occurrence and at least one million dollars (\$1,000,000.00) for property damage, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.1.2. **Automobile Liability.** CONSULTANT shall maintain Automobile Liability covering all owned, non-owned and hired automobiles (if CONSULTANT does not own automobiles, then CONSULTANT shall maintain Hired/Non-owned Automobile Liability) against claims and liabilities for personal injury, death, or property damage providing protection in the minimum amount of: (i) one million dollars (\$1,000,000.00) for bodily injury or death to any one person for any one accident or occurrence and at least one million dollars (\$1,000,000.00) for property damage, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.1.3. **Workers' Compensation Insurance and Employer's Liability.** CONSULTANT shall maintain Workers Compensation coverage, as required by law, in the minimum amount

of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater. If CONSULTANT is self-insured, CONSULTANT shall provide its Certificate of Permission to Self-Insure, duly authorized by the Department of Industrial Relations.

- 7.1.4. Pollution (Environmental) Liability. If the performance of CONSULTANT'S work or service under this Agreement involves hazardous materials, contaminated soil disposal, and/or a risk of accidental release of fuel oil, chemicals or other toxic gases or hazardous materials, CONSULTANT shall procure and maintain Pollution Liability covering the contractor's liability for bodily injury, property damage and environmental damage resulting from pollution and related cleanup costs arising out of the work or services to be performed under this Agreement. Coverage shall be provided for both work performed on site, as well as during the transport of hazardous materials. Such coverage shall be in the minimum amount of: (i) one million dollars (\$1,000,000.00) for any one accident or occurrence, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.1.5. Professional Liability.

7.1.5.1. If the performance of CONSULTANT's work or service under this Agreement involves professional and/or technical services (examples include, but are not limited to, architects, engineers, land surveyors, and appraisers), CONSULTANT shall procure and maintain either a claims made or occurrence Errors and Omission liability insurance in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater. Further, if CONSULTANT maintains a claims-made policy, CONSULTANT shall provide written evidence of such insurance to the CITY for at least five (5) years after the completion of work performed under this Agreement.

7.1.5.2. If the performance of CONSULTANT's work or service under this Agreement relates to Information Technology or related services (examples include, but are not limited to computer programmers, software designers, hardware engineers, or other systems consultants), CONSULTANT shall procure and maintain a claims made Errors and Omission liability insurance, including Cyber Liability and Data Breach, in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

7.1.5.3. If the performance of CONSULTANT's work or service under this Agreement involves contact with minors, CONSULTANT shall procure and maintain Sexual Abuse and Molestation insurance in the minimum amount of: (i) one million dollars (\$1,000,000.00) each claim, or (ii) the maximum amount of such insurance available to CONSULTANT under CONSULTANT's combined insurance policies (including any excess or "umbrella" policies), whichever is greater.

- 7.2. **Endorsements.** CONSULTANT shall provide proof of the following endorsements, listed for each policy for which endorsements are required, as outlined below:

7.2.1. **General Liability.**

7.2.1.1. The City of Morgan Hill, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers are named as additional insureds;

7.2.1.2. the insurer waives the right of subrogation against the City of Morgan Hill and the CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers; and,

7.2.1.3. insurance shall be primary non-contributing.

7.2.2. **Workers Compensation.**

The insurer waives the right of subrogation against the City of Morgan Hill and the CITY's elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers.

- 7.3. **Qualification of Insurers.** All insurance required pursuant to this Agreement must be issued by a company licensed and admitted, or otherwise legally authorized to carry out insurance business in the State of California, and each insurer must have a current A.M. Best's financial strength rating of "A" or better and a financial size rating of "VII" or better.

- 7.4. **Certificates.** CONSULTANT shall furnish CITY of Morgan Hill with copies of all policies or certificates as outlined herein, whether new or modified, promptly upon receipt. No policy subject to the CONSULTANT's agreement with the CITY shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY. Certificates, including renewal certificates, may be mailed electronically to riskmgmt@morganhill.ca.gov or delivered to the Certificate Holder address provided herein

Certificate Holder address:

City of Morgan Hill
Attn: Risk Management
17575 Peak Avenue
Morgan Hill, CA 95037

8. **Non-Liability of Officials and Employees of the CITY.** No official or employee of CITY shall be personally liable for any default or liability under this Agreement.

9. **Compliance with Law.**

- 9.1. CONSULTANT and its officers, employees, agents, and subcontractors shall comply with all applicable laws, ordinances, administrative regulations, and permitting requirements in carrying out their obligations under this Agreement. CONSULTANT and its officers, employees, agents, and subcontractors covenant there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, sexual orientation, national origin,

mental disability, physical disability, medical condition, or ancestry, in any activity pursuant to this Agreement.

- 9.2. Compliance with Wage and Hour Laws: Consultant, and any subcontractor it employs to complete work under this Agreement, shall comply with all applicable federal, state and local wage and hour laws. Applicable laws may include, but are not limited to, the Federal Fair Labor Standards Act and the California Labor Code.

Final Judgments, Decisions, and Orders: For purposes of this Section, a “final judgment, decision, or order” refers to one for which all appeals have been exhausted or the time to appeal has expired. Relevant investigatory government agencies include: the federal Department of Labor, the California Division of Labor Standards Enforcement, or any other governmental entity or division tasked with the investigation and enforcement of wage and hour laws.

Prior Judgments against CONSULTANT and/or its Subcontractors: BY SIGNING THIS AGREEMENT, CONSULTANT AFFIRMS THAT IT HAS DISCLOSED ANY FINAL JUDGMENTS, DECISIONS OR ORDERS FROM A COURT OR INVESTIGATORY GOVERNMENT AGENCY FINDING – IN THE FIVE (5) YEARS PRIOR TO EXECUTING THIS AGREEMENT – THAT CONSULTANT OR ITS SUBCONTRACTOR(S) HAS VIOLATED ANY APPLICABLE WAGE AND HOUR LAWS. CONSULTANT FURTHER AFFIRMS THAT IT OR ITS SUBCONTRACTOR(S) HAS SATISFIED AND COMPLIED WITH – OR HAS REACHED AGREEMENT WITH THE CITY REGARDING THE MANNER IN WHICH IT WILL SATISFY – ANY SUCH JUDGMENTS, DECISIONS OR ORDERS.

Judgments or Decisions During Term of Contract: If at any time during the term of this Agreement, a court or investigatory government agency issues a final judgment, decision or order finding that CONSULTANT or an subcontractor it employs to perform work under this Agreement has violated any applicable wage and hour law, or CONSULTANT learns of such a judgment, decision, or order that was not previously disclosed, CONSULTANT shall inform the City Attorney, no more than fifteen (15) days after the judgment, decision or order becomes final or of learning of the final judgment, decision or order. CONSULTANT and its subcontractors shall promptly satisfy and comply with any such judgment, decision, or order, and shall provide the City Attorney with documentary evidence of compliance with the final judgment, decision or order within five (5) days of satisfying the final judgment, decision or order. The City reserves the right to require CONSULTANT to enter into an agreement with the City regarding the manner in which any such final judgment, decision, or order will be satisfied.

City's Right to Withhold Payment: Where CONSULTANT or any subcontractor it employs to perform work under this Agreement has been found in violation of any applicable wage and hour law by a final judgment, decision or order of a court or government agency, the City reserves the right to withhold payment to CONSULTANT until such judgment, decision or order has been satisfied in full.

Material Breach: Failure to comply with any part of this Section constitutes a material breach of this Agreement. Such breach may serve as a basis for immediate termination of this Agreement and/or any other remedies available under this Agreement and/or law.

Notice to City Related to Wage Theft Prevention: Notice provided to the City Attorney as required under this Section shall be addressed to: City Attorney, City of Morgan Hill, 17575

Peak Avenue, Morgan Hill, CA 95037. The Notice provisions of this Section are separate from any other notice provisions in this Agreement and, accordingly, only notice provided to the above address satisfies the notice requirements in this Section.

10. **Independent Contractor**. CONSULTANT is an independent contractor and not an agent or employee of CITY.
11. **Confidentiality**. All data, documents, or other information received by CONSULTANT from CITY or prepared in connection with CONSULTANT'S services under this Agreement are deemed confidential and shall not be disclosed to any third party by CONSULTANT without prior written consent by CITY.
12. **Conflict of Interest and Reporting**. CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.
13. **Notices**. All notices shall be personally delivered or mailed, via first class mail to the below listed address. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

Address of CONSULTANT is as follows:

South County Cal-SOAP
ATTN:Erin C. Gemar
750 W 10th Street
Gilroy, CA 95020

Address of CITY is as follows:

City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

with a copy to:
City Clerk
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

14. **Licenses, Permits and Fees**. CONSULTANT shall obtain a City of Morgan Hill Business License, all permits and licenses to the extent required by ordinances, codes and regulations of the federal, state and local government.
15. **Maintenance of Records**.
 - 15.1. **Maintenance**. CONSULTANT shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and CITY rules and ordinances related to services provided under this Agreement. CONSULTANT shall maintain records for a period of at least 3 years after receipt of final payment under this Agreement. If any litigation, claim, negotiation, audit exception, or other action relating to this Agreement is pending at the end of the 3-year period, then CONSULTANT shall retain said records until such action is resolved.
 - 15.2. **Access to and Audit of Records**. The CITY shall have the right to examine, monitor and audit all records, documents, conditions, and activities of the CONSULTANT and its subcontractors related to services under this Agreement. Pursuant to Government Code Section 8546.7, if

this Agreement involves the expenditure of public funds in excess of \$10,000, the Parties to this Agreement may be subject, at the request of the CITY or as part of any audit of the CITY, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this Agreement for a period of three years after final payment under the Agreement.

- 15.3. **Ownership of Work Product.** All documents or other information developed or received by CONSULTANT for work performed under this Agreement shall be the property of CITY. CONSULTANT shall provide CITY with copies of these items upon demand or upon termination of this Agreement.

16. **Familiarity with Work.** By executing this Agreement, CONSULTANT represents that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the work under this Agreement. Should CONSULTANT discover any conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY and shall not proceed, except at CONSULTANT'S risk, until written instructions are received from CITY.

17. **Time of Essence.** Time is of the essence in the performance of this Agreement.

18. **No Assignment.** Neither this Agreement nor any portion shall be assigned by CONSULTANT, without prior written consent of CITY. Any attempted assignment not first approved by CITY shall be void and, at CITY's option, shall terminate this Agreement effective as of the date of such attempted assignment.

19. **Attorney Fees.** In any legal action, dispute or arbitration arising out of or relating to this Agreement, the prevailing party shall be entitled to an award of its reasonable attorney fees, costs and expenses incurred.

20. **Defense and Indemnification.**

20.1. **Defense and Indemnification.** CONSULTANT shall, to the fullest extent permitted by law, indemnify, defend and hold harmless CITY, its elected or appointed officials, boards, agencies, officers, agents, employees, and volunteers ("INDEMNITEES") from and against any and all claims, liabilities, expenses, liens, or damages of any nature, including liability for bodily injury, property damage or personal injury, and including reasonable attorneys' fees and expenses, that arise out of, pertain to, or relate to the performance of this Agreement or the failure to comply with any obligations contained in this Agreement by CONSULTANT, and/or its agents, officers, employees, subcontractors, or independent contractors ("CLAIM").

20.2. **Exceptions.** CONSULTANT is not required to indemnify INDEMNITEES against liability for bodily injury, property damage or personal injury, or any other loss, damage or expense arising from the sole negligence or willful misconduct of the CITY.

20.3. **Not limited by insurance.** The indemnity, defense and hold harmless provisions of this Agreement apply to all CLAIMS alleged against an INDEMNITEE, regardless of whether any insurance policies are applicable. Policy limits do not act as a limitation upon the amount of indemnification or defense to be provided by CONSULTANT.

20.4. **Right to Offset.** CITY shall have the right to offset against any compensation due CONSULTANT under this Agreement any amount due CITY from CONSULTANT as a result of CONSULTANT's failure to pay CITY promptly any indemnification arising under this Section (20) and any amount due CITY from CONSULTANT arising from CONSULTANT's failure either to (i) pay taxes

on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

20.5. **Interpretation.** This Section shall constitute an agreement or contract of indemnity, incorporating the interpretations under California Civil Code Section 2778. It is expressly understood and agreed that the obligation of the CONSULTANT to indemnify the INDEMNITEE shall be as broad and inclusive as permitted by the laws of the State of California and shall survive termination of this Agreement.

21. **Entire Agreement; Modification; Conflicting Provisions.** This Agreement constitutes the entire Agreement between the Parties and supersedes any previous agreements, oral or written. This Agreement may be modified or provisions waived only by a subsequent mutual written agreement executed by CITY and CONSULTANT. If the provisions contained in the main body of this Agreement conflict with any provision contained in an exhibit to this Agreement, the provisions of the main body of this Agreement shall govern and control over any provision contained in an exhibit to this Agreement.

22. **Governing Law and Venue.** This Agreement shall be construed in accordance with the laws of the State of California. This Agreement was entered into and is to be performed in the County of Santa Clara. Any action or dispute arising out of this Agreement shall only be brought in Santa Clara County.

23. **Interpretation.** This Agreement is a negotiated document and shall be deemed to have been drafted jointly by the Parties, and no rule of construction or interpretation shall apply against any particular Party based on a contention that the Agreement was drafted by one of the Parties including, but not limited to, California Civil Code § 1654, the provisions of which are hereby waived. This Agreement shall be construed and interpreted in a neutral manner.

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

25. **Binding Agreement.** Notwithstanding the provisions of Section 18 above, this Agreement shall bind any and all successors in interest, legal representatives and/or other permitted assignees or transferees of CONSULTANT in the same manner as if those successors in interest, legal representatives or other permitted assignees or transferees had entered into this Agreement originally.

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26. **Authority to Execute.** Those individuals who are signing this Agreement on behalf of entities represent and warrant that they are, respectively, duly authorized to sign on behalf of the entities and to bind the entities fully to each and all of the obligations set forth in this Agreement.

IN WITNESS THEREOF, these Parties have executed this Agreement on the day and year shown below.

AS SET FORTH IN CA. CORP. CODE § 313, TWO SIGNATURES ARE REQUIRED FOR CALIFORNIA CORPORATIONS:

- (1) CHAIRPERSON OF THE BOARD, PRESIDENT, OR VICE PRESIDENT; AND
 (2) SECRETARY, ASSISTANT SECRETARY, CHIEF FINANCIAL OFFICER OR ASSISTANT TREASURER.

ATTEST:

CITY OF MORGAN HILL

 City Clerk/Deputy City Clerk

 City Manager

 Michelle Wilson
 Print Name

 Christina J. Turner
 Print Name

Date: _____

Date: _____

APPROVED AS TO FORM:

South County Cal-SOAP

 City Attorney

 By:

 Donald A. Larkin
 Print Name

 Title: _____
 Print Name and Title of Signer.
 If Corporate: Chairman, President or
 Vice President

Date: _____

Date: _____

 By:

 Title: _____
 Print Name and Title of Signer.
 If Corporate: Secretary, Assistant
 Secretary, Chief Financial Officer or
 Assistant Treasurer

Date: _____

EXHIBIT A SCOPE OF SERVICES

South County Cal-SOAP ("SCCS") shall administer the City of Morgan Hill scholarship program as described below.

The SCCS scholarship program acts in conjunction with the larger SCCS infrastructure of advisement and tutoring. Students who have become part of Cal-SOAP, either through intensive activities like meeting with an academic advisor, or through general activities like college fair and tours, are eligible to apply for a SCCS scholarship. The SCCS - City of Morgan Hill Scholarship Application is available to all first generation and low-income students who have specifically participated in the South County Cal-SOAP project at Ann Sobrato, Central, or Live Oak High Schools. The application will be available to students in December 2017 and due on March 2, 2018.

It is important to note that the students being granted SCCS scholarships come from low-income or first-generation families, which statistically would have diminished their chances of succeeding in post-secondary education without the help of a program like SCCS.

SCCS will grade applications with a clear set of criteria using a variety of markers to measure student need and merit. Scholarship readers use a rubric consisting of six attributes, scaled from one to five. Some of the attributes measured include the quality and clarity of application responses, Cal-SOAP involvement, and financial need derived from sources such as the Expected Family Contribution (EFC) determined upon submission of the student's FAFSA or Dream Act application and personal narrative. Volunteer readers from the community and from our higher education partners are used in the grading process.

South County Cal-SOAP will communicate with scholarship applicants via email regarding important deadlines. Notification of awards will be sent through individual emails by the first week of April.

SCCS shall notify the \$25,000.00 scholarship recipient that his or her attendance will be required at the South County Cal-SOAP AlumNight 2018. Award recognition will occur in May 2018 at the recipient's school site scholarship ceremony and again on June 21st, at a Cal-SOAP fundraising night the following month. The recipient will work with Cal-SOAP staff to arrange details for both presentations.

Financial transactions will not occur between SCCS and the student recipient until proof of enrollment and all eligibility requirements confirmed in the fall of the student's freshman year of college.

All eligible students will use the scholarship application included as Exhibit D in order to be considered for this scholarship opportunity. Eligibility criteria are outlined on the Exhibit D. Full time enrollment and a proof of financial need are monitored and required prior to scholarship disbursement.

**EXHIBIT B
SCHEDULE OF COMPENSATION RATES**

South County Cal-SOAP will submit a one-time invoice of \$25,000.00 on or before April 1, 2018. The student selected as the scholarship recipient will submit required documentation by early October 2018. Upon receipt, a check for the 1st semester or quarter tuition will be issued to the Financial Aid Office or other appropriate party at the student's college of attendance. Upon consecutive semester(s)/quarter(s) enrollment verification, additional checks up to the maximum total scholarship amount of \$25,000.00 will be issued to the Financial Aid Office or other appropriate party at the student's college of attendance. All checks will be endorsed by the South County Cal-SOAP Project.

Cal-SOAP will submit a one-time invoice upon effective date of this agreement in the amount of \$1,000.00 for administration of the scholarship.

Copies of all financial documentation and transactions will be made available to the City of Morgan Hill. City of Morgan Hill Housing Staff will monitor timely payment of scholarship payments made to the Financial Aid Office or other appropriate party at the student's college of attendance by Cal-SOAP.

**EXHIBIT C
SCHEDULE OF PERFORMANCE**

South County Cal-SOAP shall notify students beginning in November 2017, and make applications available in December 2017. SCCS shall begin evaluating applications in March 2018, and shall make the award in April 2018. Distributions shall be made upon receipt of required documentation from the student for all attending semesters or quarters.

2018 High School Scholarship Application

Application Deadline **March 2nd, 2018**

Award Amount: \$500-\$25,000

Eligibility Criteria:

- Must be a 12th grader who has participated in South County Cal-SOAP
- Minimum cumulative GPA of 2.8 if attending a 4-year institution
- Has been accepted and enrolled in an accredited four-year college or university
- Estimated Family Contribution (EFC) on FAFSA or DREAM Act Application must not exceed \$10,000
- In order to qualify for the \$25,000 award, applicant must have earned a high school diploma from Ann Sobrato, Live Oak, or Central High School and be pursuing a degree at a 4-year institution.

Applicants are required to submit:

- ☐ Application and **3 written short answers**
- ☐ Unofficial Transcript with cumulative GPA
- ☐ A screen shot of your Web Grants Account (available at mygrantinfo.csac.ca.gov)
- ☐ A resume to include your community service and leadership experience
- ☐ A copy of your FAFSA or DREAM Act confirmation that includes your **EFC and submission date**
- ☐ Two letters of recommendation (dated within the past 12 months of scholarship deadline) from school staff or non-related community member (letters **may not** be from Cal-SOAP staff)

Email applications to southcountycalsoap@gmail.com **or**
Postmark or hand deliver* to:

South County Cal-SOAP
750 West Tenth Street, Building D
Gilroy, California 95020

*Hand-delivered applications must be in the Cal-SOAP **main office** no later than 4:00pm of deadline date

Late and/or incomplete applications will **not** be considered.

Faxed applications will **not** be accepted.

PLEASE NOTE:

In the event that you are a scholarship recipient, your attendance **may be required** at the South County Cal-SOAP AlumNight 2018. The best submission for the short answer segment may be required to read their answer for a fundraising night on June 21st, 2018. If selected, you will be contacted by June 1st to arrange details of your presentation.

IMPORTANT: Cal-SOAP will communicate with scholarship applicants via email.

If you change your email or do not check it for a long period, you may miss important deadlines and communication from South County Cal-SOAP.

Notification of awards will be sent through individual emails by the first week in April.



High School Scholarship Application

Deadline: **March 2nd, 2018**

- 1) Applicant: _____
Last Name First Name Middle Name
- 2) Gender (select one): _____ Male _____ Female
- 3) Date of Birth: ____/____/____ HS Graduated from: _____
- 4) Ethnicity (select one): _____ Hispanic or Latino _____ Not Hispanic or Latino
- 5) Race (Select one or more, regardless of Ethnicity): _____ American Indian or Alaskan Native _____ Asian
_____ Native Hawaiian or Other Pacific Islander _____ Black or African American _____ White
- 6) Email Address: (required) _____ @ _____
- 7) Mailing Address: _____
City: _____ State: _____ Zip: _____
- 8) Home Phone Number: (____) _____ - _____ Cell Phone Number: (____) _____ - _____
- 9) Applicant's Parents/Guardians/names of siblings:

- 10) Annual Family Income \$ _____
- 11) Did either of your parents earn a Bachelor's Degree (BA or BS)? YES NO
- 12) Did you complete and submit the FAFSA or the DREAM Act application for 2016-2017 (circle one)? YES NO
- 13) Estimated Family Contribution (EFC) \$ _____
- 14) Work experience in which you have engaged, giving approximate periods, dates and employer's names:
(During school or summer)

- 15) Do you plan to be employed in college? (If so, specify type of work, hours, etc...)

- 16) Do you plan to live at home? _____ If no, where? _____
- 17) What College or University do you plan to attend? _____
- 19) On an **additional** sheet of paper, please respond to the following questions.
- a. How has your participation in South County Cal-SOAP guided you through your high school experience and college selection process? (150 words)

b. Please explain in detail your financial plan for attending college and why you are applying for this scholarship. (150 words)

c.) Please explain why scholarships are important to education and what you would say to convince donors to contribute to a scholarship fund designated for first generation students with high financial need. (250-500 words)

AGENDA BUDGET SCORECARD

FISCAL YEAR 2017-18

ADJUSTMENT #

018

FUND:

DEPARTMENT:

OBJECT:

010	General Fund
1100	City Council
42413	COMMUNITY PROMOTION

AGENDA DATE:

AGENDA ITEM TITLE:

11/15/17
Scholarship Admin Fee

	07/01/17 PROJECTED BEGINNING FUND BALANCE	ESTIMATED REVENUES	AMENDED APPROPRI- ATIONS	06/30/18 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	17,066,150	37,137,688	39,033,006	15,170,832
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	63,745	63,745	-
RECOMMENDED ACTION	-	-	1,000	(1,000)
RESULT OF RECOMMENDED ACTION	<u>17,066,150</u>	<u>37,201,433</u>	<u>39,097,751</u>	<u>15,169,832</u>



CITY COUNCIL STAFF REPORT

MEETING DATE: November 15, 2017

PREPARED BY: Yat Cho, Senior Project Manager
APPROVED BY: City Manager

AWARD OF OUTDOOR SPORTS CENTER ARTIFICIAL TURF REPLACEMENT PROJECT

RECOMMENDATION(S)

1. Adopt resolution amending the Fiscal Year 2017-18 Budget appropriating \$217,000 from the Park Maintenance Fund (302) for the Outdoor Sports Center Artificial Turf Replacement Project for a total budget of \$1,567,000;
2. Award contract to Astroturf USA, Inc. in the amount of \$1,475,437 for the Outdoor Sports Center Artificial Turf Replacement Project;
3. Authorize expenditure of construction contingency funds not to exceed \$51,000; and
4. Authorize the City Manager to execute and administer the construction contract with Astroturf USA, Inc.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Maintaining Fiscal Responsibility
Supporting Our Youth
Seniors
and Entire Community

2017 Strategic Priorities

Infrastructure

REPORT NARRATIVE:

The Outdoor Sports Center artificial turf fields were installed over ten years ago. In recent assessment of these fields, both artificial turf fields were found to be at the end of their useful life. Through staff research and consultant recommendations, the fields would better serve users if the existing artificial turf is replaced with new artificial turf that will be easier to maintain.

On July 19, 2017, a resolution amending the Fiscal Year 2017-18 budget appropriating \$1,350,000 from the Parks Maintenance Fund (302) for replacement of the artificial turf fields at the Outdoor Sports Center was approved. Staff engaged Siegfried Engineering to support the field replacement utilizing the California Multiple Award Schedule purchasing process or an equivalent process. This type of process was selected as it would be most effective in selecting the most qualified companies to replace the turf, allow the selection to be based on the best value to the City, and would be the most efficient from both a timing and resource use perspective. Through this process, the City received proposals from three companies making proposals on three different alternatives.

The three artificial turf suppliers were preapproved by the State and/or Federal procurement system and the bid requests were sent to them on September 29, 2017. Their proposals were received on October 17, 2017. In evaluating the three proposals, each was scored based on the material type, warranty, maintenance program and life cycle analysis, performance, experience, price, schedule, and other criteria. Each bidder was allowed to submit proposals for a base bid and two alternatives. The specifications for the base bid were designed to ensure that the City would receive proposals within the budgeted project total. The specifications for Alternative No. 1 were provided to allow for bidders to provide alternative turf solutions for consideration. The specifications for Alternative No. 2 were designed to provide bidders the opportunity to provide proposals for the installation of the most desired artificial turf from a longevity and maintenance perspective.

The proposal with the lowest dollar per point indicated the best value for each alternative, based on criteria of experience, durability, and best fit for the City. In reviewing these proposals, it was determined that AstroTurf USA, Inc.'s Alternative No. 2 proposal best fits the needs of the City's project. This alternative provides for a newer "root zone" technology, which relies on far less rubber or other infill and is replaced by more of the turf material woven together at the base of the turf. Additionally, AstroTurf USA's proposal included the use of Nikegrind, which is an infill product made up of largely recycled shoe material. This product provides for a cooler playing surface and is often preferred by users over the standard rubber infill. Due to the addition of a layer of shock pad below the new turf system, a significantly heavier weight turf system, and less abrasive infill, it is anticipated that the field will remain safe and playable beyond the warranty period. The AstroTurf product also provided the most complete warranty with the least amount of conditions applied to the warranty.

Staff recommends the award of the proposal to AstroTurf USA, Inc. in the amount of \$1,475,437 for Alternative No. 2. While the overall cost of this project is higher than anticipated, the specified padding (to be installed below the artificial turf) will have a warranty lasting over 16 years, and the artificial turf will have a 10-year warranty with routine maintenance. It is anticipated that the fields will remain usable longer than the warranty period (15+ years). The City's current turf had a 7-year warranty and has lasted over 10 years. Due to the addition of a layer of shock pad below the new turf system, a significantly heavier weight turf system, and less abrasive infill, it is anticipated that the field will remain safe and playable beyond the warranty period. With this proposal, there will be less overall maintenance involved in comparison to the current field due to the technological advances of this specific product.

If approved by Council, it is anticipated that the artificial turf field replacement will begin in early December 2017 and be completed by mid- February 2018.

COMMUNITY ENGAGEMENT: Inform

City staff has coordinated with the Morgan Hill Youth Sports Alliance (MHYSA) on scheduling and the selection of the turf. City staff will be working closely with the MHYSA on managing the construction schedule and impacts on the field use.

ALTERNATIVE ACTIONS:

Should the Council not want to increase the budget, an alternative recommendation would be to select the Fieldturf, Inc. Base Bid scenario proposal. The Council could choose to award the project to Fieldturf, Inc. for a total of \$1,174,575. While this product and manufacturer will provide an excellent field option, it is not believed that this option will result in the longest lasting product and will require more routine maintenance to keep the fields in good condition. This option will provide a much more traditional artificial turf field similar to the fields previously in place, which requires a much larger amount of rubber and other infill to be utilized, resulting in more routine maintenance. The purchase would include no-charge routine maintenance, but this will not replace the routine maintenance required by the operator of the facility.

The Council could also choose to reject the proposals and secure new proposals with the understanding that the existing Outdoor Sports Center fields may need to be closed in the near future.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On July 19, 2017, the City Council adopted a resolution amending the Fiscal Year 2017-18 budget appropriating \$1,350,000 from the Park Maintenance Fund (302) for replacement of the artificial turf fields at the Outdoor Sports Center.

FISCAL AND RESOURCE IMPACT:

The total construction amount for this project is \$1,526,437, which includes a \$51,000 construction contingency. In addition, there are project administration and design costs of \$40,563. Staff recommends an appropriation of an additional \$217,000 from the Park Maintenance Fund (302) for a total of \$1,567,000 to fully fund the Outdoor Sports Center Artificial Turf Project. There are adequate funds in Fund 302 fund balance to fund this additional appropriation. Fund 302 revenues are derived from the Residential Development Control System (RDACS) process and are voluntary payments that assist developers in gaining points for housing allocations.

Beginning in Fiscal Year 2014-15, the City Council elected to implement a new park maintenance funding strategy to enhance operations and decrease the annual General Fund subsidy. The adopted strategy involved moving all Park Maintenance expenses to Fund 302 from the General Fund. The General Fund transfers \$200,000 annually to Fund 302 to support Park Maintenance, which has a total budget of \$933,000 for Fiscal Year 2017-18. The strategy is intended to utilize a portion of Fund 302 fund balance each year, and is sustainable for an extended period into the future.

The anticipated ending balance for Fund 302 for Fiscal Year 2017-18 is \$3.6 million, which currently reflects a one-time funding for Villa Mira Monte maintenance of \$142,000 and the current appropriation of \$1,350,000 for the field replacement project. While this balance is still healthy, the current strategy of slowly drawing on the fund balance to support Park Maintenance will be impacted. This will require an alternate strategy for funding Park Maintenance to be developed sooner.

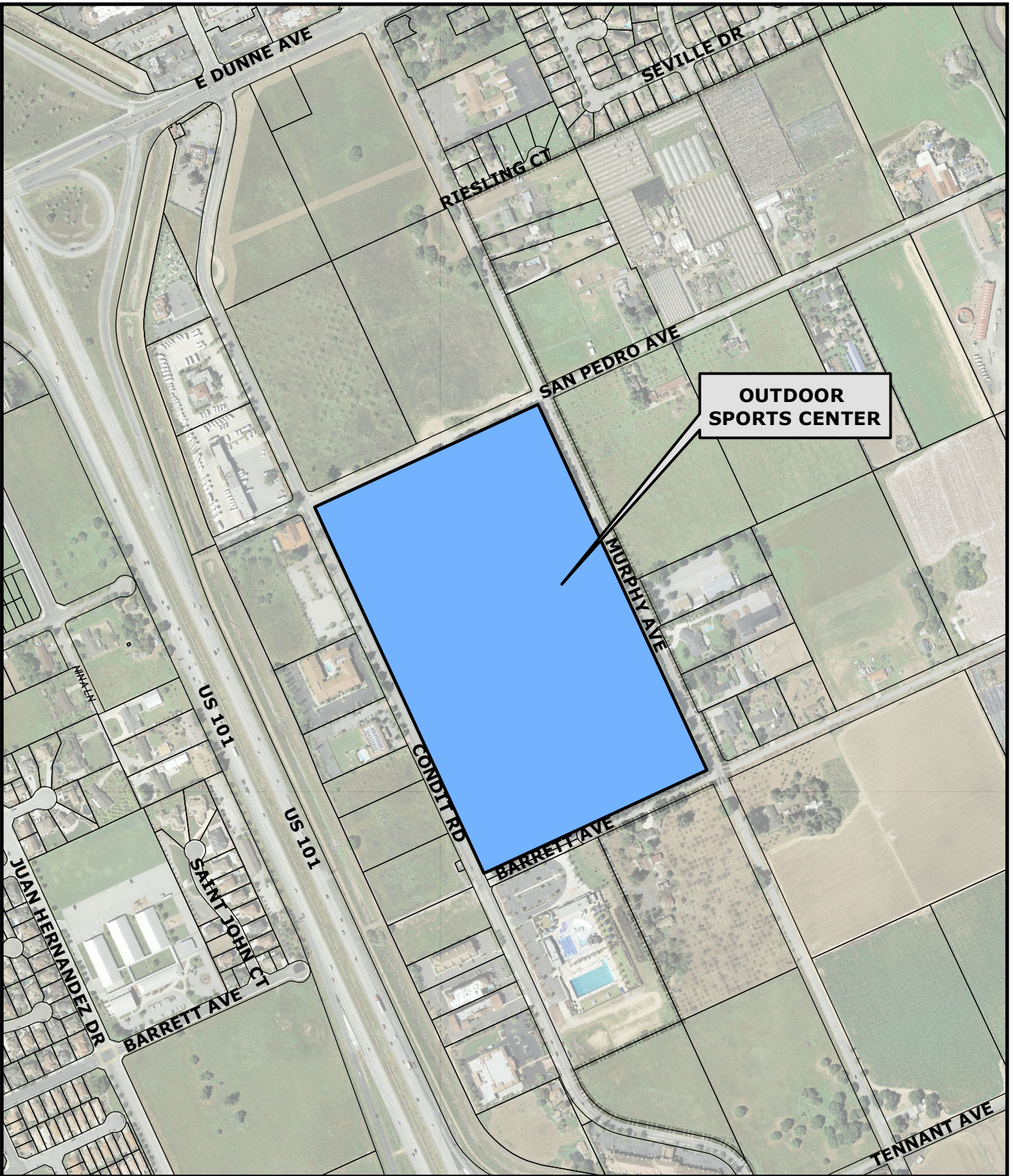
Staff recommends moving forward with increasing the allocation from Fund 302, as it is the most appropriate funding source for the turf project. Staff also believes that the additional funding for the higher quality field will translate into increased longevity of the life of the fields.

CEQA (California Environmental Quality Act):

The planned maintenance and management of City facilities falls within the CEQA categorical exemption of Class 1, existing facilities.

LINKS/ATTACHMENTS:

1. OSC Vicinity Map
2. Resolution 11-15-17
3. 016-OSC Field Turf Replacement Fund 302
4. Scoring Sheet 10-26-17



Attachment: OSC Vicinity Map (1458 : Award of Outdoor Sports Center Artificial Turf Replacement Project)



CITY OF MORGAN HILL

**Department of Public Works
Engineering and Utilities Division**

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**AWARD
OUTDOOR SPORTS CENTER
ARTIFICIAL TURF
REPLACEMENT PROJECT**



0 200 400 800 1,200 1,600
Feet

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING AN AMENDMENT TO THE CITY'S FISCAL YEAR 2017-18 BUDGET IN FUND 302 TO APPROPRIATE \$217,000 THEREFOR

WHEREAS, the City of Morgan Hill, a municipal corporation and general law city duly organized and existing under and pursuant to the Constitution and laws of the State of California ("City"), is authorized to enter into contracts and agreements for the benefit of the City; and

WHEREAS, the reasons supporting the approval of an amendment to the City's Budget for Fiscal Year 2017-18 described in, and that is the subject of, this Resolution are set forth in detail in that certain City Council Staff Report entitled "Award of Outdoor Sports Center Artificial Turf Replacement Project" submitted for City Council consideration at its meeting of November 15, 2017, submitted to the City Council by the City Manager (the "Staff Report"), the contents of which Staff Report are incorporated herein by this reference; and

WHEREAS, recommended amendments are needed and proposed to the City's previously adopted Budget for Fiscal Year 2017-18, as set forth on Exhibit A to this Resolution, to appropriate the requisite funds to implement the actions authorized by this Resolution; and

WHEREAS, the activities allowed under this Resolution do not constitute a project under the provisions of California Environmental Quality Act of 1970; and

WHEREAS, the consideration by City Council of the adoption of this Resolution has been duly noticed pursuant to applicable laws and has been placed upon the City Council Meeting Agenda on the date set forth in the Staff Report, or to such date that the City Council may have continued or deferred consideration of this Resolution, and on such date the City Council conducted a duly noticed public meeting at which the City Council provided members of the public an opportunity to comment and be heard and considered any and all testimony and other evidence provided in connection with the adoption of this Resolution; and

WHEREAS, the City Council determines that adoption of this Resolution is in the public interest.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY FIND, DETERMINE, RESOLVE AND ORDER AS FOLLOWS:

Section 1. Recitals. The City Council does hereby find, determine and resolve that all of the foregoing recitals are true and correct.

Section 2. Approval and Authorization. The City Council does further resolve, order and/or direct as follows:

- a. That the City's previously adopted Fiscal Year 2017-18 Budget, as the same has been amended to date, is hereby further amended in accordance with and as reflected on Exhibit A attached hereto and incorporated herein by this reference; and
- b. That the City Clerk is hereby authorized and directed to forward a copy of this Resolution to the City's Finance Director, who is hereby authorized and directed to take all actions necessary to implement the terms of this Resolution pertaining to the Fiscal Year 2017-18 Budget of City.

Section 3. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED by the City Council of the City of Morgan Hill at its meeting held on this 15th day of November 2017 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:
COUNCIL MEMBERS:

DATE: _____

Steve Tate, MAYOR

∞ CERTIFICATION ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Resolution No.XXXX , adopted by the City Council at the meeting held on November 15, 2017.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

Irma Torrez, CITY CLERK

AGENDA BUDGET SCORECARD**FISCAL YEAR 2017-18****ADJUSTMENT #**

016

FUND:**DEPARTMENT:****OBJECT:**

302	Park Maintenance Fund
8030	Park Maintenance
86360	CONSTRUCTION

AGENDA DATE:**AGENDA ITEM TITLE:**

11/15/17
OSC Turf Fields Replacement

	07/01/17 PROJECTED BEGINNING FUND BALANCE	ESTIMATED REVENUES	AMENDED APPROPRI- ATIONS	06/30/18 PROJECTED ENDING FUND BALANCE
ORIGINAL BUDGET	5,426,265	888,026	958,151	5,356,140
CUMULATIVE REVISIONS PRIOR TO RECOMMENDED ACTION	-	17,035	1,509,035	(1,492,000)
RECOMMENDED ACTION	-	-	216,736	(216,736)
RESULT OF RECOMMENDED ACTION	<u>5,426,265</u>	<u>905,061</u>	<u>2,683,922</u>	<u>3,647,404</u>

**City of Morgan Hill
Sports Complex
Synthetic Turf Fields**

Scorer: Siegfried

Date: October 25, 2017

Base Bid- 8 Year Warranty, 2" Turf, Sand and SBR Infill,				
Manufacturer	Points	Astroturf	Sprinturf	FieldTurf
Turf, Pad, and Infill Minium Spec. Pass/Fail		Pass	Pass	Pass
Third Party Warranty	10	10	9	8
Maintenance Program & Life Cycle Analysis	10	5	5	5
Lisport performance	5	3	4	5
Experience	15	15	10	15
Litigation	5	5	5	0
Local Service	5	5	5	5
Price	30	25.10	30	27.72
Schedule	10	10	5	10
Other	10	7	0	10
Total Points	100	85.10	73.00	85.72
Turf		\$ 992,838.92	\$ 821,877.00	\$ 929,367.00
Pad		\$ 277,128.00	\$ 269,686.00	\$ 245,208.00
Total		\$ 1,269,966.92	\$ 1,091,563.00	\$ 1,174,575.00
Best Value		\$ 14,923.79	\$ 14,952.92	\$ 13,702.70

**City of Morgan Hill
Sports Complex
Synthetic Turf Fields**

Scorer: Siegfried

Date: October 25, 2017

Alt #1 - 10 Year Warranty, 2" Turf, Sand and SBR Infill,				
Manufacturer	Points	Astroturf	Sprinturf	FieldTurf
Turf, Pad, and Infill Minium Spec. Pass/Fail		Pass	Pass	Pass
Third Party Warranty	10	10	4	6
Maintenance Program & Life Cycle Analysis	10	5	5	5
Lisport performance	5	4	4	5
Experience	15	15	10	15
Litigation	5	5	5	0
Local Service	5	5	5	5
Price	30	21.16	30	27.37
Schedule	10	10	5	10
Other	10	10	0	2
Total Points	100	85.16	68.00	75.37
Turf		\$ 1,207,115.83	\$ 876,700.00	\$ 1,001,487.00
Pad		\$ 277,128.00	\$ 269,686.00	\$ 245,208.00
Total		\$ 1,484,243.83	\$ 1,146,386.00	\$ 1,246,695.00
Best Value		\$ 17,429.19	\$ 16,858.62	\$ 16,539.90

**City of Morgan Hill
Sports Complex
Synthetic Turf Fields**

Scorer: Siegfried

Date: October 25, 2017

Alt #2 - 10 Year Warranty, 1.25" to 2" Turf, Alternate Infill,				
Manufacturer	Points	Astroturf	Sprinturf	FieldTurf
Turf, Pad, and Infill Minium Spec. Pass/Fail		Pass	Pass	Fail
Third Party Warranty	10	10	6	
Maintenance Program & Life Cycle Analysis	10	5	5	
Lisport performance	5	5	4	
Experience	15	15	10	
Litigation	5	5	5	
Local Service	5	5	5	
Price	30	24.31	30	
Schedule	10	10	5	
Other	10	10	4	
Total Points	100	89.31	74.00	
Turf		\$ 1,198,309.00	\$ 970,468.00	
Pad		\$ 277,128.00	\$ 269,686.00	
Total		\$ 1,475,437.00	\$ 1,240,154.00	
Best Value		\$ 16,520.70	\$ 16,758.84	



CITY COUNCIL STAFF REPORT

MEETING DATE: November 15, 2017

PREPARED BY: Dan Repp, Deputy Director Utility Services
APPROVED BY: City Manager

2016 WATER LOSS AUDIT REPORT

RECOMMENDATION(S)

Receive report on 2016 Water Loss Audit Report.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety

2017 Strategic Priorities

Infrastructure

REPORT NARRATIVE:

Background

California Senate Bill 555 (SB 555), passed in October 2015, requires all urban retail water suppliers in the State to submit a validated water loss audit annually to the California Department of Water Resources (DWR) beginning October 2017.

The regulations are intended to assist water suppliers with supply-side water conservation by using a standardized and validated water loss audit process. The audit process quantifies water losses due to unbilled water use (apparent losses) and leaks (real losses) in the City system. The audit process also focuses attention on how and where losses occur. The audit process is based on procedures developed by the American Water Works Association Manual of Water Supply Practices – M36, Water Audits and Loss Control Programs, 4th Edition (M36).

Results for Morgan Hill (2016):

Non-revenue water as percent of total volume:	9.9%
Annual cost of unbilled water (apparent losses):	\$ 69,630
Annual cost of leaks (real losses):	\$244,568
Data Validity Score:	61 out of 100

Discussion

The water system loss for the City in 2016 was 9.9%. The State has not set a benchmark for acceptable water loss yet, but will be doing so during the next 3 years. Some available benchmarks show acceptable system losses ranging from 12% to 25%. The audit found that lost water, including apparent and real losses, costs the City approximately \$314,198 total per year. The costs are based on groundwater charges, power consumption, treatment and system depreciation. The data validity score indicates how well the City is keeping records, analyzing and using data, the quality of

data, and auditing system performance. The data validity score of 61 of 100 indicates that there is opportunity to improve business practices and data analysis methods.

The audit identified three primary areas for the City to work on to improve its audit scores:

1) Account for volume from own sources

The expectation is that all water production sources are metered and that meter accuracy testing and electronic calibration of related instrumentation is conducted annually. The Santa Clara Valley Water District (Water District) owns and maintains the meters on all City sources (wells). However, its meter testing program is not as rigorous as identified in M36. Staff will reach out to the Water District to see if this can be addressed.

In addition, the audit pointed out that the City could improve the accounting of unmetered usages such as water line and well flushing, sewer cleaning, and construction water. This can be accomplished in the following ways: create written procedures for use and documentation of fire hydrants by City personnel; ensure that use of fire hydrants by persons outside of the utility is documented and proper water use accounting is followed; and provide volume estimates for other types of unbilled, unmetered water usage.

2) Improve customer metering inaccuracies

Standardize meter accuracy test frequency to semi-annual, or more frequent, for all meters. Repair or replace meters outside of +/- 3% accuracy. Test a statistically significant number of meters each year and analyze test results in an ongoing manner to serve as a basis for a target meter replacement strategy based upon accumulated volume throughput.

3) Formalize variable production cost information

Formalize a process for regular internal audits of production costs. Assess whether additional costs (liability, residuals management, equipment wear, impending infrastructure expansion) should be included to calculate a more representative variable production cost. Arrange to conduct audits by a knowledgeable third-party at least once every three years.

Future Actions

The water loss audit program administered by the State is new and this is the first report received by the City. Until the DWR publishes water loss requirements, which is expected in 2020, it is difficult to prepare a detailed plan to address all items in the 2016 Water Audit Report. However, staff will begin by taking the following steps to improve future water loss audit scores:

1. Develop and implement procedures to record water used during City operations and maintenance functions such as pipe flushing and cleaning activities. Quantify water use during production well startup.

2. Work with the Water District Meter Department to improve production meter testing to comply with M36 standards.
3. Develop and implement a customer meter testing program consistent with M36 standards.
4. Work with the Finance Department to formalize variable production costs per M36 standards.

COMMUNITY ENGAGEMENT: Inform

This report serves to inform the public of the 2016 Water Loss Audit report.

ALTERNATIVE ACTIONS:

None.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

Council accepted the 2015 Urban Water Management Plan which included water loss estimates.

FISCAL AND RESOURCE IMPACT:

None to accept the report. However, future costs will be likely to accomplish meter testing and replacement. Staff will prepare costs estimates and address in the Fiscal Year 2018-19 budget.

CEQA (California Environmental Quality Act):

Continuing administrative or maintenance activities are not considered projects for environmental review under CEQA.

LINKS/ATTACHMENTS:

1. 2016 Water Loss Audit Report

AWWA Free Water Audit Software: Reporting Worksheet										WAS v5.0 American Water Works Association
? Click to access definition + Click to add a comment		Water Audit Report for: City of Morgan Hill Water Department (CA4210006)								
		Reporting Year: 2016		1/2016 - 12/2016						
Please enter data in the white cells below. Where available, metered values should be used; if metered values are unavailable please estimate a value. Indicate your confidence in the accuracy of the										
All volumes to be entered as: MILLION GALLONS (US) PER YEAR										
To select the correct data grading for each input, determine the highest grade where the utility meets or exceeds <u>all</u> criteria for that grade and all grades below it.										
WATER SUPPLIED		<----- Enter grading in column 'E' and 'J' ----->						Master Meter and Supply Error Adjustments		
		Volume from own sources: 5		2,046.242 MG/Yr		Pcnt: 3		Value: 0.00% MG/Yr		
		Water imported: 		0.000 MG/Yr				0.00% MG/Yr		
		Water exported: 		0.000 MG/Yr				0.00% MG/Yr		
WATER SUPPLIED:		2,046.242		2,046.242 MG/Yr						
AUTHORIZED CONSUMPTION		Billed metered: 7		1,843.499 MG/Yr		Click here: ? for help using option buttons below Pcnt: 0.25% Value: 5.116 MG/Yr Use buttons to select percentage of water supplied OR value Pcnt: 0.25% Value: 1.00% MG/Yr 0.25% MG/Yr				
		Billed unmetered: 		 MG/Yr						
		Unbilled metered: 		 MG/Yr						
		Unbilled unmetered: 5		5.116 MG/Yr						
AUTHORIZED CONSUMPTION:		1,848.615		1,848.615 MG/Yr						
WATER LOSSES (Water Supplied - Authorized Consumption)		197.627		197.627 MG/Yr						
Apparent Losses		Unauthorized consumption: 5.116		5.116 MG/Yr						
		Default option selected for unauthorized consumption - a grading of 5 is applied but not displayed								
		Customer metering inaccuracies: 4		18.621 MG/Yr						
		Systematic data handling errors: 4.609		4.609 MG/Yr						
		Default option selected for Systematic data handling errors - a grading of 5 is applied but not displayed								
Apparent Losses:		28.346		28.346 MG/Yr						
Real Losses (Current Annual Real Losses or CARL)		Real Losses = Water Losses - Apparent Losses: 169.282		169.282 MG/Yr						
WATER LOSSES:		197.627		197.627 MG/Yr						
NON-REVENUE WATER		NON-REVENUE WATER: 202.743		202.743 MG/Yr						
= Water Losses + Unbilled Metered + Unbilled Unmetered										
SYSTEM DATA		Length of mains: 8		203.7 miles						
		Number of <u>active AND inactive</u> service connections: 8		13,697						
		Service connection density: 67		67 conn./mile main						
		Are customer meters typically located at the curbside or property line? Yes		(length of service line, beyond the property boundary, that is the responsibility of the utility)						
		Average length of customer service line: 50.0		Average length of customer service line has been set to zero and a data grading score of 10 has been applied						
		Average operating pressure: 3		50.0 psi						
COST DATA		Total annual cost of operating water system: 10		\$8,730,984 \$/Year						
		Customer retail unit cost (applied to Apparent Losses): 10		\$1.84 \$/100 cubic feet (ccf)						
		Variable production cost (applied to Real Losses): 5		\$1,444.74 \$/Million gallons						
				☐ Use Customer Retail Unit Cost to value real losses						
WATER AUDIT DATA VALIDITY SCORE:										
*** YOUR SCORE IS: 61 out of 100 ***										
A weighted scale for the components of consumption and water loss is included in the calculation of the Water Audit Data Validity Score										
PRIORITY AREAS FOR ATTENTION:										
Based on the information provided, audit accuracy can be improved by addressing the following components:										
1: Volume from own sources										
2: Customer metering inaccuracies										
3: Variable production cost (applied to Real Losses)										

AWWA Free Water Audit Software: System Attributes and Performance Indicators

WAS v5.0

American Water Works Association.

Water Audit Report for: **City of Morgan Hill Water Department (CA4210006)**
Reporting Year: **2016** **1/2016 - 12/2016**

*** YOUR WATER AUDIT DATA VALIDITY SCORE IS: 61 out of 100 ***

System Attributes:

Apparent Losses:	28.346	MG/Yr
+ Real Losses:	169.282	MG/Yr
= Water Losses:	197.627	MG/Yr

? Unavoidable Annual Real Losses (UARL): 57.61 MG/Yr

Annual cost of Apparent Losses: \$69,630

Annual cost of Real Losses: \$244,568

Valued at **Variable Production Cost**

Return to Reporting Worksheet to change this assumption

Performance Indicators:

Financial:

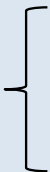


Non-revenue water as percent by volume of Water Supplied: 9.9%

Non-revenue water as percent by cost of operating system: 3.7%

Real Losses valued at Variable Production Cost

Operational Efficiency:



Apparent Losses per service connection per day: 5.67 gallons/connection/day

Real Losses per service connection per day: 33.86 gallons/connection/day

Real Losses per length of main per day*: N/A

Real Losses per service connection per day per psi pressure: 0.68 gallons/connection/day/psi

From Above, Real Losses = Current Annual Real Losses (CARL): 169.28 million gallons/year

? Infrastructure Leakage Index (ILI) [CARL/UARL]: 2.94

* This performance indicator applies for systems with a low service connection density of less than 32 service connections/mile of pipeline

Attachment: 2016 Water Loss Audit Report (1476 : 2016 Water Loss Audit Report)

AWWA Free Water Audit Software: Water Balance

WAS v5.0

American Water Works Association.

Water Audit Report for: City of Morgan Hill Water Department (CA4210006)

Reporting Year: 2016

1/2016 - 12/2016

Data Validity Score: 61

Own Sources (Adjusted for known errors) 2,046.242	System Input 2,046.242	Water Exported 0.000	Billed Water Exported				Revenue Water 0.000
		Water Supplied 2,046.242	Authorized Consumption 1,848.615	Billed Authorized Consumption 1,843.499	Billed Metered Consumption (water exported is removed) 1,843.499		Revenue Water 1,843.499
					Billed Unmetered Consumption 0.000		
				Unbilled Authorized Consumption 5.116	Unbilled Metered Consumption 0.000		Non-Revenue Water (NRW) 202.743
					Unbilled Unmetered Consumption 5.116		
			Water Losses 197.627	Apparent Losses 28.346	Unauthorized Consumption 5.116		
					Customer Metering Inaccuracies 18.621		
					Systematic Data Handling Errors 4.609		
				Real Losses 169.282	Leakage on Transmission and/or Distribution Mains Not broken down		
		Leakage and Overflows at Utility's Storage Tanks Not broken down					
Leakage on Service Connections Not broken down							

Attachment: 2016 Water Loss Audit Report (1476 : 2016 Water Loss Audit Report)



AWWA Free Water Audit Software: Dashboard

WAS v5.0

American Water Works Association.

The graphic below is a visual representation of the Water Balance with bar heights proportional to the volume of the audit components

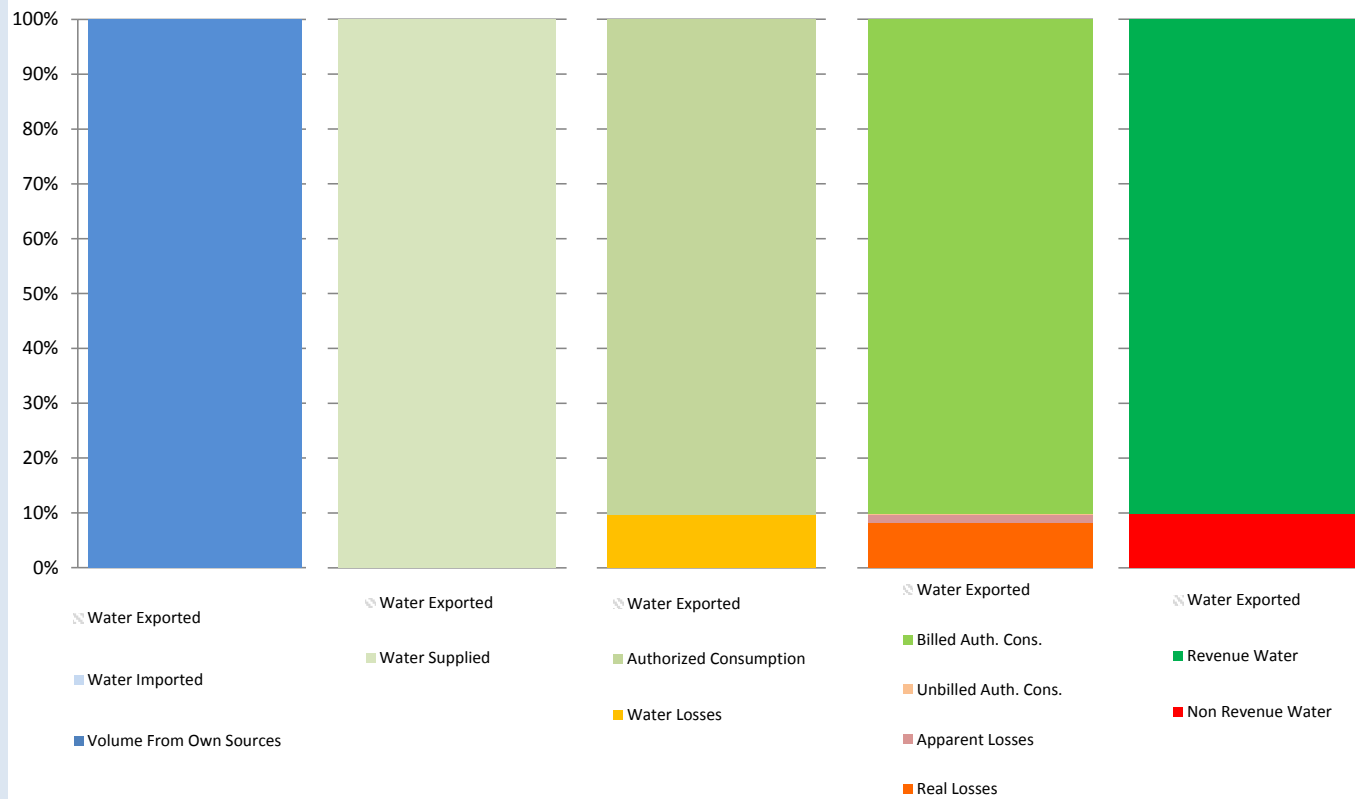
Water Audit Report for: **City of Morgan Hill Water Department (CA4210006)**

Reporting Year: **2016** **1/2016 - 12/2016**

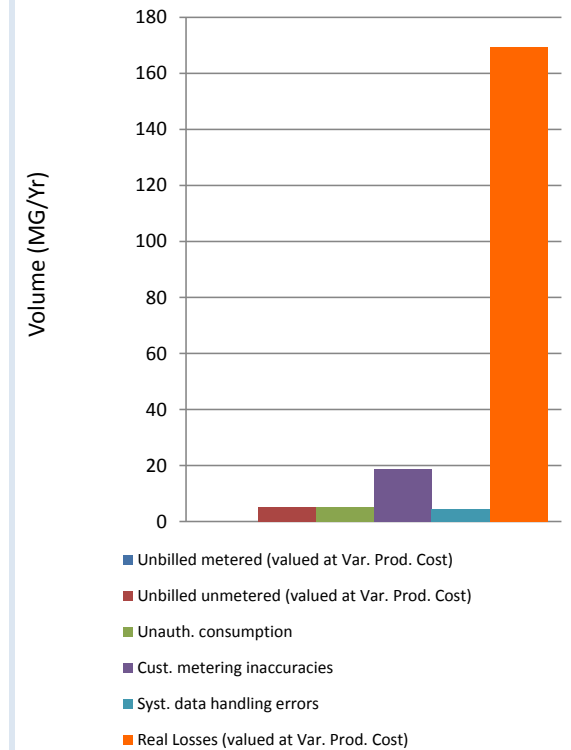
Data Validity Score: **61**

☒ Show me the VOLUME of Non-Revenue Water

☐ Show me the COST of Non-Revenue Water



Total Volume of NRW = 203 MG/Yr



Attachment: 2016 Water Loss Audit Report (1476 : 2016 Water Loss Audit Report)

AWWA Free Water Audit Software: Grading Matrix

WAS 5.0

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The grading assigned to each audit component and the corresponding recommended improvements and actions are highlighted in yellow. Audit accuracy is likely to be improved by prioritizing those items shown in red

Grading >>>	n/a	1	2	3	4	5	6	7	8	9	10
WATER SUPPLIED											
Volume from own sources:	Select this grading only if the water utility purchases/imports all of its water resources (i.e. has no sources of its own)	Less than 25% of water production sources are metered, remaining sources are estimated. No regular meter accuracy testing or electronic calibration conducted.	25% - 50% of treated water production sources are metered; other sources estimated. No regular meter accuracy testing or electronic calibration conducted.	Conditions between 2 and 4	50% - 75% of treated water production sources are metered, other sources estimated. Occasional meter accuracy testing or electronic calibration conducted.	Conditions between 4 and 6	At least 75% of treated water production sources are metered, or at least 90% of the source flow is derived from metered sources. Meter accuracy testing and/or electronic calibration of related instrumentation is conducted annually. Less than 25% of tested meters are found outside of +/- 6% accuracy.	Conditions between 6 and 8	100% of treated water production sources are metered, meter accuracy testing and electronic calibration of related instrumentation is conducted annually, less than 10% of meters are found outside of +/- 6% accuracy	Conditions between 8 and 10	100% of treated water production sources are metered, meter accuracy testing and electronic calibration of related instrumentation is conducted semi-annually, with less than 10% found outside of +/- 3% accuracy. Procedures are reviewed by a third party knowledgeable in the M36 methodology.
Improvements to attain higher data grading for "Volume from own Sources" component:		to qualify for 2: Organize and launch efforts to collect data for determining volume from own sources	to qualify for 4: Locate all water production sources on maps and in the field, launch meter accuracy testing for existing meters, begin to install meters on unmetered water production sources and replace any obsolete/defective meters.		to qualify for 6: Formalize annual meter accuracy testing for all source meters; specify the frequency of testing. Complete installation of meters on unmetered water production sources and complete replacement of all obsolete/defective meters.		to qualify for 8: Conduct annual meter accuracy testing and calibration of related instrumentation on all meter installations on a regular basis. Complete project to install new, or replace defective existing, meters so that entire production meter population is metered. Repair or replace meters outside of +/- 6% accuracy.		to qualify for 10: Maintain annual meter accuracy testing and calibration of related instrumentation for all meter installations. Repair or replace meters outside of +/- 3% accuracy. Investigate new meter technology; pilot one or more replacements with innovative meters in attempt to further improve meter accuracy.		to maintain 10: Standardize meter accuracy test frequency to semi-annual, or more frequent, for all meters. Repair or replace meters outside of +/- 3% accuracy. Continually investigate/pilot improving metering technology.
Volume from own sources master meter and supply error adjustment:	Select n/a only if the water utility fails to have meters on its sources of supply	Inventory information on meters and paper records of measured volumes exist but are incomplete and/or in a very crude condition; data error cannot be determined	No automatic datalogging of production volumes; daily readings are scribed on paper records without any accountability controls. Flows are not balanced across the water distribution system; tank/storage elevation changes are not employed in calculating the "Volume from own sources" component and archived flow data is adjusted only when grossly evident data error occurs.	Conditions between 2 and 4	Production meter data is logged automatically in electronic format and reviewed at least on a monthly basis with necessary corrections implemented. "Volume from own sources" tabulations include estimate of daily changes in tanks/storage facilities. Meter data is adjusted when gross data errors occur, or occasional meter testing deems this necessary.	Conditions between 4 and 6	Hourly production meter data logged automatically & reviewed on at least a weekly basis. Data is adjusted to correct gross error when meter/instrumentation equipment malfunction is detected; and/or error is confirmed by meter accuracy testing. Tank/storage facility elevation changes are automatically used in calculating a balanced "Volume from own sources" component, and data gaps in the archived data are corrected on at least a weekly basis.	Conditions between 6 and 8	Continuous production meter data is logged automatically & reviewed each business day. Data is adjusted to correct gross error from detected meter/instrumentation equipment malfunction and/or results of meter accuracy testing. Tank/storage facility elevation changes are automatically used in "Volume from own sources" tabulations and data gaps in the archived data are corrected on a daily basis.	Conditions between 8 and 10	Computerized system (SCADA or similar) automatically balances flows from all sources and storages; results are reviewed each business day. Tightly accountability controls ensure that all data gaps that occur in the archived flow data are quickly detected and corrected. Regular calibrations between SCADA and sources meters ensures minimal data transfer error.
Improvements to attain higher data grading for "Master meter and supply error adjustment" component:		to qualify for 2: Develop a plan to restructure recordkeeping system to capture all flow data; set a procedure to review flow data on a daily basis to detect input errors. Obtain more reliable information about existing meters by conducting field inspections of meters and related instrumentation, and obtaining manufacturer literature.	to qualify for 4: Install automatic datalogging equipment on production meters. Complete installation of level instrumentation at all tanks/storage facilities and include tank level data in automatic calculation routine in a computerized system. Construct a computerized listing or spreadsheet to archive input volumes, tank/storage volume changes and import/export flows in order to determine the composite "Water Supplied" volume for the distribution system. Set a procedure to review this data on a monthly basis to detect gross anomalies and data gaps.		to qualify for 6: Refine computerized data collection and archive to include hourly production meter data that is reviewed at least on a weekly basis to detect specific data anomalies and gaps. Use daily net storage change to balance flows in calculating "Water Supplied" volume. Necessary corrections to data errors are implemented on a weekly basis.		to qualify for 8: Ensure that all flow data is collected and archived on at least an hourly basis. All data is reviewed and detected errors corrected each business day. Tank/storage levels variations are employed in calculating balanced "Water Supplied" component. Adjust production meter data for gross error and inaccuracy confirmed by testing.		to qualify for 10: Link all production and tank/storage facility elevation change data to a Supervisory Control & Data Acquisition (SCADA) System, or similar computerized monitoring/control system, and establish automatic flow balancing algorithm and regularly calibrate between SCADA and source meters. Data is reviewed and corrected each business day.		to maintain 10: Monitor meter innovations for development of more accurate and less expensive flowmeters. Continue to replace or repair meters as they perform outside of desired accuracy limits. Stay abreast of new and more accurate water level instruments to better record tank/storage levels and archive the variations in storage volume. Keep current with SCADA and data management systems to ensure that archived data is well-managed and error free.
Water Imported:	Select n/a if the water utility's supply is exclusively from its own water resources (no bulk purchased/ imported water)	Less than 25% of imported water sources are metered, remaining sources are estimated. No regular meter accuracy testing.	25% - 50% of imported water sources are metered; other sources estimated. No regular meter accuracy testing.	Conditions between 2 and 4	50% - 75% of imported water sources are metered, other sources estimated. Occasional meter accuracy testing conducted.	Conditions between 4 and 6	At least 75% of imported water sources are metered, meter accuracy testing and/or electronic calibration of related instrumentation is conducted annually for all meter installations. Less than 25% of tested meters are found outside of +/- 6% accuracy.	Conditions between 6 and 8	100% of imported water sources are metered, meter accuracy testing and electronic calibration of related instrumentation is conducted annually, less than 10% of meters are found outside of +/- 6% accuracy	Conditions between 8 and 10	100% of imported water sources are metered, meter accuracy testing and electronic calibration of related instrumentation is conducted semi-annually for all meter installations, with less than 10% of accuracy tests found outside of +/- 3% accuracy.
Improvements to attain higher data grading for "Water Imported Volume" component: (Note: usually the water supplier selling the water - "the Exporter" - to the utility being audited is responsible to maintain the metering installation measuring the imported volume. The utility should coordinate carefully with the Exporter to ensure that adequate meter upkeep takes place and an accurate measure of the Water Imported volume is quantified.)		to qualify for 2: Review bulk water purchase agreements with partner suppliers; confirm requirements for use and maintenance of accurate metering. Identify needs for new or replacement meters with goal to meter all imported water sources.	To qualify for 4: Locate all imported water sources on maps and in the field, launch meter accuracy testing for existing meters, begin to install meters on unmetered imported water interconnections and replace obsolete/defective meters.		to qualify for 6: Formalize annual meter accuracy testing for all imported water meters, planning for both regular meter accuracy testing and calibration of the related instrumentation. Continue installation of meters on unmetered imported water interconnections and replacement of obsolete/defective meters.		to qualify for 8: Complete project to install new, or replace defective, meters on all imported water interconnections. Maintain annual meter accuracy testing for all imported water meters and conduct calibration of related instrumentation at least annually. Repair or replace meters outside of +/- 6% accuracy.		to qualify for 10: Conduct meter accuracy testing for all meters on a semi-annual basis, along with calibration of all related instrumentation. Repair or replace meters outside of +/- 3% accuracy. Investigate new meter technology; pilot one or more replacements with innovative meters in attempt to improve meter accuracy.		to maintain 10: Standardize meter accuracy test frequency to semi-annual, or more frequent, for all meters. Continue to conduct calibration of related instrumentation on a semi-annual basis. Repair or replace meters outside of +/- 3% accuracy. Continually investigate/pilot improving metering technology.

Attachment: 2016 Water Loss Audit Report (1476 : 2016 Water Loss Audit Report)

Grading >>>	n/a	1	2	3	4	5	6	7	8	9	10
Water imported master meter and supply error adjustment:	Select n/a if the imported water supply is unmeasured, with imported water quantities estimated on the billing invoices sent by the Exporter to the purchasing Utility.	Inventory information on imported meters and paper records of measured volumes exist but are incomplete and/or in a very crude condition; data error cannot be determined. Written agreement(s) with water Exporter(s) is missing or written in vague language concerning meter management and testing.	No automatic datalogging of imported supply volumes; daily readings are scribed on paper records without any accountability controls to confirm data accuracy and the absence of errors and data gaps in recorded volumes. Written agreement requires meter accuracy testing but is vague on the details of how and who conducts the testing.	Conditions between 2 and 4	Imported supply metered flow data is logged automatically in electronic format and reviewed at least on a monthly basis by the Exporter with necessary corrections implemented. Meter data is adjusted by the Exporter when gross data errors are detected. A coherent data trail exists for this process to protect both the selling and the purchasing Utility. Written agreement exists and clearly states requirements and roles for meter accuracy testing and data management.	Conditions between 4 and 6	Hourly imported supply metered data is logged automatically & reviewed on at least a weekly basis by the Exporter. Data is adjusted to correct gross error when meter/instrumentation equipment malfunction is detected; and to correct for error confirmed by meter accuracy testing. Any data gaps in the archived data are detected and corrected during the weekly review. A coherent data trail exists for this process to protect both the selling and the purchasing Utility.	Conditions between 6 and 8	Continuous imported supply metered flow data is logged automatically & reviewed each business day by the Exporter. Data is adjusted to correct gross error from detected meter/instrumentation equipment malfunction and/or results of meter accuracy testing. Any data errors/gaps are detected and corrected on a daily basis. A data trail exists for the process to protect both the selling and the purchasing Utility.	Conditions between 8 and 10	Computerized system (SCADA or similar) automatically records data which is reviewed each business day by the Exporter. Tight accountability controls ensure that all error/data gaps that occur in the archived flow data are quickly detected and corrected. A reliable data trail exists and contract provisions for meter testing and data management are reviewed by the selling and purchasing Utility at least once every five years.
Improvements to attain higher data grading for "Water imported master meter and supply error adjustment" component:		<u>to qualify for 2:</u> Develop a plan to restructure recordkeeping system to capture all flow data; set a procedure to review flow data on a daily basis to detect input errors. Obtain more reliable information about existing meters by conducting field inspections of meters and related instrumentation, and obtaining manufacturer literature. Review the written agreement between the selling and purchasing Utility.	<u>to qualify for 4:</u> Install automatic datalogging equipment on imported supply meters. Set a procedure to review this data on a monthly basis to detect gross anomalies and data gaps. Launch discussions with the Exporters to jointly review terms of the written agreements regarding meter accuracy testing and data management; revise the terms as necessary.		<u>to qualify for 6:</u> Refine computerized data collection and archive to include hourly imported supply metered flow data that is reviewed at least on a weekly basis to detect specific data anomalies and gaps. Make necessary corrections to errors/data errors on a weekly basis.		<u>to qualify for 8:</u> Ensure that all imported supply metered flow data is collected and archived on at least an hourly basis. All data is reviewed and errors/data gaps are corrected each business day.		<u>to qualify for 10:</u> Conduct accountability checks to confirm that all imported supply metered data is reviewed and corrected each business day by the Exporter. Results of all meter accuracy tests and data corrections should be available for sharing between the Exporter and the purchasing Utility. Establish a schedule for a regular review and updating of the contractual language in the written agreement between the selling and the purchasing Utility, at least every five years.		<u>to maintain 10:</u> Monitor meter innovations for development of more accurate and less expensive flowmeters; work with the Exporter to help identify meter replacement needs. Keep communication lines with Exporters open and maintain productive relation. Keep the written agreement current with clear and explicit language that meets the ongoing needs of all parties.
Water Exported:	Select n/a if the water utility sells no bulk water to neighboring water utilities (no exported water sales)	Less than 25% of exported water sources are metered, remaining sources are estimated. No regular meter accuracy testing.	25% - 50% of exported water sources are metered; other sources estimated. No regular meter accuracy testing.	Conditions between 2 and 4	50% - 75% of exported water sources are metered, other sources estimated. Occasional meter accuracy testing conducted.	Conditions between 4 and 6	At least 75% of exported water sources are metered, meter accuracy testing and/or electronic calibration conducted annually. Less than 25% of tested meters are found outside of +/- 6% accuracy.	Conditions between 6 and 8	100% of exported water sources are metered, meter accuracy testing and electronic calibration of related instrumentation is conducted annually, less than 10% of meters are found outside of +/- 6% accuracy.	Conditions between 8 and 10	100% of exported water sources are metered, meter accuracy testing and electronic calibration of related instrumentation is conducted annually for all meter installations, with less than 10% of accuracy tests found outside of +/- 3% accuracy.
Improvements to attain higher data grading for "Water Exported Volume" component: (Note: usually, if the water utility being audited sells (Exports) water to a neighboring purchasing Utility, it is the responsibility of the utility exporting the water to maintain the metering installation measuring the Exported volume. The utility exporting the water should ensure that adequate meter upkeep takes place and an accurate measure of the Water Exported volume is quantified.)		<u>to qualify for 2:</u> Review bulk water sales agreements with purchasing utilities; confirm requirements for use & upkeep of accurate metering. Identify needs to install new, or replace defective meters as needed.	<u>To qualify for 4:</u> Locate all exported water sources on maps and in field, launch meter accuracy testing for existing meters, begin to install meters on unmetered exported water interconnections and replace obsolete/defective meters		<u>to qualify for 6:</u> Formalize annual meter accuracy testing for all exported water meters. Continue installation of meters on unmetered exported water interconnections and replacement of obsolete/defective meters.		<u>to qualify for 8:</u> Complete project to install new, or replace defective, meters on all exported water interconnections. Maintain annual meter accuracy testing for all exported water meters. Repair or replace meters outside of +/- 6% accuracy.		<u>to qualify for 10:</u> Maintain annual meter accuracy testing for all meters. Repair or replace meters outside of +/- 3% accuracy. Investigate new meter technology; pilot one or more replacements with innovative meters in attempt to improve meter accuracy.		<u>to maintain 10:</u> Standardize meter accuracy test frequency to semi-annual, or more frequent, for all meters. Repair or replace meters outside of +/- 3% accuracy. Continually investigate/pilot improving metering technology.
Water exported master meter and supply error adjustment:	Select n/a only if the water utility fails to have meters on its exported supply interconnections.	Inventory information on exported meters and paper records of measured volumes exist but are incomplete and/or in a very crude condition; data error cannot be determined. Written agreement(s) with the utility purchasing the water are missing or written in vague language concerning meter management and testing.	No automatic datalogging of exported supply volumes; daily readings are scribed on paper records without any accountability controls to confirm data accuracy and the absence of errors and data gaps in recorded volumes. Written agreement requires meter accuracy testing but is vague on the details of how and who conducts the testing.	Conditions between 2 and 4	Exported metered flow data is logged automatically in electronic format and reviewed at least on a monthly basis, with necessary corrections implemented. Meter data is adjusted by the utility selling (exporting) the water when gross data errors are detected. A coherent data trail exists for this process to protect both the utility exporting the water and the purchasing Utility. Written agreement exists and clearly states requirements and roles for meter accuracy testing and data management.	Conditions between 4 and 6	Hourly exported supply metered data is logged automatically & reviewed on at least a weekly basis by the utility selling the water. Data is adjusted to correct gross error when meter/instrumentation equipment malfunction is detected; and to correct for error found by meter accuracy testing. Any data gaps in the archived data are detected and corrected during the weekly review. A coherent data trail exists for the process to protect both the selling (exporting) utility and the purchasing Utility.	Conditions between 6 and 8	Continuous exported supply metered flow data is logged automatically & reviewed each business day by the utility selling (exporting) the water. Data is adjusted to correct gross error from detected meter/instrumentation equipment malfunction and any error confirmed by meter accuracy testing. Any data errors/gaps are detected and corrected on a daily basis. A data trail exists for the process to protect both the selling (exporting) Utility and the purchasing Utility.	Conditions between 8 and 10	Computerized system (SCADA or similar) automatically records data which is reviewed each business day by the utility selling (exporting) the water. Tight accountability controls ensure that all error/data gaps that occur in the archived flow data are quickly detected and corrected. A reliable data trail exists and contract provisions for meter testing and data management are reviewed by the selling Utility and purchasing Utility at least once every five years.

Grading >>>	n/a	1	2	3	4	5	6	7	8	9	10
Improvements to attain higher data grading for "Water exported master meter and supply error adjustment" component:		to qualify for 2: Develop a plan to restructure recordkeeping system to capture all flow data; set a procedure to review flow data on a daily basis to detect input errors. Obtain more reliable information about existing meters by conducting field inspections of meters and related instrumentation, and obtaining manufacturer literature. Review the written agreement between the utility selling (exporting) the water and the purchasing Utility.	to qualify for 4: Install automatic datalogging equipment on exported supply meters. Set a procedure to review this data on a monthly basis to detect gross anomalies and data gaps. Launch discussions with the purchasing utilities to jointly review terms of the written agreements regarding meter accuracy testing and data management; revise the terms as necessary.		to qualify for 6: Refine computerized data collection and archive to include hourly exported supply metered flow data that is reviewed at least on a weekly basis to detect specific data anomalies and gaps. Make necessary corrections to errors/data errors on a weekly basis.		to qualify for 8: Ensure that all exported metered flow data is collected and archived on at least an hourly basis. All data is reviewed and errors/data gaps are corrected each business day.		to qualify for 10: Conduct accountability checks to confirm that all exported metered flow data is reviewed and corrected each business day by the utility selling the water. Results of all meter accuracy tests and data corrections should be available for sharing between the utility and the purchasing Utility. Establish a schedule for a regular review and updating of the contractual language in the written agreements with the purchasing utilities; at least every five years.		to maintain 10: Monitor meter innovations for development of more accurate and less expensive flowmeters; work with the purchasing utilities to help identify meter replacement needs. Keep communication lines with the purchasing utilities open and maintain productive relations. Keep the written agreement current with clear and explicit language that meets the ongoing needs of all parties.
AUTHORIZED CONSUMPTION											
Billed metered:	n/a (not applicable). Select n/a only if the entire customer population is not metered and is billed for water service on a flat or fixed rate basis. In such a case the volume entered must be zero.	Less than 50% of customers with volume-based billings from meter readings; flat or fixed rate billing exists for the majority of the customer population	At least 50% of customers with volume-based billing from meter reads; flat rate billing for others. Manual meter reading is conducted, with less than 50% meter read success rate, remaining accounts' consumption is estimated. Limited meter records, no regular meter testing or replacement. Billing data maintained on paper records, with no auditing.	Conditions between 2 and 4	At least 75% of customers with volume-based, billing from meter reads; flat or fixed rate billing for remaining accounts. Manual meter reading is conducted with at least 50% meter read success rate; consumption for accounts with failed reads is estimated. Purchase records verify age of customer meters; only very limited meter accuracy testing is conducted. Customer meters are replaced only upon complete failure. Computerized billing records exist, but only sporadic internal auditing conducted.	Conditions between 4 and 6	At least 90% of customers with volume-based billing from meter reads; consumption for remaining accounts is estimated. Manual customer meter reading gives at least 80% customer meter reading success rate; consumption for accounts with failed reads is estimated. Good customer meter records exist, but only limited meter accuracy testing is conducted. Regular replacement is conducted for the oldest meters. Computerized billing records exist with annual auditing of summary statistics conducting by utility personnel.	Conditions between 6 and 8	At least 97% of customers exist with volume-based billing from meter reads. At least 90% customer meter reading success rate; or at least 80% read success rate with planning and budgeting for trials of Automatic Meter Reading (AMR) or Advanced Metering Infrastructure (AMI) in one or more pilot areas. Good customer meter records. Regular meter accuracy testing guides replacement of statistically significant number of meters each year. Routine auditing of computerized billing records for global and detailed statistics occurs annually by utility personnel, and is verified by third party at least once every five years.	Conditions between 8 and 10	At least 99% of customers exist with volume-based billing from meter read. At least 95% customer meter reading success rate; or minimum 80% meter reading success rate, with Automatic Meter Reading (AMR) or Advanced Metering Infrastructure (AMI) trials underway. Statistically significant customer meter testing and replacement program in place on a continuous basis. Computerized billing with routine, detailed auditing, including field investigation of representative sample of accounts undertaken annually by utility personnel. Audit is conducted by third party auditors at least once every three years.
Improvements to attain higher data grading for "Billed Metered Consumption" component:	If n/a is selected because the customer meter population is unmetered, consider establishing a new policy to meter the customer population and employ water rates based upon metered volumes.	to qualify for 2: Conduct investigations or trials of customer meters to select appropriate meter models. Budget funding for meter installations. Investigate volume based water rate structures.	to qualify for 4: Purchase and install meters on unmetered accounts. Implement policies to improve meter reading success. Catalog meter information during meter read visits to identify age/model of existing meters. Test a minimal number of meters for accuracy. Install computerized billing system.		to qualify for 6: Purchase and install meters on unmetered accounts. Eliminate flat fee billing and establish appropriate water rate structure based upon measured consumption. Continue to achieve verifiable success in removing manual meter reading barriers. Expand meter accuracy testing. Launch regular meter replacement program. Launch a program of annual auditing of global billing statistics by utility personnel.		to qualify for 8: Purchase and install meters on unmetered accounts. If customer meter reading success rate is less than 97%, assess cost-effectiveness of Automatic Meter Reading (AMR) or Advanced Metering Infrastructure (AMI) system for portion or entire system; or otherwise achieve ongoing improvements in manual meter reading success rate to 97% or higher. Refine meter accuracy testing program. Set meter replacement goals based upon accuracy test results. Implement annual auditing of detailed billing records by utility personnel and implement third party auditing at least once every five years.		to qualify for 10: Purchase and install meters on unmetered accounts. Launch Automatic Meter Reading (AMR) or Advanced Metering Infrastructure (AMI) system trials if manual meter reading success rate of at least 99% is not achieved within a five-year program. Continue meter accuracy testing program. Conduct planning and budgeting for large scale meter replacement based upon meter life cycle analysis using cumulative flow target. Continue annual detailed billing data auditing by utility personnel and conduct third party auditing at least once every three years.		to maintain 10: Continue annual internal billing data auditing, and third party auditing at least every three years. Continue customer meter accuracy testing to ensure that accurate customer meter readings are obtained and entered as the basis for volume based billing. Stay abreast of improvements in Automatic Meter Reading (AMR) and Advanced Metering Infrastructure (AMI) and information management. Plan and budget for justified upgrades in metering, meter reading and billing data management to maintain very high accuracy in customer metering and billing.
Billed unmetered:	Select n/a if it is the policy of the water utility to meter all customer connections and it has been confirmed by detailed auditing that all customers do indeed have a water meter; i.e. no intentionally unmetered accounts exist	Water utility policy does not require customer metering; flat or fixed fee billing is employed. No data is collected on customer consumption. The only estimates of customer population consumption available are derived from data estimation methods using average fixture count multiplied by number of connections, or similar approach.	Water utility policy does not require customer metering; flat or fixed fee billing is employed. Some metered accounts exist in parts of the system (pilot areas or District Metered Areas) with consumption read periodically or recorded on portable dataloggers over one, three, or seven day periods. Data from these sample meters are used to infer consumption for the total customer population. Site specific estimation methods are used for unusual buildings/water uses.	Conditions between 2 and 4	Water utility policy does require metering and volume based billing in general. However, a liberal amount of exemptions and a lack of clearly written and communicated procedures result in up to 20% of billed accounts believed to be unmetered by exemption; or the water utility is in transition to becoming fully metered, and a large number of customers remain unmetered. A rough estimate of the annual consumption for all unmetered accounts is included in the annual water audit, with no inspection of individual unmetered accounts.	Conditions between 4 and 6	Water utility policy does require metering and volume based billing but established exemptions exist for a portion of accounts such as municipal buildings. As many as 15% of billed accounts are unmetered due to this exemption or meter installation difficulties. Only a group estimate of annual consumption for all unmetered accounts is included in the annual water audit, with no inspection of individual unmetered accounts.	Conditions between 6 and 8	Water utility policy does require metering and volume based billing for all customer accounts. However, less than 5% of billed accounts remain unmetered because meter installation is hindered by unusual circumstances. The goal is to minimize the number of unmetered accounts. Reliable estimates of consumption are obtained for these unmetered accounts via site specific estimation methods.	Conditions between 8 and 10	Water utility policy does require metering and volume based billing for all customer accounts. Less than 2% of billed accounts are unmetered and exist because meter installation is hindered by unusual circumstances. The goal exists to minimize the number of unmetered accounts to the extent that is economical. Reliable estimate of consumption are obtained at these accounts via site specific estimation methods.

Grading >>>	n/a	1	2	3	4	5	6	7	8	9	10
Improvements to attain higher data grading for "Billed Unmetered Consumption" component:		to qualify for 2: Conduct research and evaluate cost/benefit of a new water utility policy to require metering of the customer population; thereby greatly reducing or eliminating unmetered accounts. Conduct pilot metering project by installing water meters in small sample of customer accounts and periodically reading the meters or datalogging the water consumption over one, three, or seven day periods.	to qualify for 4: Implement a new water utility policy requiring customer metering. Launch or expand pilot metering study to include several different meter types, which will provide data for economic assessment of full scale metering options. Assess sites with access difficulties to devise means to obtain water consumption volumes. Begin customer meter installation.		to qualify for 6: Refine policy and procedures to improve customer metering participation for all but solidly exempt accounts. Assign staff resources to review billing records to identify errant unmetered properties. Specify metering needs and funding requirements to install sufficient meters to significant reduce the number of unmetered accounts		to qualify for 8: Push to install customer meters on a full scale basis. Refine metering policy and procedures to ensure that all accounts, including municipal properties, are designated for meters. Plan special efforts to address "hard-to-access" accounts. Implement procedures to obtain a reliable consumption estimate for the remaining few unmetered accounts awaiting meter installation.		to qualify for 10: Continue customer meter installation throughout the service area, with a goal to minimize unmetered accounts. Sustain the effort to investigate accounts with access difficulties, and devise means to install water meters or otherwise measure water consumption.		to maintain 10: Continue to refine estimation method for unmetered consumption and explore means to establish metering for as many billed remaining unmetered accounts as is economically feasible
Unbilled metered:	select n/a if all billing-exempt consumption is unmetered.	Billing practices exempt certain accounts, such as municipal buildings, but written policies do not exist, and a reliable count of unbilled metered accounts is unavailable. Meter upkeep and meter reading on these accounts is rare and not considered a priority. Due to poor recordkeeping and lack of auditing, water consumption for all such accounts is purely guesstimated.	Billing practices exempt certain accounts, such as municipal buildings, but only scattered, dated written directives exist to justify this practice. A reliable count of unbilled metered accounts is unavailable. Sporadic meter replacement and meter reading occurs on an as-needed basis. The total annual water consumption for all unbilled, metered accounts is estimated based upon approximating the number of accounts and assigning consumption from actively billed accounts of same meter size.	Conditions between 2 and 4	Dated written procedures permit billing exemption for specific accounts, such as municipal properties, but are unclear regarding certain other types of accounts. Meter reading is given low priority and is sporadic. Consumption is quantified from meter readings where available. The total number of unbilled, unmetered accounts must be estimated along with consumption volumes.	Conditions between 4 and 6	Written policies regarding billing exemptions exist but adherence in practice is questionable. Metering and meter reading for municipal buildings is reliable but sporadic for other unbilled metered accounts. Periodic auditing of such accounts is conducted. Water consumption is quantified directly from meter readings where available, but the majority of the consumption is estimated.	Conditions between 6 and 8	Written policy identifies the types of accounts granted a billing exemption. Customer meter management and meter reading are considered secondary priorities, but meter reading is conducted at least annually to obtain consumption volumes for the annual water audit. High level auditing of billing records ensures that a reliable census of such accounts exists.	Conditions between 8 and 10	Clearly written policy identifies the type of accounts given a billing exemption with emphasis on keeping such accounts to a minimum. Customer meter management and meter reading for these accounts is given proper priority and is reliably conducted. Regular auditing confirms this. Total water consumption for these accounts is taken from reliable readings from accurate meters.
Improvements to attain higher data grading for "Unbilled Metered Consumption" component:		to qualify for 2: Reassess the water utility's policy allowing certain accounts to be granted a billing exemption. Draft an outline of a new written policy for billing exemptions, with clear justification as to why any accounts should be exempt from billing, and with the intention to keep the number of such accounts to a minimum.	to qualify for 4: Review historic written directives and policy documents allowing certain accounts to be billing-exempt. Draft an outline of a written policy for billing exemptions, identify criteria that grants an exemption, with a goal of keeping this number of accounts to a minimum. Consider increasing the priority of reading meters on unbilled accounts at least annually.		to qualify for 6: Draft a new written policy regarding billing exemptions based upon consensus criteria allowing this occurrence. Assign resources to audit meter records and billing records to obtain census of unbilled metered accounts. Gradually include a greater number of these metered accounts to the routes for regular meter reading.		to qualify for 8: Communicate billing exemption policy throughout the organization and implement procedures that ensure proper account management. Conduct inspections of accounts confirmed in unbilled metered status and verify that accurate meters exist and are scheduled for routine meter readings. Gradually increase the number of unbilled metered accounts that are included in regular meter reading routes.		to qualify for 10: Ensure that meter management (meter accuracy testing, meter replacement) and meter reading activities for unbilled accounts are accorded the same priority as billed accounts. Establish ongoing annual auditing process to ensure that water consumption is reliably collected and provided to the annual water audit process.		to maintain 10: Reassess the utility's philosophy in allowing any water uses to go "unbilled". It is possible to meter and bill all accounts, even if the fee charge for water consumption is discounted or waived. Metering and billing all accounts ensures that water consumption is tracked and water waste from plumbing leaks is detected and minimized.
Unbilled unmetered:		Extent of unbilled, unmetered consumption is unknown due to unclear policies and poor recordkeeping. Total consumption is quantified based upon a purely subjective estimate.	Clear extent of unbilled, unmetered consumption is unknown, but a number of events are randomly documented each year, confirming existence of such consumption, but without sufficient documentation to quantify an accurate estimate of the annual volume consumed.	Conditions between 2 and 4	Extent of unbilled, unmetered consumption is partially known, and procedures exist to document certain events such as miscellaneous fire hydrant uses. Formulae is used to quantify the consumption from such events (time running multiplied by typical flowrate, multiplied by number of events).	Default value of 1.25% of system input volume is employed	Coherent policies exist for some forms of unbilled, unmetered consumption but others await closer evaluation. Reasonable recordkeeping for the managed uses exists and allows for annual volumes to be quantified by inference, but unsupervised uses are guesstimated.	Conditions between 6 and 8	Clear policies and good recordkeeping exist for some uses (ex: water used in periodic testing of unmetered fire connections), but other uses (ex: miscellaneous uses of fire hydrants) have limited oversight. Total consumption is a mix of well quantified use such as from formulae (time running multiplied by typical flow, multiplied by number of events) or temporary meters, and relatively subjective estimates of less regulated use.	Conditions between 8 and 10	Clear policies exist to identify permit use of water in unbilled, unmetered fashion, with the intention of minimizing this type of consumption. Good records document each occurrence and consumption is quantified via formulae (time running multiplied by typical flow, multiplied by number of events) or use of temporary meters.
Improvements to attain higher data grading for "Unbilled Unmetered Consumption" component:		to qualify for 5: Utilize the accepted default value of 1.25% of the volume of water supplied as an expedient means to gain a reasonable quantification of this use. to qualify for 2: Establish a policy regarding what water uses should be allowed to remain as unbilled and unmetered. Consider tracking a small sample of one such use (ex: fire hydrant flushings).	to qualify for 5: Utilize accepted default value of 1.25% of the volume of water supplied as an expedient means to gain a reasonable quantification of this use. to qualify for 4: Evaluate the documentation of events that have been observed. Meet with user groups (ex: for fire hydrants - fire departments, contractors to ascertain their need and/or volume requirements for water from fire hydrants).		to qualify for 5: Utilize accepted default value of 1.25% of the volume of water supplied as an expedient means to gain a reasonable quantification of all such use. This is particularly appropriate for water utilities who are in the early stages of the water auditing process, and should focus on other components since the volume of unbilled, unmetered consumption is usually a relatively small quantity component, and other larger-quantity components should take priority.	to qualify for 6 or greater: Finalize policy and begin to conduct field checks to better establish and quantify such usage. Proceed if top-down audit exists and/or a great volume of such use is suspected.	to qualify for 8: Assess water utility policy and procedures for various unmetered usages. For example, ensure that a policy exists and permits are issued for use of fire hydrants by persons outside of the utility. Create written procedures for use and documentation of fire hydrants by water utility personnel. Use same approach for other types of unbilled, unmetered water usage.		to qualify for 10: Refine written procedures to ensure that all uses of unbilled, unmetered water are overseen by a structured permitting process managed by water utility personnel. Reassess policy to determine if some of these uses have value in being converted to billed and/or metered status.		to maintain 10: Continue to refine policy and procedures with intention of reducing the number of allowable uses of water in unbilled and unmetered fashion. Any uses that can feasibly become billed and metered should be converted eventually.
APPARENT LOSSES											

Grading >>>	n/a	1	2	3	4	5	6	7	8	9	10
Unauthorized consumption:		Extent of unauthorized consumption is unknown due to unclear policies and poor recordkeeping. Total unauthorized consumption is guesstimated.	Unauthorized consumption is a known occurrence, but its extent is a mystery. There are no requirements to document observed events, but periodic field reports capture some of these occurrences. Total unauthorized consumption is approximated from this limited data.	conditions between 2 and 4	Procedures exist to document some unauthorized consumption such as observed unauthorized fire hydrant openings. Use formulae to quantify this consumption (time running multiplied typical flowrate, multiplied by number of events).	Default value of 0.25% of volume of water supplied is employed	Coherent policies exist for some forms of unauthorized consumption (more than simply fire hydrant misuse) but others await closer evaluation. Reasonable surveillance and recordkeeping exist for occurrences that fall under the policy. Volumes quantified by inference from these records.	Conditions between 6 and 8	Clear policies and good auditable recordkeeping exist for certain events (ex: tampering with water meters, illegal bypasses of customer meters), but other occurrences have limited oversight. Total consumption is a combination of volumes from formulae (time x typical flow) and subjective estimates of unconfirmed consumption.	Conditions between 8 and 10	Clear policies exist to identify all known unauthorized uses of water. Staff and procedures exist to provide enforcement of policies and detect violations. Each occurrence is recorded and quantified via formulae (estimated time running multiplied by typical flow) or similar methods. All records and calculations should exist a form that can be audited by a third party.
Improvements to attain higher data grading for "Unauthorized Consumption" component:		to qualify for 5: Use accepted default of 0.25% of volume of water supplied. to qualify for 2: Review utility policy regarding what water uses are considered unauthorized, and consider tracking a small sample of one such occurrence (ex: unauthorized fire hydrant openings)	to qualify for 5: Use accepted default of 0.25% of system input volume to qualify for 4: Review utility policy regarding what water uses are considered unauthorized, and consider tracking a small sample of one such occurrence (ex: unauthorized fire hydrant openings)		to qualify for 5: Utilize accepted default value of 0.25% of volume of water supplied as an expedient means to gain a reasonable quantification of all such use. This is particularly appropriate for water utilities who are in the early stages of the water auditing process.	to qualify for 6 or greater: Finalize policy updates to clearly identify the types of water consumption that are authorized from those usages that fall outside of this policy and are, therefore, unauthorized. Begin to conduct regular field checks. Proceed if the top-down audit already exists and/or a great volume of such use is suspected.	to qualify for 8: Assess water utility policies to ensure that all known occurrences of unauthorized consumption are outlawed, and that appropriate penalties are prescribed. Create written procedures for detection and documentation of various occurrences of unauthorized consumption as they are uncovered.		to qualify for 10: Refine written procedures and assign staff to seek out likely occurrences of unauthorized consumption. Explore new locking devices, monitors and other technologies designed to detect and thwart unauthorized consumption.		to maintain 10: Continue to refine policy and procedures to eliminate any loophole that allow or tacitly encourage unauthorized consumption. Continue to be vigilant in detection, documentation and enforcement efforts.
Customer metering inaccuracies:	select n/a only if the entire customer population is unmetered. In such a case the volume entered must be zero.	Customer meters exist, but with unorganized paper records on meters; no meter accuracy testing or meter replacement program for any size of retail meter. Metering workflow is driven chaotically with no proactive management. Loss volume due to aggregate meter inaccuracy is guesstimated.	Poor recordkeeping and meter oversight is recognized by water utility management who has allotted staff and funding resources to organize improved recordkeeping and start meter accuracy testing. Existing paper records gathered and organized to provide cursory disposition of meter population. Customer meters are tested for accuracy only upon customer request.	Conditions between 2 and 4	Reliable recordkeeping exists; meter information is improving as meters are replaced. Meter accuracy testing is conducted annually for a small number of meters (more than just customer requests, but less than 1% of inventory). A limited number of the oldest meters are replaced each year. Inaccuracy volume is largely an estimate, but refined based upon limited testing data.	Conditions between 4 and 6	A reliable electronic recordkeeping system for meters exists. The meter population includes a mix of new high performing meters and dated meters with suspect accuracy. Routine, but limited, meter accuracy testing and meter replacement occur. Inaccuracy volume is quantified using a mix of reliable and less certain data.	Conditions between 6 and 8	Ongoing meter replacement and accuracy testing result in highly accurate customer meter population. Testing is conducted on samples of meters of varying age and accumulated volume of throughput to determine optimum replacement time for various types of meters.	Ongoing meter replacement and accuracy testing result in highly accurate customer meter population. Statistically significant number of meters are tested in audit year. This testing is conducted on samples of meters of varying age and accumulated volume of throughput to determine optimum replacement time for these meters.	Good records of all active customer meters exist and include as a minimum meter number, account number/location, type, size and manufacturer. Ongoing meter replacement occurs according to a targeted and justified basis. Regular meter accuracy testing gives a reliable measure of composite inaccuracy volume for the customer meter population. New metering technology is embraced to keep overall accuracy improving. Procedures are reviewed to a third party knowledgeable in the M3 methodology.
Improvements to attain higher data grading for "Customer meter inaccuracy volume" component:	If n/a is selected because the customer meter population is unmetered, consider establishing a new policy to meter the customer population and employ water rates based upon metered volumes.	to qualify for 2: Gather available meter purchase records. Conduct testing on a small number of meters believed to be the most inaccurate. Review staffing needs of the metering group and budget for necessary resources to better organize meter management.	to qualify for 4: Implement a reliable record keeping system for customer meter histories, preferably using electronic methods typically linked to, or part of, the Customer Billing System or Customer Information System. Expand meter accuracy testing to a larger group of meters.		to qualify for 6: Standardize the procedures for meter recordkeeping within an electronic information system. Accelerate meter accuracy testing and meter replacements guided by testing results.		to qualify for 8: Expand annual meter accuracy testing to evaluate a statistically significant number of meter makes/models. Expand meter replacement program to replace statistically significant number of poor performing meters each year.		to qualify for 9: Continue efforts to manage meter population with reliable recordkeeping. Test a statistically significant number of meters each year and analyze test results in an ongoing manner to serve as a basis for a target meter replacement strategy based upon accumulated volume throughput.	to qualify for 10: Continue efforts to manage meter population with reliable recordkeeping, meter testing and replacement. Evaluate new meter types and install one or more types in 5-10 customer accounts each year in order to pilot improving metering technology.	to maintain 10: Increase the number of meters tested and replaced as justified by meter accuracy test data. Continually monitor development of new metering technology and Advanced Metering Infrastructure (AMI) to grasp opportunities for greater accuracy in metering of water flow and management of customer consumption data.

Grading >>>	n/a	1	2	3	4	5	6	7	8	9	10
Systematic Data Handling Errors:	Note: all water utilities incur some amount of this error. Even in water utilities with unmetered customer populations and fixed rate billing, errors occur in annual billing tabulations. Enter a positive value for the volume and select a grading.	Policies and procedures for activation of new customer water billing accounts are vague and lack accountability. Billing data is maintained on paper records which are not well organized. No auditing is conducted to confirm billing data handling efficiency. An unknown number of customers escape routine billing due to lack of billing process oversight.	Policy and procedures for activation of new customer accounts and oversight of billing records exist but need refinement. Billing data is maintained on paper records or insufficiently capable electronic database. Only periodic unstructured auditing work is conducted to confirm billing data handling efficiency. The volume of unbilled water due to billing lapses is a guess.	Conditions between 2 and 4	Policy and procedures for new account activation and oversight of billing operations exist but needs refinement. Computerized billing system exists, but is dated or lacks needed functionality. Periodic, limited internal audits conducted and confirm with approximate accuracy the consumption volumes lost to billing lapses.	Conditions between 4 and 6	Policy and procedures for new account activation and oversight of billing operations are adequate and reviewed periodically. Computerized billing system is in use with basic reporting available. Any effect of billing adjustments on measured consumption volumes is well understood. Internal checks of billing data error conducted annually. Reasonably accurate quantification of consumption volume lost to billing lapses is obtained.	Conditions between 6 and 8	New account activation and billing operations policy and procedures are reviewed at least biannually. Computerized billing system includes an array of reports to confirm billing data and system functionality. Checks are conducted routinely to flag and explain zero consumption accounts. Annual internal checks conducted with third party audit conducted at least once every five years. Accountability checks flag billing lapses. Consumption lost to billing lapses is well quantified and reducing year-by-year.	Conditions between 8 and 10	Sound written policy and procedures exist for new account activation and oversight of customer billing operations. Robust computerized billing system gives high functionality and reporting capabilities which are utilized, analyzed and the results reported each billing cycle. Assessment of policy and data handling errors are conducted internally and audited by third party at least once every three years, ensuring consumption lost to billing lapses is minimized and detected as it occurs
Improvements to attain higher data grading for "Systematic Data Handling Error volume" component:		<u>to qualify for 2:</u> Draft written policy and procedures for activating new water billing accounts and oversight of billing operations. Investigate and budget for computerized customer billing system. Conduct initial audit of billing records by flow-charting the basic business processes of the customer account/billing function.	<u>to qualify for 4:</u> Finalize written policy and procedures for activation of new billing accounts and overall billing operations management. Implement a computerized customer billing system. Conduct initial audit of billing records as part of this process.		<u>to qualify for 6:</u> Refine new account activation and billing operations procedures and ensure consistency with the utility policy regarding billing, and minimize opportunity for missed billings. Upgrade or replace customer billing system for needed functionality - ensure that billing adjustments don't corrupt the value of consumption volumes. Procedure internal annual audit process.		<u>to qualify for 8:</u> Formalize regular review of new account activation process and general billing practices. Enhance reporting capability of computerized billing system. Formalize regular auditing process to reveal scope of data handling error. Plan for periodic third party audit to occur at least once every five years.		<u>to qualify for 10:</u> Close policy/procedure loopholes that allow some customer accounts to go unbilled, or data handling errors to exist. Ensure that billing system reports are utilized, analyzed and reported every billing cycle. Ensure that internal and third party audits are conducted at least once every three years.		<u>to maintain 10:</u> Stay abreast of customer information management developments and innovations. Monitor developments in Advanced Metering Infrastructure (AMI) and integrate technology to ensure that customer endpoint information is well monitored and errors/lapses are at an economic minimum.
SYSTEM DATA											
Length of mains:		Poorly assembled and maintained paper as-built records of existing water main installations makes accurate determination of system pipe length impossible. Length of mains is guesstimated.	Paper records in poor or uncertain condition (no annual tracking of installations & abandonments). Poor procedures to ensure that new water mains installed by developers are accurately documented.	Conditions between 2 and 4	Sound written policy and procedures exist for documenting new water main installations, but gaps in management result in an uncertain degree of error in tabulation of mains length.	Conditions between 4 and 6	Sound written policy and procedures exist for permitting and commissioning new water mains. Highly accurate paper records with regular field validation; or electronic records and asset management system in good condition. Includes system backup.	Conditions between 6 and 8	Sound written policy and procedures exist for permitting and commissioning new water mains. Electronic recordkeeping such as a Geographical Information System (GIS) and asset management system are used to store and manage data.	Conditions between 8 and 10	Sound written policy exists for managing water mains extensions and replacements. Geographic Information System (GIS) data and asset management database agree and random field validation proves truth of databases. Records of annual field validation should be available for review.
Improvements to attain higher data grading for "Length of Water Mains" component:		<u>to qualify for 2:</u> Assign personnel to inventory current as-built records and compare with customer billing system records and highway plans in order to verify poorly documented pipelines. Assemble policy documents regarding permitting and documentation of water main installations by the utility and building developers; identify gaps in procedures that result in poor documentation of new water main installations.	<u>to qualify for 4:</u> Complete inventory of paper records of water main installations for several years prior to audit year. Review policy and procedures for commissioning and documenting new water main installation.		<u>to qualify for 6:</u> Finalize updates/improvements to written policy and procedures for permitting/commissioning new main installations. Confirm inventory of records for five years prior to audit year; correct any errors or omissions.		<u>to qualify for 8:</u> Launch random field checks of limited number of locations. Convert to electronic database such as a Geographic Information System (GIS) with backup as justified. Develop written policy and procedures.		<u>to qualify for 10:</u> Link Geographic Information System (GIS) and asset management databases, conduct field verification of data. Record field verification information at least annually.		<u>to maintain 10:</u> Continue with standardization and random field validation to improve the completeness and accuracy of the system.
Number of active AND inactive service connections:		Vague permitting (of new service connections) policy and poor paper recordkeeping of customer connections/billings result in suspect determination of the number of service connections, which may be 10-15% in error from actual count.	General permitting policy exists but paper records, procedural gaps, and weak oversight result in questionable total for number of connections, which may vary 5-10% of actual count.	Conditions between 2 and 4	Written account activation policy and procedures exist, but with some gaps in performance and oversight. Computerized information management system is being brought online to replace dated paper recordkeeping system. Reasonably accurate tracking of service connection installations & abandonments; but count can be up to 5% in error from actual total.	Conditions between 4 and 6	Written new account activation and overall billing policies and procedures are adequate and reviewed periodically. Computerized information management system is in use with annual installations & abandonments totaled. Very limited field verifications and audits. Error in count of number of service connections is believed to be no more than 3%.	Conditions between 6 and 8	Policies and procedures for new account activation and overall billing operations are written, well-structured and reviewed at least biannually. Well-managed computerized information management system exists and routine, periodic field checks and internal system audits are conducted. Counts of connections are no more than 2% in error.	Conditions between 8 and 10	Sound written policy and well managed and audited procedures ensure reliable management of service connection population. Computerized information management system, Customer Billing System, and Geographic Information System (GIS) information agree; field validation proves truth of databases. Count of connections recorded as being in error is less than 1% of the entire population.
Improvements to attain higher data grading for "Number of Active and Inactive Service Connections" component:	Note: The number of Service Connections does not include fire hydrant leads/lines connecting the hydrant to the water main	<u>to qualify for 2:</u> Draft new policy and procedures for new account activation and overall billing operations. Research and collect paper records of installations & abandonments for several years prior to audit year.	<u>to qualify for 4:</u> Refine policy and procedures for new account activation and overall billing operations. Research computerized recordkeeping system (Customer Information System or Customer Billing System) to improve documentation format for service connections.		<u>to qualify for 6:</u> Refine procedures to ensure consistency with new account activation and overall billing policy to establish new service connections or decommission existing connections. Improve process to include all totals for at least five years prior to audit year.		<u>to qualify for 8:</u> Formalize regular review of new account activation and overall billing operations policies and procedures. Launch random field checks of limited number of locations. Develop reports and auditing mechanisms for computerized information management system.		<u>to qualify for 10:</u> Close any procedural loopholes that allow installations to go undocumented. Link computerized information management system with Geographic Information System (GIS) and formalize field inspection and information system auditing processes. Documentation of new or decommissioned service connections encounters several levels of checks and balances.		<u>to maintain 10:</u> Continue with standardization and random field validation to improve knowledge of system.
	Note: If customer water meters are located	Gradings 1-9 apply if customer properties are unmetered, if customer meters exist and are located inside the customer building premises, or if the water utility owns and is responsible for the entire service connection piping from the water main to the customer building. In any of these cases the average distance between the curb stop or boundary separating utility/customer responsibility for service connection piping, and the typical first point of use (ex: faucet) or the customer meter must be quantified. Gradings of 1-9 are used to grade the validity of the means to quantify this value. (See the "Service Connection Diagram" worksheet)									Either of two conditions can be met for a grading of 10:

Grading >>>	n/a	1	2	3	4	5	6	7	8	9	10
Average length of customer service line:	outside of the customer building next to the curb stop or boundary separating utility/customer responsibility, then the auditor should answer "Yes" to the question on the Reporting Worksheet asking about this. If the answer is Yes, the grading description listed under the Grading of 10(a) will be followed, with a value of zero automatically entered at a Grading of 10. See the Service Connection Diagram worksheet for a visual presentation of this distance.	Vague policy exists to define the delineation of water utility ownership and customer ownership of the service connection piping. Curb stops are perceived as the breakpoint but these have not been well-maintained or documented. Most are buried or obscured. Their location varies widely from site-to-site, and estimating this distance is arbitrary due to the unknown location of many curb stops.	Policy requires that the curb stop serves as the delineation point between water utility ownership and customer ownership of the service connection piping. The piping from the water main to the curb stop is the property of the water utility, and the piping from the curb stop to the customer building is owned by the customer. Curb stop locations are not well documented and the average distance is based upon a limited number of locations measured in the field.	Conditions between 2 and 4	Good policy requires that the curb stop serves as the delineation point between water utility ownership and customer ownership of the service connection piping. Curb stops are generally installed as needed and are reasonably documented. Their location varies widely from site-to-site, and an estimate of this distance is hindered by the availability of paper records of limited accuracy.	Conditions between 4 and 6	Clear written policy exists to define utility/customer responsibility for service connection piping. Accurate, well-maintained paper or basic electronic recordkeeping system exists. Periodic field checks confirm piping lengths for a sample of customer properties.	Conditions between 6 and 8	Clearly worded policy standardizes the location of curb stops and meters, which are inspected upon installation. Accurate and well maintained electronic records exist with periodic field checks to confirm locations of service lines, curb stops and customer meter pits. An accurate number of customer properties from the customer billing system allows for reliable averaging of this length.	Conditions between 8 and 10	a) Customer water meters exist outside of customer buildings next to the curb stop or boundary separating utility/customer responsibility for service connection piping. If so, answer "Yes" to the question on the Reporting Worksheet asking about this condition. value of zero and a Grading of 10 are automatically entered in the Reporting Worksheet. b) Meters exist inside customer buildings, or properties are unmetered. In either case, answer "No" to the Reporting Worksheet question on meter location, and enter a distance determined by the auditor. For a Grading of 10 this value must be a verifiable number from a Geographic Information System (GIS) and confirmed by a statistically valid number of field checks.
Improvements to attain higher data grading for "Average Length of Customer Service Line" component:		to qualify for 2: Research and collect paper records of service line installations. Inspect several sites in the field using pipe locators to locate curb stops. Obtain the length of this small sample of connections in this manner.	to qualify for 4: Formalize and communicate policy delineating utility/customer responsibilities for service connection piping. Assess accuracy of paper records by field inspection of a small sample of service connections using pipe locators as needed. Research the potential migration to a computerized information management system to store service connection data.		to qualify for 6: Establish coherent procedures to ensure that policy for curb stop, meter installation and documentation is followed. Gain consensus within the water utility for the establishment of a computerized information management system.		to qualify for 8: Implement an electronic means of recordkeeping, typically via a customer information system, customer billing system, or Geographic Information System (GIS). Standardize the process to conduct field checks of a limited number of locations.		to qualify for 10: Link customer information management system and Geographic Information System (GIS), standardize process for field verification of data.		to maintain 10: Continue with standardization and random field validation to improve knowledge of service connection configurations and customer meter locations.
Average operating pressure:		Available records are poorly assembled and maintained paper records of supply pump characteristics and water distribution system operating conditions. Average pressure is guesstimated based upon this information and ground elevations from crude topographical maps. Widely varying distribution system pressures due to undulating terrain, high system head loss and weak/erratic pressure controls further compromise the validity of the average pressure calculation.	Limited telemetry monitoring of scattered pumping station and water storage tank sites provides some static pressure data, which is recorded in handwritten logbooks. Pressure data is gathered at individual sites only when low pressure complaints arise. Average pressure is determined by averaging relatively crude data, and is affected by significant variation in ground elevations, system head loss and gaps in pressure controls in the distribution system.	Conditions between 2 and 4	Effective pressure controls separate different pressure zones; moderate pressure variation across the system, occasional open boundary valves are discovered that breach pressure zones. Basic telemetry monitoring of the distribution system logs pressure data electronically. Pressure data gathered by gauges or dataloggers at fire hydrants or buildings when low pressure complaints arise, and during fire flow tests and system flushing. Reliable topographical data exists. Average pressure is calculated using this mix of data.	Conditions between 4 and 6	Reliable pressure controls separate distinct pressure zones; only very occasional open boundary valves are encountered that breach pressure zones. Well-covered telemetry monitoring of the distribution system (not just pumping at source treatment plants or wells) logs extensive pressure data electronically. Pressure gathered by gauges/dataloggers at fire hydrants and buildings when low pressure complaints arise, and during fire flow tests and system flushing. Average pressure is determined by using this mix of reliable data.	Conditions between 6 and 8	Well-managed, discrete pressure zones exist with generally predictable pressure fluctuations. A current full-scale SCADA System or similar realtime monitoring system exists to monitor the water distribution system and collect data, including real time pressure readings at representative sites across the system. The average system pressure is determined from reliable monitoring system data.	Conditions between 8 and 10	Well-managed pressure districts/zone SCADA System and hydraulic model exist to give very precise pressure data across the water distribution system. Average system pressure is reliably calculated from extensive, reliable, and cross-checked data. Calculations are reported on an annual basis as a minimum.
Improvements to attain higher data grading for "Average Operating Pressure" component:		to qualify for 2: Employ pressure gauging and/or datalogging equipment to obtain pressure measurements from fire hydrants. Locate accurate topographical maps of service area in order to confirm ground elevations. Research pump data sheets to find pump pressure/low characteristics	to qualify for 4: Formalize a procedure to use pressure gauging/datalogging equipment to gather pressure data during various system events such as low pressure complaints, or operational testing. Gather pump pressure and flow data at different flow regimes. Identify faulty pressure controls (pressure reducing valves, altitude valves, partially open boundary valves) and plan to properly configure pressure zones. Make all pressure data from these efforts available to generate system-wide average pressure.		to qualify for 6: Expand the use of pressure gauging/datalogging equipment to gather scattered pressure data at a representative set of sites, based upon pressure zones or areas. Utilize pump pressure and flow data to determine supply head entering each pressure zone or district. Correct any faulty pressure controls (pressure reducing valves, altitude valves, partially open boundary valves) to ensure properly configured pressure zones. Use expanded pressure dataset from these activities to generate system-wide average pressure.		to qualify for 8: Install a Supervisory Control and Data Acquisition (SCADA) System, or similar realtime monitoring system, to monitor system parameters and control operations. Set regular calibration schedule for instrumentation to insure data accuracy. Obtain accurate topographical data and utilize pressure data gathered from field surveys to provide extensive, reliable data for pressure averaging.		to qualify for 10: Annually, obtain a system-wide average pressure value from the hydraulic model of the distribution system that has been calibrated via field measurements in the water distribution system and confirmed in comparisons with SCADA System data.		to maintain 10: Continue to refine the hydraulic model of the distribution system and consider linking it with SCADA System for real time pressure data calibration, and averaging.

Grading >>>	n/a	1	2	3	4	5	6	7	8	9	10
COST DATA											
Total annual cost of operating water system:		Incomplete paper records and lack of financial accounting documentation on many operating functions makes calculation of water system operating costs a pure guesstimate	Reasonably maintained, but incomplete, paper or electronic accounting provides data to estimate the major portion of water system operating costs.	Conditions between 2 and 4	Electronic, industry-standard cost accounting system in place. However, gaps in data are known to exist, periodic internal reviews are conducted but not a structured financial audit.	Conditions between 4 and 6	Reliable electronic, industry-standard cost accounting system in place, with all pertinent water system operating costs tracked. Data audited periodically by utility personnel, but not a Certified Public Accountant (CPA).	Conditions between 6 and 8	Reliable electronic, industry-standard cost accounting system in place, with all pertinent water system operating costs tracked. Data audited at least annually by utility personnel, and at least once every three years by third-party CPA.	Conditions between 8 and 10	Reliable electronic, industry-standard cost accounting system in place, with all pertinent water system operating costs tracked. Data audited annually by utility personnel and annually also by third-party CPA.
Improvements to attain higher data grading for "Total Annual Cost of Operating the Water System" component:		<u>to qualify for 2:</u> Gather available records, institute new financial accounting procedures to regularly collect and audit basic cost data of most important operations functions.	<u>to qualify for 4:</u> Implement an electronic cost accounting system, structured according to accounting standards for water utilities		<u>to qualify for 6:</u> Establish process for periodic internal audit of water system operating costs; identify cost data gaps and institute procedures for tracking these outstanding costs.		<u>to qualify for 8:</u> Standardize the process to conduct routine financial audit on an annual basis. Arrange for CPA audit of financial records at least once every three years.		<u>to qualify for 10:</u> Standardize the process to conduct a third-party financial audit by a CPA on an annual basis.		<u>to maintain 10:</u> Maintain program, stay abreast of expenses subject to erratic cost changes and long-term cost trend, and budget/track costs proactively
Customer retail unit cost (applied to Apparent Losses):	Customer population unmetered, and/or only a fixed fee is charged for consumption.	Antiquated, cumbersome water rate structure is used, with periodic historic amendments that were poorly documented and implemented; resulting in classes of customers being billed inconsistent charges. The actual composite billing rate likely differs significantly from the published water rate structure, but a lack of auditing leaves the degree of error indeterminate.	Dated, cumbersome water rate structure, not always employed consistently in actual billing operations. The actual composite billing rate is known to differ from the published water rate structure, and a reasonably accurate estimate of the degree of error is determined, allowing a composite billing rate to be quantified.	Conditions between 2 and 4	Straight-forward water rate structure in use, but not updated in several years. Billing operations reliably employ the rate structure. The composite billing rate is derived from a single customer class such as residential customer accounts, neglecting the effect of different rates from varying customer classes.	Conditions between 4 and 6	Clearly written, up-to-date water rate structure is in force and is applied reliably in billing operations. Composite customer rate is determined using a weighted average residential rate using volumes of water in each rate block.	Conditions between 6 and 8	Effective water rate structure is in force and is applied reliably in billing operations. Composite customer rate is determined using a weighted average composite consumption rate, which includes residential, commercial, industrial, institutional (CII), and any other distinct customer classes within the water rate structure.	Conditions between 8 and 10	Current, effective water rate structure in force and applied reliably in billing operations. The rate structure and calculations of composite rate - which includes residential, commercial, industrial, institutional (CII), and other distinct customer classes - are reviewed by a third party knowledgeable in the M36 methodology at least once every five years.
Improvements to attain higher data grading for "Customer Retail Unit Cost" component:		<u>to qualify for 2:</u> Formalize the process to implement water rates, including a secure documentation procedure. Create a current, formal water rate document and gain approval from all stakeholders.	<u>to qualify for 4:</u> Review the water rate structure and update/formalize as needed. Assess billing operations to ensure that actual billing operations incorporate the established water rate structure.		<u>to qualify for 6:</u> Evaluate volume of water used in each usage block by residential users. Multiply volumes by full rate structure.	<u>Launch effort to fully meter the customer population and charge rates based upon water volumes</u>	<u>to qualify for 8:</u> Evaluate volume of water used in each usage block by all classifications of users. Multiply volumes by full rate structure.		<u>to qualify for 10:</u> Conduct a periodic third-party audit of water used in each usage block by all classifications of users. Multiply volumes by full rate structure.		<u>to maintain 10:</u> Keep water rate structure current in addressing the water utility's revenue needs. Update the calculation of the customer unit rate as new rate components, customer classes, or other components are modified.
Variable production cost (applied to Real Losses):	Note: if the water utility purchases/imports its entire water supply, then enter the unit purchase cost of the bulk water supply in the Reporting Worksheet with a grading of 10	Incomplete paper records and lack of documentation on primary operating functions (electric power and treatment costs most importantly) makes calculation of variable production costs a pure guesstimate	Reasonably maintained, but incomplete, paper or electronic accounting provides data to roughly estimate the basic operations costs (pumping power costs and treatment costs) and calculate a unit variable production cost.	Conditions between 2 and 4	Electronic, industry-standard cost accounting system in place. Electric power and treatment costs are reliably tracked and allow accurate weighted calculation of unit variable production costs based on these two inputs and water imported purchase costs (if applicable). All costs are audited internally on a periodic basis.	Conditions between 4 and 6	Reliable electronic, industry-standard cost accounting system in place, with all pertinent water system operating costs tracked. Pertinent additional costs beyond power, treatment and water imported purchase costs (if applicable) such as liability, residuals management, wear and tear on equipment, impending expansion of supply, are included in the unit variable production cost, as applicable. The data is audited at least annually by utility personnel.	Conditions between 6 and 8	Reliable electronic, industry-standard cost accounting system in place, with all pertinent primary and secondary variable production and water imported purchase (if applicable) costs tracked. The data is audited at least annually by utility personnel, and at least once every three years by a third-party knowledgeable in the M36 methodology.	Conditions between 8 and 10	Either of two conditions can be met to obtain a grading of 10: 1) Third party CPA audit of all pertinent primary and secondary variable production and water imported purchase (if applicable) costs on an annual basis. or 2) Water supply is entirely purchased as bulk water imported, and the unit purchase cost - including all applicable marginal supply costs - serves as the variable production cost. If all applicable marginal supply costs are not included in this figure, a grade of 1 should not be selected.
Improvements to attain higher data grading for "Variable Production Cost" component:		<u>to qualify for 2:</u> Gather available records, institute new procedures to regularly collect and audit basic cost data and most important operations functions.	<u>to qualify for 4:</u> Implement an electronic cost accounting system, structured according to accounting standards for water utilities		<u>to qualify for 6:</u> Formalize process for regular internal audits of production costs. Assess whether additional costs (liability, residuals management, equipment wear, impending infrastructure expansion) should be included to calculate a more representative variable production cost.		<u>to qualify for 8:</u> Formalize the accounting process to include direct cost components (power, treatment) as well as indirect cost components (liability, residuals management, etc.) Arrange to conduct audits by a knowledgeable third-party at least once every three years.		<u>to qualify for 10:</u> Standardize the process to conduct a third-party financial audit by a CPA on an annual basis.		<u>to maintain 10:</u> Maintain program, stay abreast of expenses subject to erratic cost changes and budget/track costs proactively



AWWA Free Water Audit Software: Definitions

WAS v5.0
American Water Works Association.
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Item Name	Description
Apparent Losses Find	= unauthorized consumption + customer metering inaccuracies + systematic data handling errors Apparent Losses include all types of inaccuracies associated with customer metering (worn meters as well as improperly sized meters or wrong type of meter for the water usage profile) as well as systematic data handling errors (meter reading, billing, archiving and reporting), plus unauthorized consumption (theft or illegal use). NOTE: Over-estimation of Apparent Losses results in under-estimation of Real Losses. Under-estimation of Apparent Losses results in over-estimation of Real Losses.
AUTHORIZED CONSUMPTION Find	= billed water exported + billed metered + billed unmetered + unbilled metered + unbilled unmetered consumption The volume of metered and/or unmetered water taken by registered customers, the water utility's own uses, and uses of others who are implicitly or explicitly authorized to do so by the water utility; for residential, commercial, industrial and public-minded purposes. Typical retail customers' consumption is tabulated usually from established customer accounts as billed metered consumption, or - for unmetered customers - billed unmetered consumption. These types of consumption, along with billed water exported, provide revenue potential for the water utility. Be certain to tabulate the water exported volume as a separate component and do not "double-count" it by including in the billed metered consumption component as well as the water exported component. Unbilled authorized consumption occurs typically in non-account uses, including water for fire fighting and training, flushing of water mains and sewers, street cleaning, watering of municipal gardens, public fountains, or similar public-minded uses. Occasionally these uses may be metered and billed (or charged a flat fee), but usually they are unmetered and unbilled. In the latter case, the water auditor may use a default value to estimate this quantity, or implement procedures for the reliable quantification of these uses. This starts with documenting usage events as they occur and estimating the amount of water used in each event. (See Unbilled unmetered consumption)
View Service Connection Diagram Average length of customer service line Find	This is the average length of customer service line, Lp, that is owned and maintained by the customer; from the point of ownership transfer to the customer water meter, or building line (if unmetered). The quantity is one of the data inputs for the calculation of Unavoidable Annual Real Losses (UARL), which serves as the denominator of the performance indicator: Infrastructure Leakage Index (ILI). The value of Lp is multiplied by the number of customer service connections to obtain a total length of customer owned piping in the system. The purpose of this parameter is to account for the unmetered service line infrastructure that is the responsibility of the customer for arranging repairs of leaks that occur on their lines. In many cases leak repairs arranged by customers take longer to be executed than leak repairs arranged by the water utility on utility-maintained piping. Leaks run longer - and lose more water - on customer-owned service piping, than utility owned piping. If the customer water meter exists near the ownership transfer point (usually the curb stop located between the water main and the customer premises) this distance is zero because the meter and transfer point are the same. This is the often encountered configuration of customer water meters located in an underground meter box or "pit" outside of the customer's building. The Free Water Audit Software asks a "Yes/No" question about the meter at this location. If the auditor selects "Yes" then this distance is set to zero and the data grading score for this component is set to 10. If water meters are typically located inside the customer premise/building, or properties are unmetered, it is up to the water auditor to estimate a system-wide average Lp length based upon the various customer land parcel sizes and building locations in the service area. Lp will be a shorter length in areas of high density housing, and a longer length in areas of low density housing and varied commercial and industrial buildings. General parcel demographics should be employed to obtain a composite average Lp length for the entire system. Refer to the "Service Connection Diagram" worksheet for a depiction of the service line/metering configurations that typically exist in water utilities. This worksheet gives guidance on the determination of the Average Length, Lp, for each configuration.
Average operating pressure Find	This is the average pressure in the distribution system that is the subject of the water audit. Many water utilities have a calibrated hydraulic model of their water distribution system. For these utilities, the hydraulic model can be utilized to obtain a very accurate quantity of average pressure. In the absence of a hydraulic model, the average pressure may be approximated by obtaining readings of static water pressure from a representative sample of fire hydrants or other system access points evenly located across the system. A weighted average of the pressure can be assembled; but be sure to take into account the elevation of the fire hydrants, which typically exist several feet higher than the level of buried water pipelines. If the water utility is compiling the water audit for the first time, the average pressure can be approximated, but with a low data grading. In subsequent years of auditing, effort should be made to improve the accuracy of the average pressure quantity. This will then qualify the value for a higher data grading.
Billed Authorized Consumption	All consumption that is billed and authorized by the utility. This may include both metered and unmetered consumption. See "Authorized Consumption" for more information.
Billed metered consumption Find	All metered consumption which is billed to retail customers, including all groups of customers such as domestic, commercial, industrial or institutional. It does NOT include water supplied to neighboring utilities (water exported) which is metered and billed. Be sure to subtract any consumption for exported water sales that may be included in these billing roles. Water supplied as exports to neighboring water utilities should be included only in the Water Exported component. The metered consumption data can be taken directly from billing records for the water audit period. The accuracy of yearly metered consumption data can be refined by including an adjustment to account for customer meter reading lag time since not all customer meters are read on the same day of the meter reading period. However additional analysis is necessary to determine the lag time adjustment value, which may or may not be significant.
Billed unmetered consumption Find	All billed consumption which is calculated based on estimates or norms from water usage sites that have been determined <u>by utility policy</u> to be left unmetered. This is typically a very small component in systems that maintain a policy to meter their customer population. However, this quantity can be the key consumption component in utilities that have not adopted a universal metering policy. This component should NOT include any water that is supplied to neighboring utilities (water exported) which is unmetered but billed. Water supplied as exports to neighboring water utilities should be included only in the Water Exported component.

Attachment: 2016 Water Loss Audit Report (1476 : 2016 Water Loss Audit Report)

Item Name	Description
Customer metering inaccuracies Find	Apparent water losses caused by the collective under-registration of customer water meters. Many customer water meters gradually wear as large cumulative volumes of water are passed through them over time. This causes the meters to under-register the flow of water. This occurrence is common with smaller residential meters of sizes 5/8-inch and 3/4 inch after they have registered very large cumulative volumes of water, which generally occurs only after periods of years. For meters sized 1-inch and larger - typical of multi-unit residential, commercial and industrial accounts - meter under-registration can occur from wear or from the improper application of the meter; i.e. installing the wrong type of meter or the wrong size of meter, for the flow pattern (profile) of the consumer. For instance, many larger meters have reduced accuracy at low flows. If an oversized meter is installed, most of the time the routine flow will occur in the low flow range of the meter, and a significant portion of it may not be registered. It is important to properly select and install all meters, but particularly large customer meters, size 1-inch and larger. The auditor has two options for entering data for this component of the audit. The auditor can enter a percentage under-registration (typically an estimated value), this will apply the selected percentage to the two categories of metered consumption to determine the volume of water not recorded due to customer meter inaccuracy. Note that this percentage is a composite average inaccuracy for <u>all</u> customer meters in the entire meter population. The percentage will be multiplied by the sum of the volumes in the Billed Metered and Unbilled Metered components. Alternatively, if the auditor has substantial data from meter testing activities, he or she can calculate their own loss volumes, and this volume may be entered directly. Note that a value of zero will be accepted but an alert will appear asking if the customer population is unmetered. Since all metered systems have some degree of inaccuracy, a positive value should be entered. A value of zero in this component is valid only if the water utility does not meter its customer population.
Customer retail unit cost Find	The Customer Retail Unit Cost represents the charge that customers pay for water service. This unit cost is applied routinely to the components of Apparent Loss, since these losses represent water reaching customers but not (fully) paid for. Since most water utilities have a rate structure that includes a variety of different costs based upon class of customer, a weighted average of individual costs and number of customer accounts in each class can be calculated to determine a single composite cost that should be entered into this cell. Finally, the weighted average cost should also include additional charges for sewer, storm water or biosolids processing, <u>but only if</u> these charges are based upon the volume of potable water consumed. For water utilities in regions with limited water resources and a questionable ability to meet the drinking water demands in the future, the Customer Retail Unit Cost might also be applied to value the Real Losses; instead of applying the Variable Production Cost to Real Losses. In this way, it is assumed that every unit volume of leakage reduced by leakage management activities will be sold to a customer. Note: the Free Water Audit Software allows the user to select the units that are charged to customers (either \$/1,000 gallons, \$/hundred cubic feet, or \$/1,000 litres) and automatically converts these units to the units that appear in the "WATER SUPPLIED" box. The monetary units are United States dollars, \$.
Infrastructure Leakage Index (ILI) Find	The ratio of the Current Annual Real Losses (Real Losses) to the Unavoidable Annual Real Losses (UARL). The ILI is a highly effective performance indicator for comparing (benchmarking) the performance of utilities in operational management of real losses.
Length of mains Find	Length of all pipelines (except service connections) in the system starting from the point of system input metering (for example at the outlet of the treatment plant). It is also recommended to include in this measure the total length of fire hydrant lead pipe. Hydrant lead pipe is the pipe branching from the water main to the fire hydrant. Fire hydrant leads are typically of a sufficiently large size that is more representative of a pipeline than a service connection. The average length of hydrant leads across the entire system can be assumed if not known, and multiplied by the number of fire hydrants in the system, which can also be assumed if not known. This value can then be added to the total pipeline length. Total length of mains can therefore be calculated as: Length of Mains, miles = (total pipeline length, miles) + [{(average fire hydrant lead length, ft) x (number of fire hydrants)} / 5,280 ft/mile] or Length of Mains, kilometres = (total pipeline length, kilometres) + [{(average fire hydrant lead length, metres) x (number of fire hydrants)} / 1,000 metres/kilometre]
NON-REVENUE WATER Find	= Apparent Losses + Real Losses + Unbilled Metered Consumption + Unbilled Unmetered Consumption. This is water which does not provide revenue potential to the utility.
Number of active AND inactive service connections Find	Number of customer service connections, extending from the water main to supply water to a customer. Please note that this includes the actual number of distinct piping connections, including fire connections, whether active or inactive. This may differ substantially from the number of customers (or number of accounts). Note: this number does not include the pipeline leads to fire hydrants - the total length of piping supplying fire hydrants should be included in the "Length of mains" parameter.
Real Losses Find	Physical water losses from the pressurized system (water mains and customer service connections) and the utility's storage tanks, up to the point of customer consumption. In metered systems this is the customer meter, in unmetered situations this is the first point of consumption (stop tap/tap) within the property. The annual volume lost through all types of leaks, breaks and overflows depends on frequencies, flow rates, and average duration of individual leaks, breaks and overflows.
Revenue Water	Those components of System Input Volume that are billed and have the potential to produce revenue.
Service Connection Density Find	=number of customer service connections / length of mains

Item Name	Description
Systematic data handling errors Find	Apparent losses caused by accounting omissions, errant computer programming, gaps in policy, procedure, and permitting/activation of new accounts; and any type of data lapse that results in under-stated customer water consumption in summary billing reports. Systematic Data Handling Errors result in a direct loss of revenue potential. Water utilities can find "lost" revenue by keying on this component. Utilities typically measure water consumption registered by water meters at customer premises. The meter should be read routinely (ex: monthly) and the data transferred to the Customer Billing System, which generates and sends a bill to the customer. <u>Data Transfer Errors</u> result in the consumption value being less than the actual consumption, creating an apparent loss. Such error might occur from illegible and mis-recorded hand-written readings compiled by meter readers, inputting an incorrect meter register unit conversion factor in the automatic meter reading equipment, or a variety of similar errors. Apparent losses also occur from <u>Data Analysis Errors</u> in the archival and data reporting processes of the Customer Billing System. Inaccurate estimates used for accounts that fail to produce a meter reading are a common source of error. Billing adjustments may award customers a rightful monetary credit, but do so by creating a negative value of consumption, thus under-stating the actual consumption. Account activation lapses may allow new buildings to use water for months without meter readings and billing. Poor permitting and construction inspection practices can result in a new building lacking a billing account, a water meter and meter reading; i.e., the customer is unknown to the utility's billing system. Close auditing of the permitting, metering, meter reading, billing and reporting processes of the water consumption data trail can uncover data management gaps that create volumes of systematic data handling error. Utilities should routinely analyze customer billing records to detect data anomalies and quantify these losses. For example, a billing account that registers zero consumption for two or more billing cycles should be checked to explain why usage has seemingly halted. Given the revenue loss impacts of these losses, water utilities are well-justified in providing continuous oversight and timely correction of data transfer errors & data handling errors. If the water auditor has not yet gathered detailed data or assessment of systematic data handling error, it is recommended that the auditor apply the default value of 0.25% of the the Billed Authorized Consumption volume. However, if the auditor <u>has</u> investigated the billing system and its controls, and <u>has</u> well validated data that indicates the volume from systematic data handling error is substantially higher or lower than that generated by the default value, then the auditor should enter a quantity that was derived from the utility investigations and select an appropriate grading. <u>Note:</u> negative values are not allowed for this audit component. If the auditor enters zero for this component then a grading of 1 will be automatically assigned.
Total annual cost of operating the water system Find	These costs include those for operations, maintenance and any annually incurred costs for long-term upkeep of the drinking water supply and distribution system. It should include the costs of day-to-day upkeep and long-term financing such as repayment of capital bonds for infrastructure expansion or improvement. Typical costs include employee salaries and benefits, materials, equipment, insurance, fees, administrative costs and all other costs that exist to sustain the drinking water supply. Depending upon water utility accounting procedures or regulatory agency requirements, it may be appropriate to include depreciation in the total of this cost. This cost should not include any costs to operate wastewater, biosolids or other systems outside of drinking water.
Unauthorized consumption Find	Includes water illegally withdrawn from fire hydrants, illegal connections, bypasses to customer consumption meters, or tampering with metering or meter reading equipment; as well as any other ways to receive water while thwarting the water utility's ability to collect revenue for the water. Unauthorized consumption results in uncaptured revenue and creates an error that understates customer consumption. In most water utilities this volume is low and, if the water auditor has not yet gathered detailed data for these loss occurrences, it is recommended that the auditor apply a default value of 0.25% of the volume of water supplied. However, if the auditor has investigated unauthorized occurrences, and has well validated data that indicates the volume from unauthorized consumption is substantially higher or lower than that generated by the default value, then the auditor should enter a quantity that was derived from the utility investigations. Note that a value of zero will not be accepted since all water utilities have some volume of unauthorized consumption occurring in their system. Note: if the auditor selects the default value for unauthorized consumption, a data grading of 5 is automatically assigned, but not displayed on the Reporting Worksheet.
Unavoidable Annual Real Losses (UARL) Find	UARL (gallons)=(5.41Lm + 0.15Nc + 7.5Lc) xP, or UARL (litres)=(18.0Lm + 0.8Nc + 25.0Lc) xP where: Lm = length of mains (miles or kilometres) Nc = number of customer service connections Lp = the average distance of customer service connection piping (feet or metres) (see the Worksheet "Service Connection Diagram" for guidance on determining the value of Lp) Lc = total length of customer service connection piping (miles or km) Lc = Nc X Lp (miles or kilometres) P = Pressure (psi or metres) The UARL is a theoretical reference value representing the technical low limit of leakage that could be achieved if all of today's best technology could be successfully applied. It is a key variable in the calculation of the Infrastructure Leakage Index (ILI). Striving to reduce system leakage to a level close to the UARL is usually not needed unless the water supply is unusually expensive, scarce or both. NOTE: The UARL calculation has not yet been proven as fully valid for very small, or low pressure water distribution systems. If, <u>in gallons:</u> (Lm x 32) + Nc < 3000 or P < 35psi <u>in litres:</u> (Lm x 20) + Nc < 3000 or P < 25m then the calculated UARL value may not be valid. The software does not display a value of UARL or ILI if either of these conditions is true.
Unbilled Authorized Consumption	All consumption that is unbilled, but still authorized by the utility. This includes Unbilled Metered Consumption + Unbilled Unmetered Consumption. See "Authorized Consumption" for more information. For Unbilled Unmetered Consumption, the Free Water Audit Software provides the auditor the option to select a default value if they have not audited unmetered activities in detail. The default calculates a volume that is 1.25% of the Water Supplied volume. If the auditor has carefully audited the various unbilled, unmetered, authorized uses of water, and has established reliable estimates of this collective volume, then he or she may enter the volume directly for this component, and not use the default value.

Item Name	Description
Unbilled metered consumption Find	Metered consumption which is authorized by the water utility, but, for any reason, is <u>deemed by utility policy</u> to be unbilled. This might for example include metered water consumed by the utility itself in treatment or distribution operations, or metered water provided to civic institutions free of charge. It does <u>not</u> include water supplied to neighboring utilities (water exported) which may be metered but not billed.
Unbilled unmetered consumption Find	Any kind of Authorized Consumption which is neither billed or metered. This component typically includes water used in activities such as fire fighting, flushing of water mains and sewers, street cleaning, fire flow tests conducted by the water utility, etc. In most water utilities it is a small component which is very often substantially overestimated. It does NOT include water supplied to neighboring utilities (water exported) which is unmetered and unbilled – an unlikely case. This component has many sub-components of water use which are often tedious to identify and quantify. Because of this, and the fact that it is usually a small portion of the water supplied, it is recommended that the auditor apply the default value, which is 1.25% of the Water Supplied volume. Select the default percentage to enter this value. If the water utility <u>has</u> carefully audited the unbilled, unmetered activities occurring in the system, and has well validated data that gives a value substantially higher or lower than the default volume, then the auditor should enter their own volume. However the default approach is recommended for most water utilities. Note that a value of zero is not permitted, since all water utilities have some volume of water in this component occurring in their system.
Units and Conversions	The user may develop an audit based on one of three unit selections: 1) Million Gallons (US) 2) Megalitres (Thousand Cubic Metres) 3) Acre-feet Once this selection has been made in the instructions sheet, all calculations are made on the basis of the chosen units. Should the user wish to make additional conversions, a unit converter is provided below (use drop down menus to select units from the yellow unit boxes): Enter Units: Convert From... = Converts to..... 1 Million Gallons (US) 3.06888329 Acre-feet (conversion factor = 3.06888328973723)
Use of Option Buttons	To use the default percent value choose this button To enter a value choose this button and enter the value in the cell to the right Pcnt: Value: 1.25% NOTE: For Unbilled Unmetered Consumption, Unauthorized Consumption and Systematic Data Handling Errors, a recommended default value can be applied by selecting the Percent option. The default values are based on fixed percentages of Water Supplied or Billed Authorized Consumption and are recommended for use in this audit unless the auditor has well validated data for their system. Default values are shown by purple cells, as shown in the example above. If a default value is selected, the user does not need to grade the item; a grading value of 5 is automatically applied (however, this grade will not be displayed).
Variable production cost (applied to Real Losses) Find	The cost to produce and supply the next unit of water (e.g., \$/million gallons). This cost is determined by calculating the summed unit costs for ground and surface water treatment and all power used for pumping from the source to the customer. It may also include other miscellaneous unit costs that apply to the production of drinking water. It should also include the unit cost of bulk water purchased as an import if applicable. It is common to apply this unit cost to the volume of Real Losses. However, if water resources are strained and the ability to meet future drinking water demands is in question, then the water auditor can be justified in applying the Customer Retail Rate to the Real Loss volume, rather than applying the Variable Production Cost. The Free Water Audit Software applies the Variable Production costs to Real Losses by default. However, the auditor has the option on the Reporting Worksheet to select the Customer Retail Cost as the basis for the Real Loss cost evaluation if the auditor determines that this is warranted.
Volume from own sources Find	The volume of water withdrawn (abstracted) from water resources (rivers, lakes, streams, wells, etc) controlled by the water utility, and then treated for potable water distribution. Most water audits are compiled for utility retail water distribution systems, so this volume should reflect the amount of <u>treated</u> drinking water that entered the distribution system. Often the volume of water measured at the effluent of the treatment works is slightly less than the volume measured at the raw water source, since some of the water is used in the treatment process. Thus, it is useful if flows are metered at the effluent of the treatment works. If metering exists only at the raw water source, an adjustment for water used in the treatment process should be included to account for water consumed in treatment operations such as filter backwashing, basin flushing and cleaning, etc. If the audit is conducted for a wholesale water agency that sells untreated water, then this quantity reflects the measure of the raw water, typically metered at the source.
Volume from own sources: Master meter and supply error adjustment Find	An estimate or measure of the degree of inaccuracy that exists in the master (production) meters measuring the annual Volume from own Sources, and any error in the data trail that exists to collect, store and report the summary production data. This adjustment is a weighted average number that represents the collective error for all master meters for all days of the audit year and any errors identified in the data trail. Meter error can occur in different ways. A meter or meters may be inaccurate by under-registering flow (did not capture all the flow), or by over-registering flow (overstated the actual flow). Data error can occur due to data gaps caused by temporary outages of the meter or related instrumentation. All water utilities encounter some degree of inaccuracy in master meters and data errors in archival systems are common; thus a value of zero should <u>not</u> be entered. Enter a negative percentage or value for metered data under-registration; or, enter a positive percentage or value for metered data over-registration.

Item Name	Description
Water exported Find	The Water Exported volume is the bulk water conveyed and sold by the water utility to neighboring water systems that exists outside of their service area. Typically this water is metered at the custody transfer point of interconnection between the two water utilities. Usually the meter(s) are owned by the water utility that is selling the water: i.e. the exporter. If the water utility who is compiling the annual water audit sells bulk water in this manner, they are an exporter of water. Note: The Water Exported volume is sold to wholesale customers who are typically charged a wholesale rate that is different than retail rates charged to the retail customers existing within the service area. Many state regulatory agencies require that the Water Exported volume be reported to them as a quantity separate and distinct from the retail customer billed consumption. For these reasons - and others - the Water Exported volume is always quantified separately from Billed Authorized Consumption in the standard water audit. Be certain not to "double-count" this quantity by including it in both the Water Exported box and the Billed Metered Consumption box of the water audit Reporting Worksheet. This volume should be included only in the Water Exported box.
Water exported: Master meter and supply error adjustment Find	An estimate or measure of the volume in which the Water Exported volume is incorrect. This adjustment is a weighted average that represents the collective error for all of the metered and archived exported flow for all days of the audit year. Meter error can occur in different ways. A meter may be inaccurate by under-registering flow (did not capture all the flow), or by over-registering flow (overstated the actual flow). Error in the metered, archived data can also occur due to data gaps caused by temporary outages of the meter or related instrumentation. All water utilities encounter some degree of error in their metered data, particularly if meters are aged and infrequently tested. Occasional errors also occur in the archived data. Thus, a value of zero should <u>not</u> be entered. Enter a negative percentage or value for metered data under-registration; or enter a positive percentage or value for metered data over-registration. If regular meter accuracy testing is conducted on the meter(s) - which is usually conducted by the water utility selling the water - then the results of this testing can be used to help quantify the meter error adjustment. Corrections to data gaps or other errors found in the archived data should also be included as a portion of this meter error adjustment.
Water imported Find	The Water Imported volume is the bulk water purchased to become part of the Water Supplied volume. Typically this is water purchased from a neighboring water utility or regional water authority, and is metered at the custody transfer point of interconnection between the two water utilities. Usually the meter(s) are owned by the water supplier selling the water to the utility conducting the water audit. The water supplier selling the bulk water usually charges the receiving utility based upon a wholesale water rate.
Water imported: Master meter and supply error adjustment Find	An estimate or measure of the volume in which the Water Imported volume is incorrect. This adjustment is a weighted average that represents the collective error for all of the metered and archived imported flow for all days of the audit year. Meter error can occur in different ways. A meter may be inaccurate by under-registering flow (did not capture all the flow), or by over-registering flow (overstated the actual flow). Error in the metered, archived data can also occur due to data gaps caused by temporary outages of the meter or related instrumentation. All water utilities encounter some level of meter inaccuracy, particularly if meters are aged and infrequently tested. Occasional errors also occur in the archived metered data. Thus, a value of zero should <u>not</u> be entered. Enter a negative percentage or value for metered data under-registration; or, enter a positive percentage or value for metered data over-registration. If regular meter accuracy testing is conducted on the meter(s) - which is usually conducted by the water utility selling the water - then the results of this testing can be used to help quantify the meter error adjustment.
WATER LOSSES Find	= apparent losses + real losses Water Losses are the difference between Water Supplied and Authorized Consumption. Water losses can be considered as a total volume for the whole system, or for partial systems such as transmission systems, pressure zones or district metered areas (DMA); if one of these configurations are the basis of the water audit.



AWWA Free Water Audit Software: Determining Water Loss Standing

WAS v5.0

American Water Works Association.
Copyright © 2014, All Rights Reserved.Water Audit Report for: **City of Morgan Hill Water Department (CA4210006)**Reporting Year: **2016** **1/2016 - 12/2016**Data Validity Score: **61**

Water Loss Control Planning Guide

Functional Focus Area	Water Audit Data Validity Level / Score				
	Level I (0-25)	Level II (26-50)	Level III (51-70)	Level IV (71-90)	Level V (91-100)
Audit Data Collection	Launch auditing and loss control team; address production metering deficiencies	Analyze business process for customer metering and billing functions and water supply operations. Identify data gaps.	Establish/revise policies and procedures for data collection	Refine data collection practices and establish as routine business process	Annual water audit is a reliable gauge of year-to-year water efficiency standing
Short-term loss control	Research information on leak detection programs. Begin flowcharting analysis of customer billing system	Conduct loss assessment investigations on a sample portion of the system: customer meter testing, leak survey, unauthorized consumption, etc.	Establish ongoing mechanisms for customer meter accuracy testing, active leakage control and infrastructure monitoring	Refine, enhance or expand ongoing programs based upon economic justification	Stay abreast of improvements in metering, meter reading, billing, leakage management and infrastructure rehabilitation
Long-term loss control		Begin to assess long-term needs requiring large expenditure: customer meter replacement, water main replacement program, new customer billing system or Automatic Meter Reading (AMR) system.	Begin to assemble economic business case for long-term needs based upon improved data becoming available through the water audit process.	Conduct detailed planning, budgeting and launch of comprehensive improvements for metering, billing or infrastructure management	Continue incremental improvements in short-term and long-term loss control interventions
Target-setting			Establish long-term apparent and real loss reduction goals (+10 year horizon)	Establish mid-range (5 year horizon) apparent and real loss reduction goals	Evaluate and refine loss control goals on a yearly basis
Benchmarking			Preliminary Comparisons - can begin to rely upon the Infrastructure Leakage Index (ILI) for performance comparisons for real losses (see below table)	Performance Benchmarking - ILI is meaningful in comparing real loss standing	Identify Best Practices/ Best in class - the ILI is very reliable as a real loss performance indicator for best in class service

For validity scores of 50 or below, the shaded blocks should not be focus areas until better data validity is achieved.

Attachment: 2016 Water Loss Audit Report (1476 : 2016 Water Loss Audit Report)

Once data have been entered into the Reporting Worksheet, the performance indicators are automatically calculated. How does a water utility operator know how well his or her system is performing? The AWWA Water Loss Control Committee provided the following table to assist water utilities in gauging an approximate Infrastructure Leakage Index (ILI) that is appropriate for their water system and local conditions. The lower the amount of leakage and real losses that exist in the system, then the lower the ILI value will be.

Note: this table offers an approximate guideline for leakage reduction target-setting. The best means of setting such targets include performing an economic assessment of various loss control methods. However, this table is useful if such an assessment is not possible.

General Guidelines for Setting a Target ILI
(without doing a full economic analysis of leakage control options)

Target ILI Range	Financial Considerations	Operational Considerations	Water Resources Considerations
1.0 - 3.0	Water resources are costly to develop or purchase; ability to increase revenues via water rates is greatly limited because of regulation or low ratepayer affordability.	Operating with system leakage above this level would require expansion of existing infrastructure and/or additional water resources to meet the demand.	Available resources are greatly limited and are very difficult and/or environmentally unsound to develop.
>3.0 - 5.0	Water resources can be developed or purchased at reasonable expense; periodic water rate increases can be feasibly imposed and are tolerated by the customer population.	Existing water supply infrastructure capability is sufficient to meet long-term demand as long as reasonable leakage management controls are in place.	Water resources are believed to be sufficient to meet long-term needs, but demand management interventions (leakage management, water conservation) are included in the long-term
>5.0 - 8.0	Cost to purchase or obtain/treat water is low, as are rates charged to customers.	Superior reliability, capacity and integrity of the water supply infrastructure make it relatively immune to supply shortages.	Water resources are plentiful, reliable, and easily extracted.
Greater than 8.0	Although operational and financial considerations may allow a long-term ILI greater than 8.0, such a level of leakage is not an effective utilization of water as a resource. Setting a target level greater than 8.0 - other than as an incremental goal to a smaller long-term target - is discouraged.		
Less than 1.0	If the calculated Infrastructure Leakage Index (ILI) value for your system is 1.0 or less, two possibilities exist. a) you are maintaining your leakage at low levels in a class with the top worldwide performers in leakage control. b) A portion of your data may be flawed, causing your losses to be greatly understated. This is likely if you calculate a low ILI value but do not employ extensive leakage control practices in your operations. In such cases it is beneficial to validate the data by performing field measurements to confirm the accuracy of production and customer meters, or to identify any other potential sources of error in the data.		



CITY COUNCIL STAFF REPORT

MEETING DATE: November 15, 2017

PREPARED BY: David Swing, Police Chief

APPROVED BY: City Manager

POLICE RESOURCES REPORT

RECOMMENDATION(S)

Accept report on Police resources and update on Public Safety Master Plan recommendations.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety

Maintaining Fiscal Responsibility

Supporting Our Youth

Seniors

and Entire Community

POLICY CONSIDERATIONS:

1. What methodology should be used to determine adequate police department staffing?
2. What is the balance between the privacy interests of the public and the use of technology such as video cameras and license plate readers in public places?

REPORT NARRATIVE:

Background

The question of sufficient police resources is something our community and Council has grappled with on various occasions for over 20 years. Consultants have conducted studies, staff have written reports, and Chiefs have advocated; however, consistent with other cities, the answer to the question of adequate staffing continues to elude elected officials, community members and city staff. A 2010 Rand research study titled *"Hidden in Plain Sight: What Cost-of-Crime Research Can Tell Us About Investing in Police"* evaluated whether adding police officers has a deterrent effect on crime (Heaton). The results of the study found that "increases in police staffing levels do generate measurable decreases in crime (Heaton, 2010)."

Though this study answers the questions surrounding the efficacy of adding officers, the methodology to determine the number of officers is not defined. Determining adequate staffing is as much art as science. Examining workload to determine officer deployment is the science of staffing and the degree of involvement in non-traditional police related

activities and proactive law enforcement is part of a broader policy decision guided by available resources and community desires.

For example, there are two primary types of calls in policing – proactive and reactive. A proactive call is initiated by the officer – self-initiated (SI) - whereas a reactive call is resident generated or a radio call; both types of calls combined provide the total calls for service (CFS). Ensuring available time and staffing to handle radio calls is based on the analysis of the number and type of calls and the time required to appropriately respond and investigate. The art of staffing is the amount of time desired for proactive patrols and community engagement. Radio calls consume more time than SI activity. SI will decrease at a greater rate than the corresponding increase in radio calls due to the reality that radio calls take more time and resources to adjudicate.

Prior to laying off 13 officers, in 1992 the Morgan Hill Police Department stood 34 strong with a call volume of 10,780 CFS. The attached staff report, authored by Chief Schwab, illustrates the workload and staffing history from 1992-1997 with calls per officer of 552 in 1997. This is contrasted by staffing and workload numbers from 2011-2016 which shows calls per officer have increased to 1023 in 2016 or 39,913 CFS.

To help assess our workload, the Police and Fire Departments worked with the Center for Public Safety Management (CPSM) in 2016 to develop a public safety master plan (PSMP). The PSMP was designed to provide a framework for police and fire resources based on their staffing recommendations. In determining police staffing levels, CPSM used a patrol saturation index (PSI) methodology which assessed allocated and unallocated officer time. The desired PSI from CPSM was less than 60% allocated time. Ensuring the accuracy of allocated and unallocated time presents several challenges. The most significant challenge is ensuring officers are tracking their time when conducting non-enforcement related activities. For example, Morgan Hill officers spend significant time writing reports and conducting follow-up. Officers generally leave themselves available during this time so that as calls come in dispatchers can assign the call that results in the best response time and service to the community. In this scenario, the computer will show the officer's time as unallocated even though the officer's time is truly allocated thereby effecting the accuracy of the PSI calculation.

During the presentation in February 2017, the Council asked if PSI was the correct methodology to gauge the adequacy of police resources. Due to the multiple conditions that effect the variables of PSI, staff does not believe that PSI is the best methodology to evaluate the adequacy of police staffing and instead believes that a methodology used the by International Association of Chief of Police (IACP) provides for more accurate assessment as it better controls some of the variables.

The IACP formula establishes an average time per each type of incident and the number of resources assigned. This formula considers time for investigation and administrative work – such as reporting writing, prisoner processing, and booking of evidence. Using this formula, the police department should have 35 officers assigned to Field Operations – whereas presently 27 are assigned. The recommendation of 35 officers was determined by using the data from the CPSM study and the IACP formula.

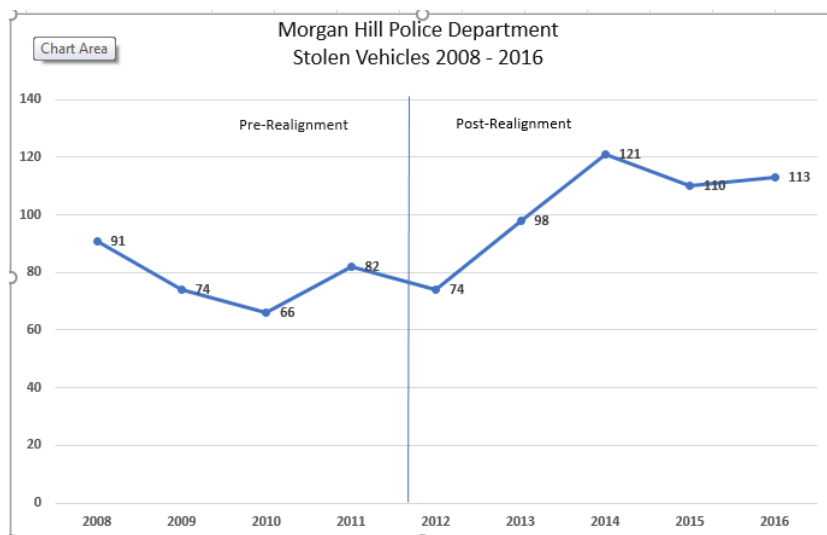
CPSM analyzed the department's call data and found the average call takes 30.8 minutes and requires 1.8 officers. Factoring in the average number of officers at 1.8 and the average time on call means that officers spend approximately 55 minutes, or .92 of an hour, on each call. When multiplied by the total number of calls, which CPSM determined was 26,747 in 2015, and accounting for administrative work and preventative patrol, 35 was the recommended number.

The reason for the increase in CFS and workload is driven primarily by two key factors - an increasing population and more transitory nature of crime. Morgan Hill has seen significant population growth and increases in traffic since coming out of the Great Recession. Both factors have contributed to increased demands on police services. Recently, the police department has also experienced an increase in the number of persons arrested with addresses other than Morgan Hill. In 2015, 51% of arrestees were from outside of Morgan Hill. This transitory nature of crime has also contributed to an increased call volume. An example of this type of crime was recently illustrated by the District Attorney's Office Crime Strategies Unit (CSU). The CSU identifies county-wide crime trends and finds linkages to crimes in other jurisdictions. The CSU saw a trend in auto and residential burglaries in communities along major freeways being committed by suspects driving newer vehicles. The CSU found that an Oakland based gang called the Ghost Town Crew was renting vehicles by committing identity theft then using the vehicle to drive to various locations and commit burglaries. The area of Cochrane and US101 has experienced a disproportionately high number of auto burglaries with a similar suspect vehicle description.

Additionally, recent sentencing reform has led to an increase in lower level offenders being released earlier back into the community and reduction in punitive sanctions for property and drug offenses.

One of the first recent sentencing reform initiatives was Assembly Bill 109 (AB109). Although the true impacts of AB109 are difficult to quantify, an increase in thefts of vehicles has been directly attributed to the new guidelines. Dr. Joan Petersilla from Stanford University conducted a study on the impacts of prisoner realignment. In her study, she found that the increase in vehicle theft is directly attributable to the realignment of prisoners from state institutions into the county system. This is significant as Dr. Petersilla believed that vehicle theft was a more accurately reported crime indicating an increase in crime attributable to AB109. Vehicle theft has a disproportionate impact on young people and those who are more likely to drive older vehicles. Unfortunately, those in this demographic are less likely to have insurance that covers theft therefore the loss is more detrimental as a result.

The previously mentioned Rand study assigned a cost of crime for vehicle theft of \$9,079. This means that the 31 additional occurrences from 2011 to 2016 have a crime cost increase of \$281,449. The comparison of vehicle theft represents one of the eight Part 1 crime types. The below chart shows how the increase in vehicle theft occurrences translates to Morgan Hill.



The larger law enforcement community also believes that other state-wide sentencing reform initiatives such as Propositions 47 – which reduced many drug and property crimes from felonies to misdemeanors - and 57 – which allows for earlier release of state prisoners - have had or will have the effect of increasing crime occurrences largely due to an increased offender population in the community, a reduction in criminal sanctions, and a lack of programming and incentives for those out of custody to make crime-free lifestyle choices.

An example of an unintended consequence associated to Proposition 47 is an increase in offenders choosing to serve a full sentence as opposed to a lesser sentence combined with drug education classes. The reduction of the crime classification to a misdemeanor from a felony removed the incentive for many offenders to have their sentences reduced through the completion of drug treatment.

Future Workload

In addition to the traditional workload increases attributed to growth, some of the other lesser known impacts include sentencing and bail reform, unfunded state mandates, and changes in case law. As discussed above, Proposition 57 was passed by California voters in 2016 and will result in the early release of violent and non-violent prisoners from the state corrections system. Although the number of prisoners released to Morgan Hill is unknown, based on the transient nature of crime, we can anticipate increased incidents resulting from the early releases.

Another impact on available officer time is AB953 – Racial Identify Profiling Act (RIPA). RIPA, scheduled for a 2022-2023 implementation in Morgan Hill, is a state mandated program that will require officers to complete a 15-21 point survey for each person they stop in the course of their work – a stop is defined as a detention or consent search. A survey from the Attorney General's office estimates that each form will take between 4-8 minutes to complete based on the officer's actions during the contact. This form is required for each person contacted where an investigation or enforcement is conducted. It is estimated that MHPD officers made 13,653 qualifying contacts during 2016. Six (6) minutes multiplied by 13,653 contacts equals 1,365 hours of proactive community

policing time reallocated to the completion of paperwork. The completion of the associated paperwork will also have an impact on response times as ensuring accuracy of information requires the officer to complete the form immediately after the stop so that the officer's recollection of his/her own perceptions are accurately recorded.

Although the department is unsure of the eventual impact from sentencing reform, Proposition 64 (marijuana legalization), and RIPA, the law enforcement community is confident those changes and others will require communities to increase staffing to maintain the feelings of safety that exist today.

EFFICIENCIES

The Police Department continually strives to find better ways to provide superior service to our community. This is accomplished through both process and technological advances. Some of the technology we have used include automated license plate readers, electronic citations, paperless case management systems, body worn cameras (BWC), public video cameras, and automated email systems that seamlessly establish a point of contact between crime victims and the investigating officer. Our future technology projects include paperless filing of criminal complaints with the District Attorney's Office, mobile video systems, integrated body-worn cameras, and a public registry for cameras that allows for automated notification when a crime occurs in the surrounding area. Technology projects currently underway are early intervention software for high-risk officer behaviors and deploying smart phones to all officers so that they can access needed information in real-time.

One of the most substantial process and technology related efficiencies has a planned implementation in December 2017 with the integration of our dispatch and body-worn camera systems. This integration will no longer require officers to mark and make copies of relevant videos and reduces the time it takes to locate video associated to an event. This project will also help facilitate the seamless filing of criminal complaints with the District Attorney's Office. These enhancements are part of our BWC upgrade from earlier in the fiscal year.

The police department has completed other process enhancements from the PSMP operational review that include the following: reinstatement of our Street Crimes Team – now a Neighborhood Resource Unit, resolved the dispatch delay, and incorporated better case management systems. The full list of recommendations and their status is included as Attachment B.

POTENTIAL FUTURE ENHANCEMENTS

As revenues increase and allow the City to support expanded services, there are several enhancements to existing service that may be considered in the future. These enhancements are based on current workload and forecasted growth and impacts.

1. City-wide deployment of fixed automated license plate readers (ALPR) and video systems.
2. Increase Field Operations staffing by one Police Sergeant and three officers.

3. Increase Investigations staffing by one Detective and one School Resource Officer (SRO)
4. Add one Training Coordinator
5. Add a dedicated Information Services Technician

City-wide deployment of ALPR and video systems: Increased ALPR and video surveillance use requires a balancing act between the interests of collecting information in public and law enforcement using the best technology to aid their role in safeguarding the community. ALPR systems are commonly thought of as a resource to find stolen vehicles; however, that is only part of their benefit. In addition to locating stolen vehicles, the police department has recently used ALPR information to help solve other incidents such as a suspicious death and aided in the location and identification of the suspect vehicle for a man exposing himself to women.

Other cities, like Piedmont, have found success using fixed and mobile ALPR cameras to help reduce property crime. Piedmont deployed a robust system in 2013 due to a spike in property crime and has since seen a property crime reduction of 32%. The reduction in crime is attributed to the deterrent effect based on the knowledge of the cameras and using the data to help solve crimes.

In addition to ALPR systems, video systems have shown to be helpful in investigating and deterring crime. The City of Hollister recently identified an arsonist from video footage after the cameras recorded him lighting a dumpster fire in their downtown. The City of Morgan Hill could deploy a camera system in downtown to help increase the feeling of safety and aid in the investigation of crime. The costs associated for an ALPR or video system are dependent on the extent of the system.

Increase Field Operations Staffing: Increased Field Operations staffing by one Sergeant and three Officers will allow the police department to deploy officers on a new schedule that will provide for six training days per year and an overlap of patrol coverage on four days a week. The overlap of coverage will allow the department to focus on community policing projects and have a dedicated presence in downtown or other areas where a higher-profile presence is desired. Estimated potential cost of \$670,000.

Increase Special Operations Staffing: Increased staffing in Special Operations will provide the personnel necessary to add a second School Resource Officer (SRO) and a general crimes Detective for follow-up on significant cases involving juvenile and property crime. Adding a second SRO would increase the time available for student interaction and create connections with students. Connectedness to an adult role model was also identified as a protective factor in the Epi-Aid youth suicide report. Estimated potential cost of \$309,000.

Add Training Coordinator: The CPSM report found the need for a Professional Standards and Conduct Unit by adding a Sergeant position. The addition of a Training Coordinator is a way to accomplish the recommendation at a lower cost. Currently,

administrative training needs are conducted by an Administrative Sergeant. The addition of a training coordinator would free up the Administrative Sergeant to implement the oversight recommendations of the CPSM study by reassigning the current administrative tasks. This strategy is employed by other small and mid-sized agencies. Estimated potential cost of \$87,000.

Add Information Services (IS) Technician: The Police Department knows the effective use of technology is essential to our success and endeavors to expand on an already robust platform. The technology needs of the police department have grown considerably in the past seven years and will continue to grow into the foreseeable future with cloud based applications. Due to the complexities of technology, the need for consistency is greater than it was previously. As a result, the department would benefit from a dedicated IS resource to facilitate the ever-growing technology based needs. The addition of this position would free up the current IS resources to focus on needs outside of the police department. Estimated potential cost of \$132,000.

The above enhancements will be considered in the future as part of upcoming budget processes. Staff acknowledges that fiscal resources are limited and that any increase in expenditures requires a revenue/funding source or a reduction in other expenditures.

COMMUNITY ENGAGEMENT: Inform

This report serves to inform the community and highlight our current and future needs for police resources.

ALTERNATIVE ACTIONS:

Not applicable – acceptance of report only, no action required

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

The PSMP was presented to City Council on February 22, 2017. The City Council accepted and adopted the report at that meeting.

FISCAL AND RESOURCE IMPACT:

The acceptance of the report has no fiscal impact. Future City Council decisions to potentially increase resources will determine the fiscal impact.

CEQA (California Environmental Quality Act):

Not a Project: This report is for informational and discussion purposes only.

LINKS/ATTACHMENTS:

1. Operations Recommendations Action List_CPSM_Nov 2017
2. Public safety Masterplan (weblink)
3. Chief Schwab Staffing Study

Morgan Hill Police Operations Recommendations Action List
November 2017
Prepared with Recommendations from CPSM

Area of Department:

Dispatch

- CPSM recommends a team from Communications be established to review the dispatch practices of the current Communications staff and develop a system to accurately identify the true “dispatch delay” period. **Recommendation Completed** (Changed Priority Level. Priority 1 identified and dispatched correctly.)
- Empanel a calls for service (CFS) committee to evaluate service demands and attempt to reduce and/or eliminate the number of nonemergency responses. **Recommendation Set As Mid-Term Goal** (Reviewing priorities to determine next steps, will bring list to Communication Committee and Command Staff for review in December 2017.)
- The CAD database should be modified to ensure that only in-progress crimes and life-safety incidents be recorded as Priority 1 calls. **Recommendation In Progress** (The list was updated by the Field Operations Captain and he is working through other stages of the review process with an anticipated completion date in December 2017.)

Records

- MHPD should review and modify current Records policy to better reflect the “paperless” process employed by MHPD. **Recommendation Set As Mid-Term Goal** (With desktop scanners in Records, no hard copies are needed. Need to implement policy and update Records Procedure Manual.) (Planned Completion in December 2017)
- Consideration should be given to discontinuing the practice of accepting cash at the Records Section public window and moving to a system for accepting only credit/debit cards, checks, or money orders. **Recommendation Not Considered** (Staff does not believe this recommendation is in the best interest or service to all members of our community.)

Special Operations

- Recreate the street crime/gang enforcement team to supplement investigations and patrol deployment and to be able to develop a crime prevention and community engagement strategy. **Recommendation Complete** (Recommendation reinstated in April of 2017.)
- Incorporate data management (caseload, clearances, etc.) into the operations of the Special Operations Division. **Recommendation Complete** (Staff developed a hybrid case management system with infrastructure already in place within our current system.)
- Develop an integrated intelligence and crime analysis function. **Recommendation Set As Mid-Term Goal** (Coordinated effort in progress by county-wide analysts.) (Planned Completion in December 2017)
- Address “hot spots” in the community by leveraging all operational assets of the department. **Recommendation Continuous** (Weekly “hot spots” reports will be dispersed department-wide.)

Patrol

- Maintain the current patrol shift schedule and continue to utilize 12-hour tours for patrol. **Recommendation Completed** (Recommendation to eventually implement 4/10, 3/12 hybrid schedule.)
- Embrace a more strategic approach to traffic safety. Place the responsibility for traffic safety with the supervisor of the Traffic Division and use this section as the research and planning arm to support this effort. **Recommendation Completed** (Quarterly traffic collision and analysis plan in place since 2014 and will expand with Crossroads software implementation.)
- Management should ensure that briefings occur with minimal exception. Supervisors should be innovative in their approach to accomplishing this task. **Recommendation Completed** (Sergeants are reminded to conduct regular briefings by Field Operations Captain. Implementation of the 4/10, 3/12 hybrid schedule will help accomplish this as well.)
- Ensure vehicle maintenance and repair software is installed and utilized to improve fleet service oversight. **Recommendation Completed** (Frank's Auto has opted to go with "Mitchell 1" for their fleet service. Will transfer our last 2 years of vehicle information to this system and will have ability to run a report by vehicle.)
- MHPD staff must continue its diligence to maintain compliance with prisoner safety checks. **Recommendation Continuous** (MSOs and patrol staff regularly receive high marks in our temporary holding cell inspections in this area.)
- Examine the reasons for, and minimize, the excessive time spent by patrol officers on out-of-service tasks. **Recommendation In Progress** (Meeting with Sergeants to review and provide recommendations for reducing out-of-service time.) (Planned Completion in December 2017)
- MHPD has a number of prisoner transport alternatives worthy of exploration, including policy modification, regional jailing cooperatives, and employing a private transport service. CPSM recommends MHPD assess these options for the solution that addresses its concerns and provides the most benefit to the organization. **Recommendation Not Considered** (Attempted regional prisoner management program with Gilroy PD but was unsuccessful in implementing. MSOs have the time and ability to continue to provide this service.)

Personnel

- Management must be diligent in reviewing completed backgrounds to ensure the thoroughness and quality of the new company meets MHPD standards. **Recommendation Continuous** (Checks in place with Command Staff and Executive Assistant since 2011-Present.)
- The two-year training calendar should be reviewed annually to ensure that compliance with current law and training relevance to department needs are maintained. **Recommendation Continuous** (Completed and reviewed by Admin Sergeant.)
- Perishable skills and dynamic scenario training should be included in the two-year training calendar to ensure it is presented at appropriate intervals. **Recommendation Continuous** (Primary task of Admin Sergeant and current for the past 6 years. Perishable Skills are on a 2-year training cycle.)

Personnel (continued)

- In the event that an injured worker is found to be temporarily disabled and will be on a lost-time status, his or her first-line supervisor should be in weekly contact with the employee to ensure that his or her needs are being met, as well as to provide encouragement for a speedy recovery. **Recommendation In Progress** (Occurs now with Sergeants and Command Staff, though consistency could be improved.)
- A review of current training facilities should be considered to ensure they meet department training needs. **Recommendation Set As Long-Term Goal**
- Consideration should be given to utilizing a retiree to conduct background investigations. This would be a temporary position, without benefits, that would work on an as-needed basis. Funding for this position could be drawn from the budgeted funds for a position which is then vacant. **Recommendation Not Considered** (The fiscal implications of this recommendation are untenable. Additionally, small agencies rely on contractors for this service for a fixed cost and thorough report.)
- Supervisors should accompany injured employees seeking initial medical treatment/evaluation to the treating facility when such treatment is provided at a city-contracted facility. The supervisor should consult with the treating physician and discuss with them the availability of temporary modified duty assignments as defined above to assist in determining if such work can be performed where available. **Recommendation Not Considered** (Unnecessary and privacy concerns and Sergeant should be in the field supervising.)

Administration – Internal Affairs

- Department IA policy should be reviewed to ensure that policy and practice are in line. **Recommendation Completed** (Review conducted to ensure alignment.)
- A comprehensive, reliable, and user-friendly administrative investigation and public complaint tracking system should be implemented to provide a valuable risk management tool. **Recommendation Set As Mid-Term Goal** (Purchased new software for complaint tracking.) (Planned Completion in December 2017)
- The practice of the fact finder determining administrative investigation case findings should be examined and revised to balance investigative objectivity and staff development benefits. **Recommendation Set As Mid-Term Goal** (Reviewing policy and practice of other similar sized agencies.) (Planned Completion in June 2018)
- MHPD policy in this area should be reviewed to ensure policy and practice is in line with the desired investigative process. **Recommendation In Progress** (Planned Completion in December 2017)
- Administrative investigation and personnel complaint management reports should be provided to executive staff on a regular basis utilizing the current manual tracking method and any tracking software implemented in the future. **Recommendation In Progress** (Planned Completion in December 2017)

Administration – Use of Force

- CPSM recommends that the two related policy statements (300.5 and 300.5.1) be combined to clarify that documenting and reporting incidents of force are governed by the same criteria. **Recommendation Completed** (Reviewed policy statements with our policy provider - no plans to implement due to uncertain need.)
- Policy should be revised to include a requirement that an officer observing a use of force under any circumstance be required to report the observed use to a supervisor. **Recommendation Completed** (Reviewed recommendation and policy for other agencies.)
- The Critical Incident Review Board (CIRB) policy must be revised to reflect the board's true intended scope of authority and responsibility. **Recommendation Completed** (Revised policy.)
- CPSM recommends the Executive Information Services (EIS) use-of-force module be implemented as soon as possible or a suitable replacement be implemented as soon as possible. **Recommendation In Progress** (Purchased new software.) (Planned Completion in December 2017)
- CPSM recommends policy language regarding supervisory response to use-of-force incidents be clarified with a positive requirement to respond to all force incidents and that language such as "when a supervisor is able to" or "in the events a supervisor is unable to respond" be eliminated. **Recommendation Not Considered** (Our practice is that supervisor responds and conducts an investigation. Stating we shall respond potentially opens up the Department to liability if we are unable for an unforeseen reason. It would require a Command level response if a Sergeant uses force in routine situations.)

Administration

- Identify technology priorities for the department and develop a strategy to seek necessary funding. **Recommendation Completed** (Staff identified key technology priorities for the department and each division, submitted priorities to Command Staff for assistance with prioritization and funding resources.)
- Efforts should be made to improve compliance with the annual performance evaluation requirement to ensure personnel are kept abreast of their performance status and documentation is available should performance-related administrative action be required. **Recommendation In Progress** (Updated annual performance evaluation lists have been given to Supervisors and reminders will be given in a timely manner.)
- Add one sergeant position to Field Operations for coordinating administrative and planning efforts. **Recommendation Set As Long-Term Goal** (Staff is researching options and will present at a future Council Meeting as part of the Long-Term Staffing Plan.)
- CPSM recommends that the administrative sergeant position be reassigned to the Field Operations Division and duties modified to provide administrative support as appropriate to enable patrol sergeants to more effectively direct patrol operations. **Recommendation Set As Long-Term Goal** (Staff is researching options and will present at a future Council Meeting as part of the Long-Term Staffing Plan.)

Administration (continued)

- CPSM recommends creation of a Professional Standards Unit under the direction of a sergeant. Law enforcement agencies have developed professional standards units to manage department-wide essential support services by maintaining high standards of ethics and professionalism in the areas of recruitment, hiring, personnel records maintenance, labor relations, human resource management, policy development, training, administrative investigations and use-of-force management. **Recommendation Set As Long-Term Goal** (Possibilities for PS Unit: 1 Lieutenant with some Admin Sergeant duties; 1 Sergeant with some Admin Sergeant and Patrol Sergeant duties or 1 non-sworn position handling duties. New trend among other agencies is to hire non-sworn positions.)
- CPSM recommends the background/recruitment process be included in the Professional Standards Unit as noted in this report. **Recommendation Set As Long-Term Goal** (Currently assigned to Admin Sergeant and Special Operations Captain.)



CITY OF MORGAN HILL POLICE DEPARTMENT

INTEROFFICE MEMORANDUM

Date: May 11, 1998
To: David Jenkins
From: Chief of Police Steve Schwab
Subject: Methodology to Determine Adequate Police Staffing
cc:

Executive Summary:

The ability to determine the appropriate level of Police Department staffing to provide a reasonable level of service is a far more difficult task than it may seem on the surface. There are no universal industry standards to measure adequate police staffing and the definition of a reasonable service level may vary widely from one community to another, indeed even within a given community itself. It is not unusual for some community members to have service expectations which exceed the City's ability to provide. Furthermore, Police Departments are not only charged with the responsibility for crime control, but also maintaining order within the community, including dealing with localized minor nuisances and providing other miscellaneous services. Community Policing strategies, which have proven successful here in Morgan Hill and across the nation, also require that the Police Department develop non-traditional roles and invest heavily in proactive, as well as reactive, activities. Thus, developing a method to determine the exact level of police staffing required in a given community becomes as much of an art as it is a science.

Traditional Methods:

One method that has been used to establish appropriate police staffing levels has been to maintain staffing as a ratio of community population. In the past, such methods have been adopted as a function of a national, state or regional average such as 1.5 officers per 1000 population. While this simple method is certainly easy to understand and does allow a city to gauge services to community growth, it fails to consider several important factors. Because cities are unique and have individual needs, demographics, geography, and activity levels, their requirements will differ. Some cities may require higher police staffing than the average, while others can provide acceptable service levels

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Attachment: Chief Schwab Staffing Study (1484 : Police Resources Report)

with fewer officers. Accepting staffing standards by this method also does not necessarily consider the ability of a City to meet those standards in a fiscally responsible fashion nor does it look at providing services utilizing civilian employees or alternative service delivery methods.

At the other end of the spectrum is developing staffing levels based solely on financial considerations. Such a method would dictate that a given budget would be appropriated for police services. Staffing levels would be restricted to what could be provided for a given sum of money. This methodology does not necessarily consider community growth or specific service needs and the resources required to provide them over time. Obviously, the result of establishing staffing levels by this method will eventually require that, absent adequate funding, certain non-essential services be suspended or restricted to resources at hand. This methodology was forced to be used in Morgan Hill during the fiscal crisis of 1992 and had many detrimental effects in the community. Moreover, as the community grows, the established budget would have to grow in like proportions just to avoid reducing existing service levels further.

A third method of establishing appropriate staffing levels is to consider staff requirements for individual projects or programs within the Department's operations. For example, should a community wish to develop a narcotics enforcement unit, School Resource Officer unit, or participate in a regional task force, it is fairly easy to identify and justify the resources needed for a given program. Establishing adequate staffing levels using this method is extremely accurate and valid even for our Police Department, provided that the programs are somewhat autonomous from each other and overall service delivery. While a few of these autonomous programs exist in smaller Police Departments such as ours, most of our efforts and staff resources are dedicated to a more generalist, community policing strategy. It is difficult to articulate proper overall staffing requirements using only this method because it can be overly plagued by excessive analysis of a large number of individual functions while not considering the impact on the entire operation of the Police Department and its ability to provide general services.

Finally, a fourth method could be called "staffing by instinct." Although this may sound facetious, there are communities where resources are not extremely limited. In such cases, any desired level of service and corresponding staffing levels can be established at will through intuitive processes. Simply put, if a problem is merely perceived or a service merely desired, resources are made available to provide adequate staffing to deliver those services. Unfortunately, I do not believe we fall into this category.

Staffing Proportional to Workload and Productivity Results:

Police Departments that employ a community oriented/problem solving approach to policing require a somewhat different method to determine exactly what staffing resources are needed to do the job. Departments such as ours, can be characterized by our need for flexible deployment, timely handling of calls for service, proactive enforcement and prevention activities, and expanded use of civilian employees, volunteers and community participation, all focusing on a prioritized set of goals in a fiscally responsible manner. While this sounds complex and grandiose, proper staffing levels to deliver an overall reasonable level of service can be determined, in easily understood terms, through

a process of objective and subjective analysis. Such a process contains the following steps:

1. Conduct an analysis of a select set of overall workload and performance indicators at any given time that describes general reactive and proactive police activities as well as community growth data.
2. Select a base year for comparison where police services levels were seen to be adequate both from the objective workload and performance indicators as well as subjective community perceptions.
3. By comparing data from items 1 and 2 above, one can derive a measure of any deficits or surpluses in resources to maintain a given level of service.
4. Once this information is known, further analysis can be conducted to ascertain if there are specific areas of service level concern, if existing resources can be adjusted to address needs, or if alternate service delivery techniques can be used to achieve a reasonable service level. What remains is a fairly clear picture of what additional staffing is required to maintain a given level of service.
5. The final step in the analysis is to determine the most effective and fiscally responsible method of supplying the staffing requirements.

This method will not only provide sufficient information to maintain an existing level of service over time, but it can be used to determine the required additional resources should an increase in the level of service be desired, or conversely, it can be used to determine what services should be reduced, redirected or eliminated in times of serious fiscal constraint.

In addition, should the city desire to provide specialized police services which are somewhat unique or autonomous from our overall service delivery, such a participation in a regional crime specific task force, the resources required for that participation can be determined using the program budget method listed above.

Workload and Performance Indicators:

The following are a few workload and performance indicators reflecting overall police services that can be easily measured and analyzed to determine staffing needs:

1. Annual Volume of Total Calls for Service: Calls for service consist of any request for service made to the Police Department from an external source that requires some sort of response or action. These can range from requests for vehicle abatement or reports of loud parties to major crime responses. These constitute the bulk of our reactive services. The greater the volume, the greater the workload on all facets of the Police Department including patrol officers, investigators, dispatch and records personnel. The volume of calls for service can also be compared to population to determine if growth in the

community is generating a greater or lesser number of calls for service per capita.

2. Calls for Service per Officer: This indicator serves to show the relative Department workload in providing reactive services. The higher the ratio of calls for service per officer, the more time is being consumed responding to calls, investigating incidents and writing reports. Obviously, the more time spent providing reactive services, the less time is available for proactive policing and high visibility patrol.
3. Officer Initiated Activity per actual Field Officer: When field officers are not engaged in responding to calls for service, they have the opportunity to initiate proactive services. Officer Initiated Activity includes traffic enforcement, directed enforcement stops in targeted areas, security checks, community policing efforts such as foot patrol, curfew enforcement, and enforcement of any criminal activity which the officer observes. The volume of officer initiated activity will increase and decrease generally based on two factors. The more time spent handling calls for service, the less time is available for officer initiated activity. Secondly, if there are vacancies or extended absences, fewer officers are available to perform officer initiated activity and all calls for service are distributed among fewer officers, thus giving each individual officer less time for proactive enforcement. By measuring officer initiated activity per actual field officer, reduced officer initiated activity due solely to staff shortages is accounted for resulting in a more realistic workload measure. Officer initiated activity is important because it reflects proactive efforts which are key to community policing and a public perception of safety.
4. Response time to Calls for Service: Timely response to calls for service is an important performance indicator to the community. All calls for service are divided into four priorities. Priority 1 calls include in-progress felonies or other calls where there is a likelihood of death or life threatening injury. Priority 2 calls include in-progress crimes where a rapid response is likely to prevent injury or result in a suspect being apprehended. Priority 3 calls include response to take police reports or other incidents which are not in progress. Priority 4 calls include those where immediate response is not necessary or where an extended response will not diminish the service that is requested. Example of a priority 4 calls for service are reports taken over the phone and abandoned vehicle abatement where numerous requests for service are handled on a regular periodic basis in a batch mode.

Only average response time to Priority 2 and priority 3 calls for service are important to monitor. Priority 1 calls always receive immediate response, even if an officer is on another lower priority call for service. However, any degradation in response times to priority 2 and priority 3 calls indicate that there are insufficient numbers of officers on duty to handle more than one multi-unit call at a time, or workload has increased which causes inordinate stacking of calls for service in queue.

5. Major Crime Rate: Maintaining a low major crime rate (Part I violent crime and total Part I crimes per 1000 population) is of obvious importance to any community. However,

this information can only be utilized in part as a performance indicator to determine proper staffing. While there is a loose correlation between the level of police staffing and crime rate, low crime rates can equally be attributed to the quality and effective use of resources at hand. None the less, large fluctuations in crime trends can indicate the need to reallocate existing resources or used with other corroborating data to illustrate the need to add resources to address specific problems.

Conclusions:

These workload and performance indicators are best suited to paint a broad based picture to evaluate police service levels in Morgan Hill. Taken in combination, these indicators provide comprehensive data to describe both the overall quantity and quality of police services. From this data, management judgements can be made to either reallocate existing resources and staffing deployment, adjust service levels, or determine if additional staff is justified and required to maintain a given level of service. If it is determined that additional staff is required, these indicators can also serve as a basis for more detailed analysis of other factors to derive whether sworn or civilian staff would be most effective and the areas or duties to which such staff can be deployed.



CITY COUNCIL STAFF REPORT

MEETING DATE: November 15, 2017

PREPARED BY: Jennifer Carman, Community Development Director
APPROVED BY: City Manager

AN ORDINANCE OF THE CITY OF MORGAN HILL ALLOWING EXISTING RESIDENTIAL DEVELOPMENT PROJECTS WITH A COMMENCEMENT OF CONSTRUCTION REQUIREMENT TO UTILIZE THE EXERCISE OF ALLOTMENT PROVISION PROVIDED WITHIN THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDACS) ORDINANCE SECTION 18.78.160 OF THE MORGAN HILL MUNICIPAL CODE

RECOMMENDATION(S)

1. Open/close public hearing;
2. Waive the first and second reading of the Ordinance; and
3. Introduce the Ordinance.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Protecting the Environment
Preserving and Cultivating Public Trust

2017 Strategic Priorities

Inclusiveness

POLICY CONSIDERATIONS:

Should City Council adopt a single ordinance that would effectuate existing RDACS Implementation Policies or require applicants to pursue individual Development Agreement amendments?

REPORT NARRATIVE:

A comprehensive update of the City of Morgan Hill Residential Development Control System (RDACS) was approved by voters on November 8, 2016 (Measure S) and became effective on March 1, 2017.

City Council adopted a Competition Manual that established criteria and point values that the City will use to award allotments to competing residential projects as well as implementation policies for guiding the allocation and development process.

Implementation Policy J defines how allotments are effectuated and provides for allotments granted to projects under the previous RDACS (e.g., Measure C) to change when the allotments are considered exercised pursuant to Section 18.78.160.A of the RDACS Ordinance (Measure S):

Allotments must be exercised within 30 months of approval or by an alternative date specified in the RDCS Agreement. An allotment is considered exercised with the recordation of a Final Map, issuance of a grading permit, or the commencement of construction if no Final Map or grading permit is required.

A project shall be deemed to have physically commenced construction upon issuance of a building permit for the lot (or each building for multi-family/mixed-use projects) and completion of the following improvements: Installation of on-site and off-site improvements including grading and certification of the building pad by the Building Division and completion of one or more of the following: a) Excavation of the footings and foundations for the dwelling units; b) Installation of water or sewer laterals to the relevant units.

Issuance of a grading permit means the issuance of a Grading and On-Site Development Permit by the City's Building Division. The Grading and On-Site Development Permit may not be issued until the project secures all required Planning entitlements.

There are several existing projects with Development Agreements that would benefit from changing the "commencement of construction" clause in their existing Development Agreements to the language in section 18.78.160.A. In consultation with the City Attorney's office, staff determined that it would be a more cost-effective and streamlined use of City resources to process the amended language in a single ordinance rather than processing each Development Agreement amendment individually.

COMMUNITY ENGAGEMENT: Inform

The proposed ordinance was publicly noticed for the minimum 10-day period.

ALTERNATIVE ACTIONS:

City Council could decline to adopt this ordinance and require applicants to complete individual Development Agreement amendments.

FISCAL AND RESOURCE IMPACT:

The recommended ordinance would be a more cost-effective use of City resources to process the amended language in a single ordinance rather than processing each project individually.

CEQA (California Environmental Quality Act):

An Environmental Impact Report (EIR) for the Morgan Hill 2035 Project, which included the Residential Development Control System (RDCS) Update, was prepared in accordance with the California Environmental Quality Act (CEQA) and certified by the Morgan Hill City Council on July 27, 2016. (SCH #2015022074)

LINKS/ATTACHMENTS:

1. RDCS Exercise of Allotment Ordinance

ORDINANCE NO.

**AN UNCODIFIED ORDINANCE OF THE CITY OF
MORGAN HILL ALLOWING EXISTING RESIDENTIAL
DEVELOPMENT PROJECTS WITH A COMMENCEMENT
OF CONSTRUCTION REQUIREMENT TO UTILIZE THE
EXERCISE OF ALLOTMENT PROVISION PROVIDED
WITHIN THE RESIDENTIAL DEVELOPMENT CONTROL
SYSTEM (RDCS) ORDINANCE SECTION 18.78.160 OF THE
MORGAN HILL MUNICIPAL CODE**

WHEREAS, a comprehensive update of the City of Morgan Hill Residential Development Control System (RDCS) was approved by voters on November 8, 2016 (Measure S) and became effective on March 1, 2017 and codified in Chapter 18.78 of Title 18 (Zoning) of the Morgan Hill Municipal Code; and

WHEREAS, Section 18.78.100 of the RDCS ordinance requires that the City Council adopt and maintain an RDCS Competition Manual that establishes criteria and point values that the City will use to award allotments to residential projects that participate in the competition; and

WHEREAS, the RDCS Competition Manual was considered by the City Council at its special and/or regular meetings of May 17, May 24, and June 7, 2017 and adopted by Ordinance 2248 and Resolution 17-053; and

WHEREAS, the RDCS Competition Manual contains policies to guide the implementation of the RDCS, including Implementation Policy J that defines how allotments are effectuated; and

WHEREAS, the RDCS Competition Manual provides for allotments granted to projects under the previous RDCS (e.g., Measure C) to change when the allotments are considered exercised pursuant to Section 18.78.160.A of the RDCS Ordinance (Measure S); and

WHEREAS, City staff determined that there are several existing projects with Development Agreements that would benefit from changing the exercise of allotment to the language in section 18.78.160.A;

WHEREAS, the City staff further determined that it would be a more cost-effective use of City resources to process the amended language in a single ordinance rather than processing each project individually;

WHEREAS, testimony received at a duly-noticed public hearing on the proposed Ordinance, along with exhibits and other materials have been considered in the review process.

**THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY
ORDAIN AS FOLLOWS:**

SECTION 1. This Ordinance is consistent with the policies included within the RDCS Manual and the General Plan.

SECTION 2. This Ordinance applies to any Development Agreement adopted under the Residential Development Control System before November 8, 2016 that has not commenced construction prior to the effective date of this Ordinance.

SECTION 3. In lieu of any Commencement of Construction provision in an applicable Development Agreement, a developer may, at his or her option, exercise available residential housing allotments as authorized under section 18.78.160 of the Morgan Hill Municipal Code.

SECTION 4. An Environmental Impact Report (EIR) for the Morgan Hill 2035 Project, which included the Residential Development Control System (RDCS) Update, was prepared in accordance with the California Environmental Quality Act (CEQA) and certified by the Morgan Hill City Council on July 27, 2016. (SCH #2015022074)

SECTION 5. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 6. Effective Date; Publication. This ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

THE FOREGOING ORDINANCE WAS INTRODUCED AT A REGULAR MEETING OF THE CITY COUNCIL HELD ON THE 15th DAY OF NOVEMBER 2017 AND WAS FINALLY ADOPTED AT A REGULAR MEETING OF THE CITY COUNCIL HELD ON THE DAY OF _____ 2017, AND SAID ORDINANCE WAS DULY PASSED AND ADOPTED IN ACCORDANCE WITH LAW BY THE FOLLOWING VOTE:

AYES: COUNCIL

MEMBERS: NOES: COUNCIL

MEMBERS: ABSTAIN: COUNCIL

MEMBERS: ABSENT: COUNCIL

MEMBERS:

ATTEST:

APPROVED:

IRMA TORREZ, City Clerk

STEVE TATE, Mayor

~ CERTIFICATION ~

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. _____, New Series, adopted by the City Council of the City of Morgan Hill, California at its regular meeting held on the _____ day of _____, 2017.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: November 15, 2017

PREPARED BY: Donald Larkin, City Attorney
APPROVED BY: City Manager

ADOPT WAGE THEFT PREVENTION ORDINANCE

RECOMMENDATION(S)

1. Open/close public hearing;
2. Waive the first and second reading of the Wage Theft Prevention Ordinance; and
3. Introduce the Ordinance.

COUNCIL PRIORITIES, GOALS & STRATEGIES

Ongoing Priorities

Enhancing Public Safety
Supporting Our Youth
Seniors
and Entire Community
Preserving and Cultivating Public Trust

2017 Strategic Priorities

Inclusiveness
Regional Initiatives

POLICY CONSIDERATIONS:

Should the City Council take steps to prevent wage theft on construction projects in Morgan Hill?

REPORT NARRATIVE:

On June 28, 2017, the City Council directed the City Attorney to bring forward a policy restricting the City's ability to contract with employers who have committed wage theft. At that time, Council also asked the City Attorney to look into the feasibility of adopting an ordinance regulating private construction projects.

The proposed ordinance would require construction contractors to certify that they have complied with the certain provisions of the Labor Code prior to receiving a certificate or other permit allowing occupancy of new construction. The ordinance includes three primary elements. First, it requires project applicants to acknowledge the requirements of the Labor Code. Second, it requires certification under penalty of perjury from project owners, contractors, and significant subcontractors that they have complied with sections 2810.5 and 226(a) of the California Labor Code. These provisions require employers to provide advance notice of the employer's pay practices, and to provide employees with itemized pay statements showing compliance with state wage and hour laws. Third, it provides remedies in the event that there are violations of the Labor Code or one of the relevant parties is unable to certify compliance with the Labor Code.

The proposed ordinance is loosely based on an ordinance adopted by the City of Berkeley. Our proposed ordinance is designed to apply more broadly than Berkeley's, but is also intended to be less staff intensive.

COMMUNITY ENGAGEMENT: Consult

Staff consulted with advocates for wage theft prevention and provided a draft of the proposed ordinance to the Building Industry Association of the Bay Area for review.

ALTERNATIVE ACTIONS:

Council could decide not to adopt a wage theft prevention ordinance, or could direct staff to modify the proposed ordinance. In addition, Council could direct staff to modify the existing policy to incorporate some of the terms of the proposed ordinance.

PRIOR CITY COUNCIL AND COMMISSION ACTIONS:

On June 28, 2017, Council directed the City Attorney to develop a wage theft prevention policy that restricts the City's ability to contract with companies that have committed wage theft. At the June 28, 2017 meeting, Council also asked the City Attorney to research the feasibility of an ordinance to prevent wage theft on private construction projects.

On July 26, 2017, Council adopted a wage theft prevention policy, restricting the City's ability to contract with businesses that have engaged in wage theft. At the July 26, 2017 meeting, Council provided further direction regarding a potential ordinance preventing wage theft on private construction projects.

FISCAL AND RESOURCE IMPACT:

The proposed ordinance will require some additional staff time to review compliance with the certification requirements. Under the ordinance as proposed, the additional staff time required would be minimal.

CEQA (California Environmental Quality Act):

Categorical Exemption: Inspections to check for the performance of an operation, or for quality, health or safety of a project. (CEQA Guideline 15309)

LINKS/ATTACHMENTS:

1. Wage Theft Ordinance
2. June 28, 2017 Staff Report (weblink)

ORDINANCE NO. _____, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL ADDING A NEW CHAPTER 15.38 (“WAGE THEFT PREVENTION”) TO TITLE 15 (“BUILDINGS AND CONSTRUCTION”) OF THE MORGAN HILL MUNICIPAL CODE

WHEREAS, The City of Morgan Hill is committed to protecting the public health, safety and welfare of the people living and working in the City; and

WHEREAS, Local and national studies on wage theft report that wage theft is a pervasive and chronic problem; and

WHEREAS, Wage theft occurs when an employer fails to pay its workers the wages to which they are legally entitled. It is the crime of stealing earned wages from workers. There are numerous forms of wage theft involving violations of employment laws but all resulting in workers receiving less income than they are entitled to earn; and

WHEREAS, Most wage theft goes unreported. Despite the low reporting levels, according to a report issued by the Santa Clara County Wage Theft Coalition, “The San Jose office of the California Labor Commissioner handles approximately 300 enforcement claims from workers in the County each month.”

WHEREAS, The construction industry involves unique labor standards compliance challenges. Despite the best efforts of State enforcement officials, many employees in the construction industry continue to be victims of wage theft because they are unaware of their rights or the State lacks adequate resources to advocate on their behalf; and

WHEREAS, This Chapter will ensure that construction contractors doing business in Morgan Hill comply with the California Labor Code by making compliance a condition with State wage theft prevention laws a condition of approval for any building permit, and requiring compliance certification prior to issuance of a certificate of occupancy.

NOW THEREFORE, IN CONSIDERATION OF THE FOREGOING, THE CITY COUNCIL OF THE CITY OF MORGAN HILL, CALIFORNIA DOES ORDAIN AND ENACT AS FOLLOWS:

SECTION 1: Chapter 15.38 (“Wage Theft Prevention”) of Title 15 (“Buildings and Construction”) is hereby added to read as follows:

“15.38 Wage Theft Prevention

15.38.010 Definitions. Whenever used in this Chapter, the following terms shall have the meanings set forth below:

- a. "Completion" means that construction is complete and the project is eligible for a certificate of occupancy.
- b. "Contractor" means the prime contractor on a construction project.
- c. "Owner" means the person or persons, firm, corporation, partnership or other legal entity exercising ownership of the Project.
- d. "Project" means new construction of greater than 15,000 square feet that is not subject to prevailing wage requirements and/or does not have a valid Project Labor or Community Workforce Agreement.
- e. "Representative" means a person authorized to legally bind the Owner and/or Contractor (for example; a corporate officer, general partner, or managing member of a limited liability company.)
- f. "Project Construction Employees" means employees of the contractor or subcontractor.

15.38.020 Acknowledgement of Responsibility. As a condition of approval for any building permit required for a Project, an applicant shall sign an acknowledgement that Owner, Contractor and any subcontractors are required to comply with all applicable provisions of the California Labor Code, including Labor Code section 2810.5.

15.38.030 Pay Transparency Certification. Prior to issuance of a certificate of occupancy, or other permit to occupy new construction, for each Contractor or subcontractor whose portion of the work exceeds \$100,000 or one percent (1%) of the value of the construction cost of the Project, whichever is greater, Owner shall provide to the City a Pay Transparency Certification ("Certification"), signed by a Representative of the Owner, the Contractor and any subcontractor under penalty of perjury under the laws of the State of California. The Certification required under this Section shall be in a form approved by the City and contain the following:

- a. A statement that Project Construction Employees of the contractor and any subcontractors received written notice of the employers pay practices as required by California Labor Code section 2810.5 and wage statements under Labor Code 226(a); or
- b. Project Construction Employees of the contractor and/or any subcontractors are covered by a valid collective bargaining agreement that expressly provides for the wages, hours of work, and working conditions of the employee, and if the agreement provides premium wage rates for all overtime hours worked and a regular hourly rate of pay for those employees of not less than 30 percent more than the state minimum wage. (See Labor Code section 2810.5(c).)

15.38.040 Compliance Determination. Prior to issuing a certificate of occupancy, or other permit allowing occupancy of the Project, the City shall make a finding of compliance with this Chapter. Such a finding shall be issued if:

- a. The City determines after a review of the Certificate that Owner, Contractor and any subcontractors have complied with the provisions of this Chapter; and
- b. The City has not received any information that the Labor Commissioner of the State of California has found violations of Labor Code sections 226 or 2810.5 regarding construction work performed on the Project.

15.38.050 Bonds Required for Correction of Violation. If the City determines that the Owner, Contractor or any subcontractor has failed to comply with the provisions of this Chapter, or if the Labor Commissioner has found violations of Labor Code sections 226 or 2810.5, the City may issue a certificate of occupancy, only if the Owner or Contractor can provide evidence of the existence of a Labor Payment and/or Lien Release Bond, in a form and amount sufficient to ensure that any wage claims and penalties can be fully paid.

15.38.060 Private Right of Action. Nothing in this Chapter shall be interpreted to authorize a right of action against the City.

SECTION 2. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 3. Effective Date; Publication. This ordinance shall take effect thirty (30) days after the date of its passage and adoption. The City Clerk is hereby directed to publish in full or summary this ordinance pursuant to §36933 of the Government Code in a newspaper of general circulation in the City of Morgan Hill.

The foregoing ordinance was introduced and the title thereof read at a regular meeting of the City Council of the City of Morgan Hill held on the ____ day of ____ 2017, and was finally adopted at a regular meeting of said Council on the ____ day of ____ 2017, and said ordinance was duly passed and adopted in accordance with law.

PASSED AND ADOPTED by the City Council of Morgan Hill at the regular meeting held on the ____th day of _____, 2017 by the following vote:

AYES: **COUNCIL MEMBERS:**
NOES: **COUNCIL MEMBERS:**
ABSTAIN: **COUNCIL MEMBERS:**
ABSENT: **COUNCIL MEMBERS:**

APPROVED:

STEVE TATE, MAYOR

ATTEST:

DATE:

IRMA TORREZ, City Clerk

Effective:

∞ CERTIFICATE OF THE CITY CLERK ∞

I, Irma Torrez, City Clerk of the City of Morgan Hill, California, do hereby certify that the foregoing is a true and correct copy of Ordinance No. ____, New Series, adopted by the City Council of the City of Morgan Hill, California at the meeting held on this ____ day of _____, 2017 and has been published pursuant to Government Code.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

Irma Torrez, City Clerk

Attachment: Wage Theft Ordinance (1493 : Wage Theft Ordinance)

City of Morgan Hill**High Speed Rail Alignments****Alignment Analysis****Introduction**

The California High Speed Rail Authority (CHSRA) is proposing two alignment alternatives traveling through the City of Morgan Hill (City). They are as follows:

- Alternative 1 – Viaduct West of US 101: An aerial structure on the west side of the US 101 freeway. This alternative will place the high-speed rail system on an aerial structure approximately 50 to 60 feet high.
- Alternative 2 – Embankment East of Union Pacific Rail Road (UPRR) tracks - This alternative places the high-speed rail system on an embankment (earthen and rock mound with retaining walls) that varies in height between approximately five feet to over twenty five feet. The alignment roughly parallels Monterey Road east of the Union Pacific Railroad right-of-way.

The City has asked for a peer review of the proposed CHSRA alignment alternatives to examine other possibilities within the US 101 corridor which can be presented to the CHSRA as additional options to consider for the alignment through Morgan Hill.

Design Considerations

The CHSRA has several constraints on its alternatives related to the City. They are primarily operational standards and cost efficiency to stay within the approved budget for the CHSR project.

- Operational Standards and Speed – Proposition 1A, the high-speed rail legislation of 2008, specifies that the high-speed train must be able to travel between Los Angeles and San Francisco in two hours and forty minutes. This has been a significant driver in development of the alignments for the project.
- In addition to complex structures including straddle bents, viaducts, or berms, there is a trench design standard that requires full waterproofing of any trench systems for the project. The waterproofing standards exceed typical standards and are further discussed in the Morgan Hill Alternatives section of this report.
- Cost – The CHSRA considers cost a significant issue related to the construction of the system. The CHSRA is currently developing its 2018 Business Plan. This plan is developed, by legislation, every two years with the last plan produced in 2016. In its 2016 Business Plan the CHSRA identified the cost of the project as \$64.2 Billion. Only a portion of the necessary funds for the completion of the project are currently available to the CHSRA. A majority of the funding is expected to be provided through public/private partnerships (P3). Due to these factors, the CHSRA is very concerned about project funding and is reducing costs at each step.

City of Morgan Hill Proposed Alternatives

The City has developed three alternatives to the CHSRA proposed alignments. These are as follows:

- **Viaduct in the Median of the US 101 Freeway:** This alternative joins the CHSRA proposed corridor south of Morgan Hill, traverses into the median of the US 101 freeway, then crosses back over the freeway to join the CHSRA proposed corridor north of Morgan Hill.
- **Trench Adjacent to the West Side of the US 101 Freeway:** This alternative places the high-speed rail system into a trench adjacent to the US 101 freeway. The alignment is in the same proximity as Alternative 1 proposed by the CHSRA.
- **Viaduct with Straddle bents, and Pergola structures straddling the US 101 Freeway:** This alternative crosses the US 101 freeway on a curve, runs along the eastern edge of the freeway, then crosses back over to meet the CHSRA proposed corridor north of Morgan Hill.

There are several pros and cons of each alternative which are discussed further below.

City of Morgan Hill Alternative Discussion

1. Viaduct in the median of the US 101 freeway

This alternative places the high-speed rail structure completely within the median of the US 101 freeway in the vicinity of Morgan Hill (see Figure 1). This alignment cannot continue down the median south of Morgan Hill due to the proximity to the San Marin Airport and the associated runway protection zone. In addition, this



Figure 1: Railroad Viaduct on Median Source Google Images

alternative is within a footprint that has not been studied by the CHSRA. This alternative is not compatible with Variation 1 of the Caltrans US-101 Express Lanes Project.

The maximum design speed for this alternative is 100 mph. The CHSRA is required to meet travel time constraints which will not be met with this speed. Because of this, the alternative will most likely not be acceptable to the CHSRA. In addition, Caltrans has completed a Project Study Report (PSR) on the US-101 Express Lanes Project. This is the widening of the US-101 freeway to add High Occupancy Toll (HOT) lanes. This widening will be within the Caltrans right-of-way in space currently part of the wide center median as well as the eastern

and western shoulders. There are two design variations of this widening. Variation 1 calls for a 4-foot median which would not allow the addition of viaduct support structures.

2. Trench adjacent to the west side of the US 101 freeway

The trench alternative is placed in roughly the same location as the viaduct proposed by the CHSRA in Alternative 1 on the west side of the US 101 freeway. The design speed is 200 mph, which will meet the speed goal for CHSRA. This alternative places the structure below grade (see Figure 2). Fencing and walls will be visible from street level. This alternative will reduce the visibility of the rail system throughout Morgan Hill. With the alternative located in the same footprint as Alternative 1, additional environmental studies, other than

noise and vibration, will most likely not be required. If considered, this may reduce the opportunity for delay of the environmental review.

Cost is a consideration for the trench alternative. Recent trench construction in an urban area in southern California was approximately \$78 million per mile. This is compared to approximate costs of the viaduct structure at \$150 million per mile. However, the CHSRA standards require significant design requirements, such as waterproofing, on a trench structure that will raise the costs to approximately \$320 million per mile. It is not known at this time if this alternative will meet the cost considerations imposed by the CHSRA. However, the reduction of visual impacts to residences and businesses along the high-speed rail corridor west of US 101 should be a significant consideration with this alternative.



Figure 2: Railroad Trench

Source Google Images

3. Viaduct with Straddle bents, and Pergola structures straddling the US 101 freeway

This alternative places the high-speed rail structure away from the residences along the west side of the US 101 freeway that are significantly impacted by the CHSRA proposed Alternative 1. The alignment crosses the US 101



Figure 3: Straddle Bent

Source Google Images

freeway twice through straddle bent structures (see Figure 3). The design speed is 250 mph. While the design speeds are equal to or greater than what is proposed by the CHSRA, the extra construction costs will be a consideration in the further evaluation of this alternative. Unless all structures remain outside of the US 101 median, the alignment will not be compatible with Caltrans US-101 Express Lanes Project.

Conclusion

Of the two CHSRA proposed alternatives, the viaduct along the west side of US 101 creates fewer impacts from the long-term disruption or displacement of established communities and commercial business, and long-term construction impacts within the heart of Morgan Hill. We have shown that the project could not be located within the median of US 101. Of the City of Morgan Hill proposed feasible alternatives, option 2 and 3 described above, may decrease some impacts on the City. However, there may be additional right of way required, costs, or design standard constraints associated with each alternative that will have to be absorbed into the overall costs of the project. Of the City proposed alternatives, the trench appears to be the most viable from the long term visual impacts the project may have on the City. The Viaduct alternative, option 3, may be less desirable to the CHSRA due to cost of the complex structures straddling the freeway.

HSR Response to Morgan Hill Locally Generated Concepts:

The City of Morgan Hill has requested that the California High-Speed Rail (HSR) Authority respond to the following three locally generated concepts (LGCs) along Highway 101:

Locally Generated Concept 1: Open Trench:

Don Sepulveda presented an alignment that horizontally, appeared similar to the existing HSR viaduct alignment and explained that by putting it in an open trench, built similarly to the Alameda Rail Corridor would save cost, since the Alameda Corridor was constructed for less than the Authority's estimate for a viaduct. Direct property impacts were presented as being the same as the HSR viaduct alternative.

(1) Evaluation

a) Trench Design Considerations:

The design criteria for a typical HSR trench is different from what was used in the Alameda Corridor. This chapter will explore these differences in detail.

i) HSR Trench

A trench along the west side of US101 in Morgan Hill would be comparable to the trench used in the previous east side US101 alignment alternative. The trench would need to be sufficiently wide to fit two HSR trains and emergency walkways, 42' internal clearance. The top-of-rail would be approximately 37' deep to support the 27' clearance envelope of the train and provide 10' of space for over crossing streets and utilities where needed. The external dimensions of the trench would be approximately 50' wide and 45' deep. Additionally, the trench would require a maintenance access road, 15' wide, adjacent to the western side of the trench. Overall the amount of ROW required by the trench would be 65' at a minimum, which is wider than the 58' need for a viaduct.

Previous geotechnical investigation data show the groundwater approximately 20' below ground at most places along the alignment, which is higher than the bottom of the trench. Due to the high ground water, the trench will need to be supported by temporary shoring during construction and then anchored with tension piles in the final condition. Therefore, cut-off walls would need to be installed on the outside of the trench walls, typically double the depth of the actual trench. The purpose of the cut-off-wall is to control groundwater intrusion in to an excavation, to minimize the requirement for dewatering. The ground water table around the outside of the trench remains at the same place due to the cutoff walls and the ground water table below the trench is lowered during construction.

Trenches built in high groundwater areas also require friction piles to resist the uplift caused by hydrostatic forces. These are the four cast-in-drilled-hole (CIDH) piles shown in Figure 1. These piles are 3' in diameter and would be approximately 60' deep in the location. Concrete struts are also be used to support the top of the walls and to resist seismic loading during an earthquake.

Locating and relocating utilities may be challenging for trench construction. All utilities must be relocated during construction of the trench, and although they can be designed to cross over a trench along roadway bridges, utility bridges and struts. With viaduct construction, many utilities can be avoided by the strategic placement of viaduct support foundations.

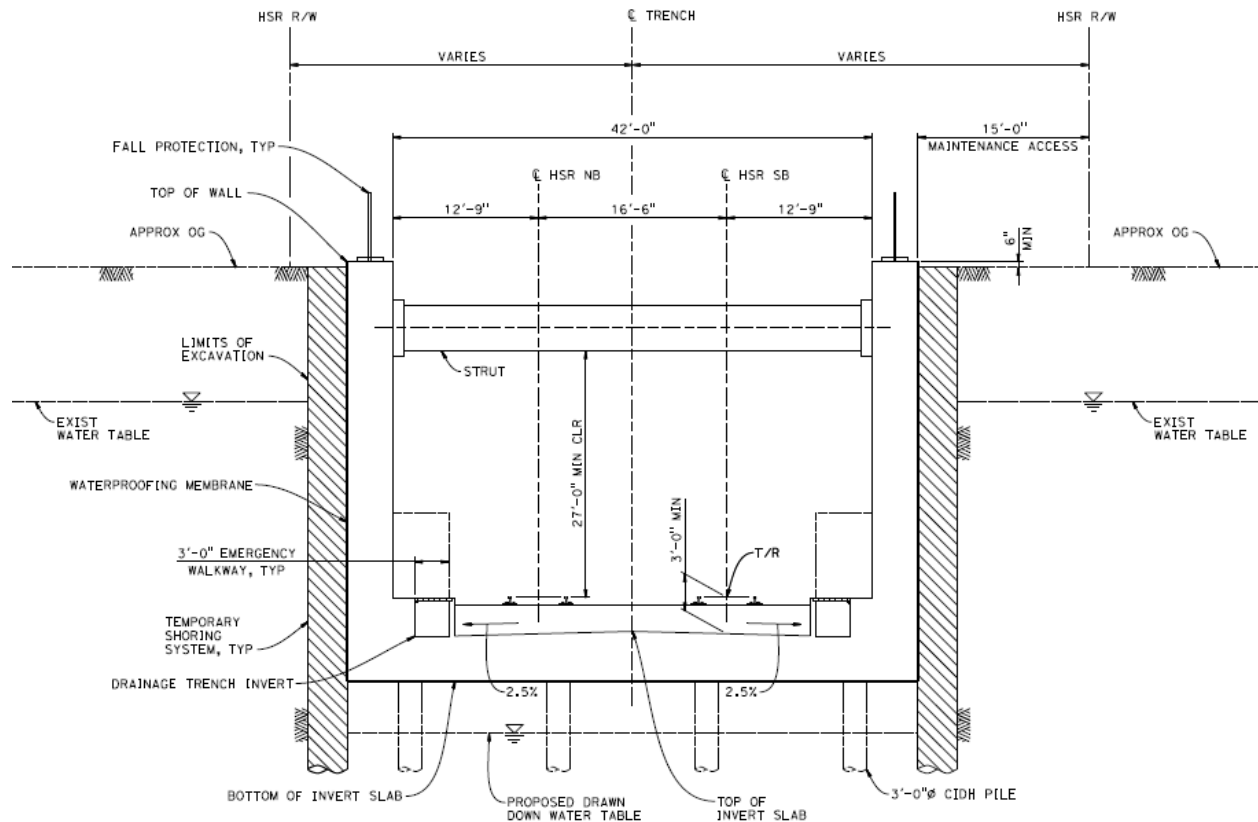


TABLE 1

ALT 1 AND ALT 2 SOUTH GILROY/US101 TRENCH								
DIMENSION SCHEDULE								
H	H100	B	NO. OF STRUTS	T1	T2	T3, AS APPLICABLE	3'-0" CIDH PILES	
							NO. OF ROWS	LONG. SPACING
0' TO 32'	10'-0"	4'-0"	N/A	3'-0"	4'-0"	N/A	N/A	N/A
0' TO 32'	15'-0"	4'-0"	N/A	4'-0"	6'-0"	N/A	N/A	N/A
0' TO 32'	30'-0"	4'-0"	N/A	4'-0"	5'-0"	N/A	4	12'-6"
>32' TO 35'	35'-0"	4'-0"	1	4'-0"	5'-0"	5'-0"	4	12'-6"
>35'	45'-0"	6'-0"	1	4'-0"	5'-0"	5'-0"	4	12'-6"

Figure 1: Typical HSR trench

ii) Alameda Trench

The Alameda Corridor Trench is not comparable to the type of trench needed for Morgan Hill, due to different soil and ground water conditions. The walls of the trench were constructed using secant piles, formed by installing a series of secondary piles overlapping primary piles. After both sides of the trench wall are constructed, the body of the trench may be excavated out and a cast-in-place invert slab is installed at the bottom of the trench. Please refer to Figure 2, which was taken from a white paper written by the designers of the Alameda Corridor Trench from PTG and HNTB in July 2000.

Judging from the depth of the trench walls, this was not an area of high ground water. There was also no need to use friction piles to hold down the trench, as would be required around the Morgan Hill area. Secant pile construction is an efficient method of trench construction. They have better stiffness compared to sheet piles and can be installed in difficult ground conditions. However, it is HSR's policy not to use secant pile walls because the waterproofing is hard to achieve in the joints.

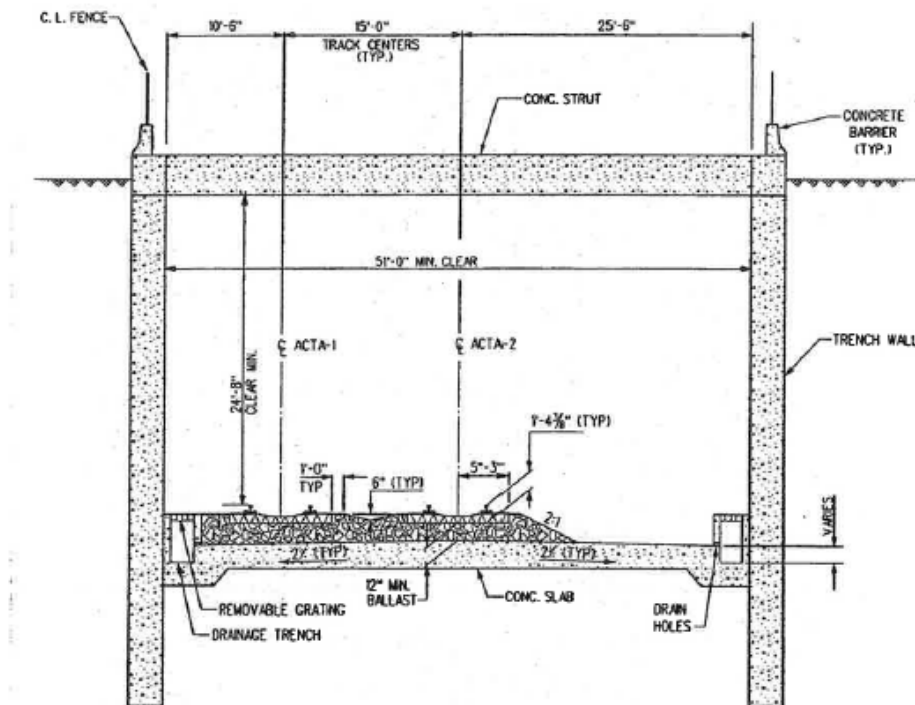


Figure 2: Standard Trench Cross Section

The following Table compares several factors of the HSR trench versus the Alameda Corridor Trench:

Features	HSR Trench	Alameda Corridor Trench
Construction Method	Install low permeability cut-off walls, in advance of cast in place concrete walls	36" Secant Pile Construction
Depth (Existing Ground to Rail)	27' + Appx 10'	24'-8" + Appx 5'
Width (internal clearance)	42'	51'
Wall Thickness	4'	3' diam piles + 8" shotcrete
Strut Spacing	25'	25'
Piles	36" CIDH piles	None
Excavation (CY/Mi)	1,605,000	1,526,000
Waterproof	Yes - Exterior	No

b) Trench Alignment and Impact Considerations:

The horizontal alignment presented by Don Sepulveda matched the existing viaduct alignment. The HSR alignment was designed at a reduced 150 mph design speed to reduce impacts to residential and business properties. The proposed HSR viaduct travels over several US 101 bridge abutments and ramps. Since the LGC trench has the same horizontal alignment, the US 101 bridges will require complete reconstructions, due to apparent conflicts between the proposed trench and the bridges. Additionally, since the ramps will also require reconstruction, Caltrans may require that the ramps be re-designed and re-constructed to meet current design standards. The current proposal will need to be expanded to show new US 101 intersections at each trench crossing. The revised intersections should be analyzed for additional right-of-way requirements.

Alternatively, the LGC could be modified to avoid impacts to the bridges; however, that revised alignment would likely need to move to the west, away from the freeway, resulting in additional impacts to residential and business properties. Impacts and reconstruction of US 101 ramps would likely still be a consideration with a re-aligned LGC.

The visual impacts of a trench would likely be less than a viaduct; however, there will also be differences associated with potential US 101 intersection reconstructions and/or horizontal alignment adjustments. For a trench, a continuous fence is required along HSR right-of-way for safety and security, whereas fencing may only be needed at access stair locations for the viaduct. Potential mitigation for visual and community impacts would likely also be different.

Noise and vibration would also be different, due to changes in both the vertical and/or horizontal alignments and would need to be further studied to quantify.

It is expected that there would be more disruption to traffic to construct a trench, as bridge abutments, roadways and utilities would have to be relocated either temporarily or permanently to avoid the trench. Stage construction at roadway and ramp locations will likely be needed to maintain traffic during trench construction, but it will be highly disruptive to neighboring facilities. If the highway

intersections require re-construction, coordination between roadway reconstruction and trench construction would be needed. The viaduct superstructure would not require any highway ramp reconstruction. The foundations of the ramp may be constructed with minimal impacts to freeway facilities. The viaduct will likely be constructed with pre-cast segments, which would be constructed at off-site casting yards and delivered by travelers along the HSR right-of-way; thus, minimizing construction traffic on US101 or local streets.

c) Trench Cost Considerations:

The estimated price per mile of a HSR trench is \$320 million/versus \$150 million/mile for a viaduct. At this level of design, the pricing used is reflective of the average material and labor rates estimated for the region, with appropriate contingencies for unknown risk.

Although the actual cost of constructing the Alameda Corridor may be less than these estimates, adjusted for inflation, it is not appropriate to assume that the design used for the Alameda Corridor would be acceptable for the Morgan Hill location. Additionally, the impacts on existing facilities (highway interchanges and utilities) are unknown and would add to the cost of a trench at this location. Therefore, it is not a straight cost comparison between the Alameda Corridor and a trench in Morgan Hill. Design standards and site conditions are very different. As noted by the City of Morgan Hill during their design review, trenches also have higher operating costs due to the need for pump stations to remove any water that enters the trench.

(2) Summary and Conclusion:

At this level of analysis, comparable design criteria must be applied for the preliminary design. The Alameda Corridor Trench concept uses secant pile construction, which HSR criteria does not find acceptable. Based on the HSR directive designs for the seismic performance and waterproofing, the trench is estimated to cost over two times more than the viaduct. For HSR to study a trench, the trench alignment must present enough benefits to justify the additional cost.

Although the visual impacts of a trench may be less than that of a viaduct, the other impacts are expected to be similar and may even be significantly greater than that of a viaduct, including impacts to real property and existing infrastructure. Due to the magnitude of the cost difference between the trench and the viaduct with comparable impacts, the Authority concludes that the trench would not be a cost effective alternative and further study is not warranted.

Locally Generated Concept 2: Complex Structures over US101:

Don Sepulveda presented an alignment that spanned over US 101. The northern limit of the alignment started on the east side of US 101 at a location that ties into an LGC by the City of San Jose. The SJ LGC consisted of a bored tunnel with the southern portal on the east side of US 101. Over US 101, there would be a series of straddle bent and pergola supports. This structure would presumably start from Burnett Avenue and end at Tennant Ave, approximately 4.5 miles.

The alignment on the northern end could be modified to tie into the existing HSR viaduct alignment, as an alternative concept. This Morgan Hill LGC ties into the existing HSR viaduct alternative at the southern limits.

(1) Considerations:

a) Design Considerations

This alignment option involves constructing a pergola structure over US101, from Burnett Avenue to Tennant Avenue, approximately 4.5 miles. This area of US-101 has been identified in Caltrans' Route Concept Report for HOV expansion lanes in the median. Therefore, the columns of the pergola must be placed on the outside edges of the freeway and the deck must span 200'. At the interchange areas, the pergola must span up to 270' to allow room for the ramps. The transverse beams would have to be approximately 20' deep (10:1 length to depth ratio) to maintain the level of stiffness needed. Structures like this are not constructible nor cost effective.

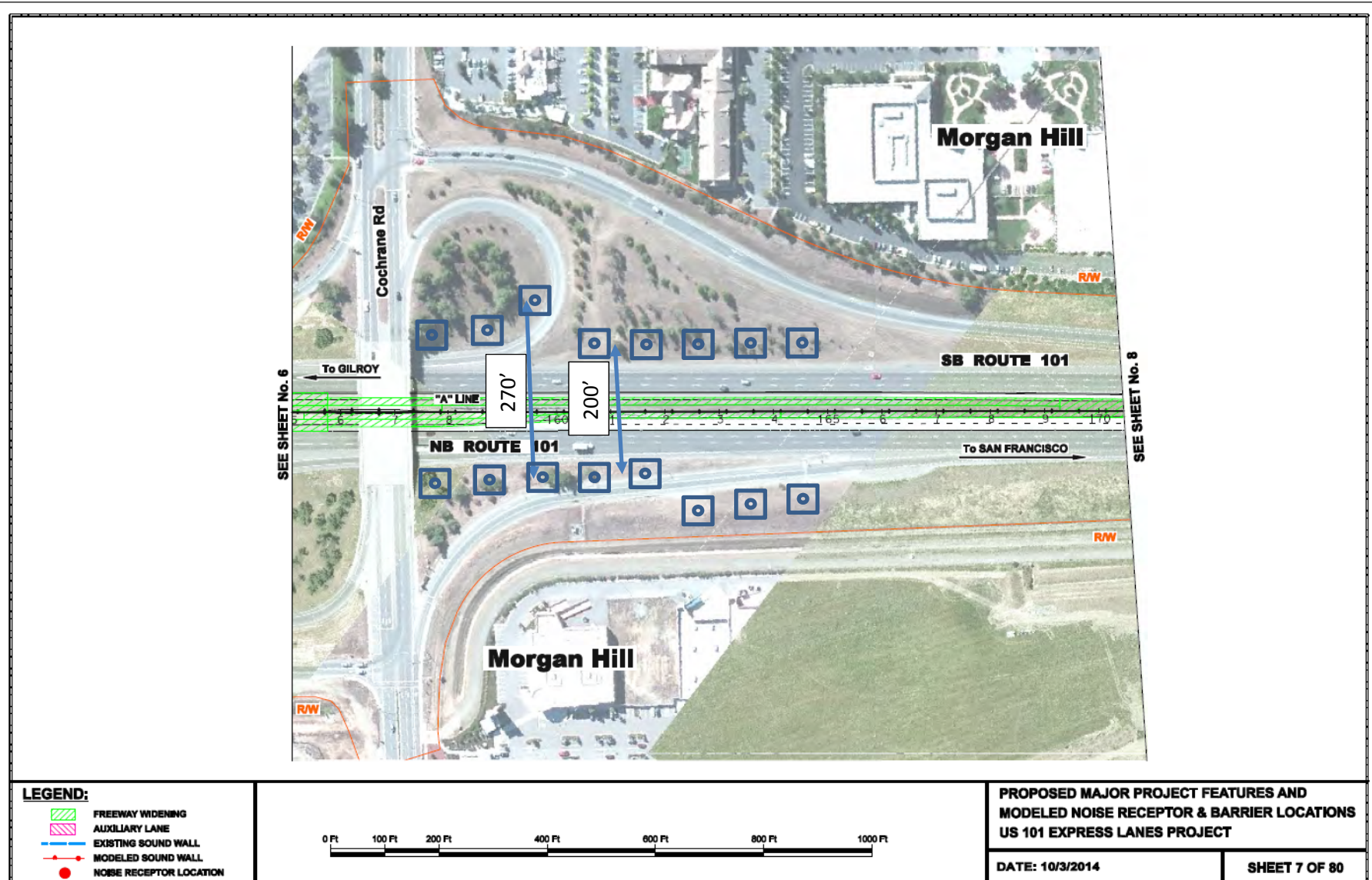
(For more information on the project, please see the Caltrans Initial Study Report:

http://www.dot.ca.gov/d4/documents-environmental/101_express_lane_project/101_express_lanes_final_environmental_document.pdf)

To create a structure like this, casting yards would be needed to precast the large 200' x 20' girders. However, a very large crane would be needed to lift the girder into place. Cranes like this simply do not exist. The typical concrete girder for HSR is 110' long for that reason.

Alternatively, the contractor could also construct the girders using falsework and formwork. The pergola construction method would require multiple freeway lane closures to install the girders over the freeway traffic. The deck will be a mix of solid platform and horizontal beams, so different construction methods will be expected. The transverse girders would need to be precast on site and then installed by crane. The contractor must build falsework over the freeway to allow for installation of the bridge deck. The construction of the falsework would require temporary closures and detouring of traffic. Due to expected limitations on closures, it is expected that the overall duration of construction could be significantly longer than that of the viaduct construction. Caltrans would not allow the closure of their facility for such an extended period.

Figure 2: HSR Complex Structure over US-101 (Drawing taken from Caltrans Initial Study Report)



b) Cost Considerations

Due to various unknowns associated with the design of the complex structures, it is difficult to estimate the actual cost; however, the massive support structures needed to span the freeway and carry the HSR superstructure would be in the range of 2 to 3 times higher than the viaduct being proposed by HSR. Many of the right-of-way impacts that spanning the freeway is hoping to avoid may still be impacted and not avoidable.

2) Summary and Conclusion:

The complex structural supports needed to build the HSR alignment over US 101 would be very large and will not be feasible to construct, due to the amount of large girders spanning the freeway. Since the supports would need to be located outside the existing highway right-of-way, direct property impacts cannot be eliminated. The cost to construct is expected to be much greater than any potential savings in right-of-way, when compared to the existing viaduct alternative. Due to the constructability issues, added cost, and visual impacts, the Authority concludes that the Complex Structures over US101 concept would not be a feasible concept and further study is not warranted.

Locally Generated Concept 3: Median of US101:

The City of Morgan Hill suggested a HSR alignment in the median of US-101.

(1) Considerations:

a) Design Considerations

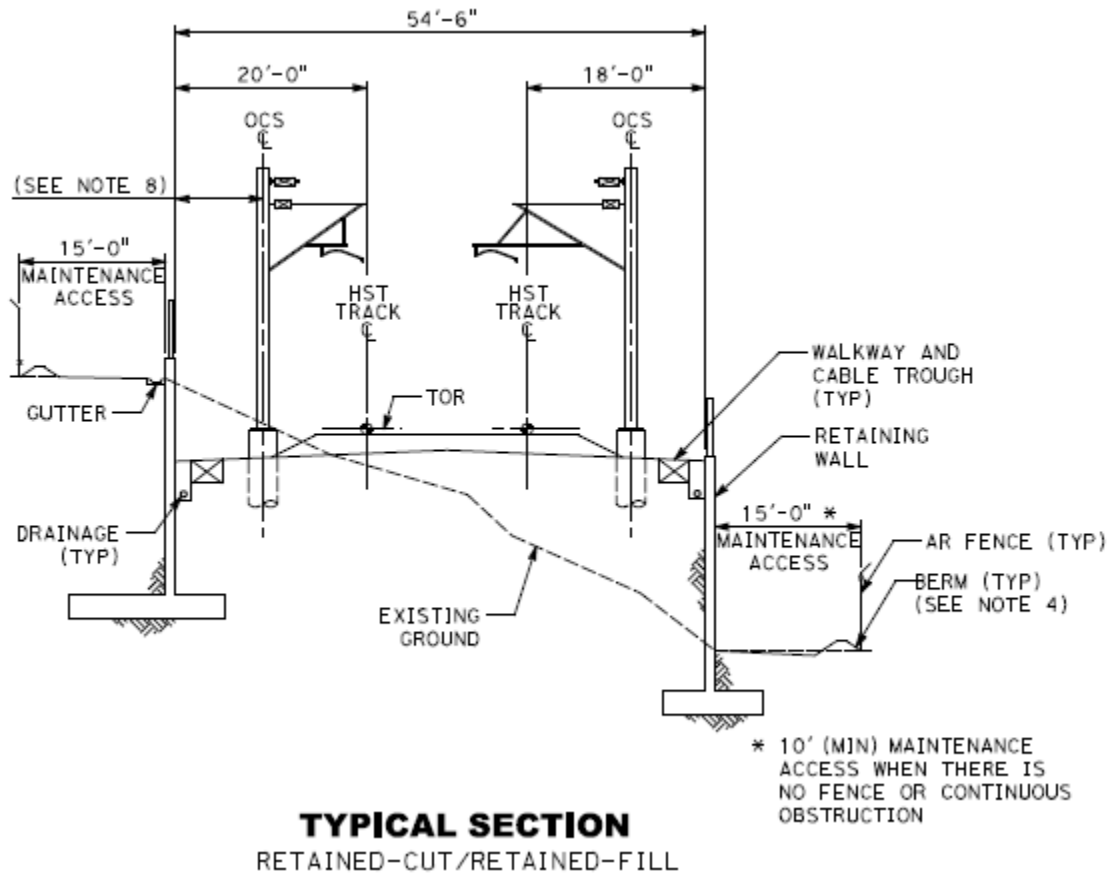
This area of US-101 has been identified in Caltrans' Route Concept Report for HOV expansion lanes in the median. High-Speed Rail would be prohibited from building there.

(For more information on the project, please see the Caltrans Initial Study Report:

http://www.dot.ca.gov/d4/documents-environmental/101_express_lane_project/101_express_lanes_final_environmental_document.pdf)

Furthermore, the median of US-101 varies between approximately 45' to 68' wide from edge of travelway to edge of travelway. A standard HSR at-grade cross section is 54'-6" + 10' minimum maintenance access road. The median is not wide enough for the entire length through Morgan Hill. South of Tenant, the HSR would have to slow down to speeds of approximately 90 mph, violating travel time mandates for the section.

Figure 3: High-Speed Rail At-grade Typical Section



2) Summary and Conclusion:

An at-grade alignment in the median of US-101 is not constructible because of Caltrans' future express lanes project.

From: [John Lang](#)
To: [Angie Gonzalez](#)
Subject: Fwd: REPLY FROM FORMER COUNCILMAN, FORMER LONGTIME COLUMNIST FOR GILROY DISPATCH, HONORABLE ROBERT DILLON----Fw: City Council Study Session November 15th - High Speed Rail
Date: Wednesday, November 15, 2017 9:00:29 AM

More public comment for HSR item

Begin forwarded message:

From: Joseph Patrick Thompson <translaw@pacbell.net>
Date: November 15, 2017 at 7:31:39 AM PST
To: John Lang <john.lang@morganhill.ca.gov>, Michael Moore <mmoore@morganhilltimes.com>, Brad Kava <bkava@newsymedia.com>, "rhernandezcattani@newsymedia.com" <rhernandezcattani@newsymedia.com>, Senator Cannella <senator.cannella@senate.ca.gov>
Subject: REPLY FROM FORMER COUNCILMAN, FORMER LONGTIME COLUMNIST FOR GILROY DISPATCH, HONORABLE ROBERT DILLON----Fw: City Council Study Session November 15th - High Speed Rail
Reply-To: Joseph Patrick Thompson <translaw@pacbell.net>

Dear Mr. Lang,

Please supplement my previous comments.

Here below is the comment I received from longtime City Councilman, longtime Gilroy Dispatch Columnist, Hon. Bob Dillon, who during Agenda Item on Bullet-in-the-Brain Train at Gilroy City Hall, voting against Bullet Train madness, said, "No. We already have high speed travel---it's called the airlines."

Bob was right.

We could have purchased all of the common stock of PSA the day before the Prop. 1A Election in Nov. 2008 for less than the \$10B bonds it authorized, and owned a viable, profitable high speed transport without

condemning anyone's land, home or business.

This insanity is a gang-rape of the motorists of California. On top of the gang-rape the Legislature has already done to us with public sector transit boondoggles like Caltrain, ACE Train, BART, Lite Rail, County Transit, etc.

Bad leadership makes bad public policy decisions, taking California down the Road to Serfdom.

Joseph P. Thompson
(408) 848-5506
Gilroy

On Thursday, November 9, 2017 12:04 PM, Robert T. Dillon <RTDillon@garlic.com> wrote:

We're doomed. And the new gas tax funds will be diverted here somehow instead of to the roads.

Arizona looks better all the time.

On 11/9/2017 8:33 AM, Joseph Patrick Thompson wrote:

Dear Mr. Lang,

Thank you for giving me the opportunity to make a public comment regarding this fatally flawed transport boondoggle

Identity: I am a past President of Gilroy-Morgan Hill Bar Assn., a member of the Transportation Lawyers Assn., and past Chair of TLA's Legislation Committee. I have practiced transportation law in the South County for 38 years, and have done post-doctoral study of transportation law & policy at the Norman Y. Mineta International Institute for Surface Transportation Policy Studies, and at Transportation Research Board, Georgetown U; and at the Library of Congress.

I am a graduate of SJSU, and the University of Santa Clara Law School, and I have 52 years of transportation industry experience dating back to my Junior year at Cupertino High School when I worked for the SPRR (1964-1970), and later

at UPRR in San Jose (1970-1980).

My comments are personal, and not made on behalf of a client or any professional organization to which I belong.

Background: For background please refer to my previous comments, including letters to the Editor, which were published in the **Gilroy Dispatch**, and to my policy paper "ISTEA Reauthorization and the National Transportation Policy: Overlooked Externalities and Forgotten Felt Necessities," 25 **Transportation Law Journal**, pp. 87-et seq. (1997).

Summary: For a State that cannot afford adequate fire suppression, or water storage, it is bad public policy to add to the public transit boondoggles that the taxpayers (mostly motorists) already shoulder, under the worst tax/fee burdens among all the States. What CAHSRA is doing, which is not what voters voted for in Prop. 1A in 2008, is contrary to the conclusions of both the President's Blue Ribbon Commission on Transport Funding, and the California Transportation Commission. Both of them concluded that we ought to fund transport with "user fees." Giving away transit rides, by any mode, with fares near zero, diverting the costs to motorists' gas & diesel taxes, is unfair, unsound, and unsustainable transport policy. Taxing people out of their cars is a public policy plunging us down the Road to Serfdom, intended to cripple our State's economy. We already pay our taxes for many wasteful boondoggles like Amtrak, Caltrain, ACE Train, BART, Lite Rail, County Transit, when it would be much cheaper for taxpayers if we just purchased each transit rider his own BMW, or paid his taxi fare, or his Uber fare.

Conclusion: California's voters voted for self-sufficient high speed rail, not a Supermassive Black Hole added to the already intolerable public sector transit Black Holes that our lost leadership forces us to subsidize. This bad public policy is making California into Northern Venezuela. I urge local leaders to support the repeal of Prop. 1A. See my testimony before the Assembly Transportation Committee in the Capitol in support of legislation to repeal Bullet Train funding which is on You Tube. Caveat viator.

Yours truly,
Joseph P. Thompson, Esq.
(408) 848-5506 Gilroy

cc: Brad, Michael & Roseann----Use this as a Guest Editorial. Thanks. JPT

On Wednesday, November 8, 2017 11:59 PM, John Lang <John.Lang@morganhill.ca.gov> wrote:

Hi Folks,

You have registered to receive information regarding the California High Speed Rail Authority community meetings and/or City Council meetings/discussions of High Speed Rail. On Wednesday, November 15, 2017 the Morgan Hill City

Council will be conducting a Study Session on High Speed Rail. The focus of the study session is to receive an update from Michael Baker, the City's consultant on their findings associated with a high speed rail alignment that most closely aligns to Highway 101 (link to the May 2017 City Council meeting highlighting the consultant work of Michael Baker

https://morganhillca.iqm2.com/Citizens/Detail_LegiFile.aspx?Frame=&MeetingID=1019&MediaPosition=9910.677&ID=1182&CssClass=).

In addition, the City has reimbursement consultant agreements specific to the High Speed Rail project that will be also discussed at the Study Session.

The meeting is at City Council Chambers
17555 Peak Avenue
Morgan Hill, CA

The meeting starts at 5:30 pm and goes to 7:00 pm as it is a study session. The agenda for next Wednesday's meeting will be posted this Friday. Agenda portal: <http://morganhillca.iqm2.com/Citizens/Default.aspx>

Sincerely,

John

John Lang

Economic Development Coordinator
17575 Peak Avenue
Morgan Hill, CA 95037
408.310.4652
john.lang@morganhill.ca.gov
@CityofMorganHil @408jlang



Virus-free. www.avg.com

From: D. Muirhead
To: [Angie Gonzalez](#); [Michelle Wilson](#)
Subject: Morgan Hill City Council Meeting November 15, 2017 Item #2: Salinas Pump
Date: Wednesday, November 15, 2017 10:53:55 AM

Dear Morgan Hill City Council,

Comments for the Public Record submitted by
Doug Muirhead, a resident of Morgan Hill, for:
Morgan Hill City Council
Meeting November 15, 2017
Item #2: APPROVE SERVICE MAINTENANCE AGREEMENT WITH SALINAS PUMP COMPANY

My objection with having this on consent is that staff say they do not know why other proposals were not received and Council is not asking them to make an effort to find out. Staff only says that

"These types of services are very specialized and the few contractors that perform these services are busy at this time."

Does the Council's fiduciary responsibilities allow for only getting good value for our money or require the best and fairest value for our money. Did other potential bidders feel that the deck was stacked because the City already does business with Salinas Pump and has had "positive experience with Salinas Pump in the past."

We are talking about \$275,000 over three years. The competitive bidding process is undermined when only a single bid is received.

Two other Boards in the last few weeks have had similar situations but had extensive public discussions of what might have occurred and provided direction to staff to get a better understanding and/or make adjustments to the service request.

Santa Clara Valley Open Space Authority was seeking to conduct an Agency-wide Classification and Compensation Study. The RFP was sent via email to seven (7) potentially qualified consultants. The Authority received one (1) proposal and two (2) statements declining to submit. The responding party currently does other business with the Authority. Board members wanted staff to try to obtain reasons why other firms did not bid, questioned the \$42,000 cost, and wanted to know if scope and/or frequency might be adjusted. Board members did question if other potential bidders felt that the deck was stacked against them because the Agency already does business with the one firm.

I do not remember if OSA was concerned about possible collusion. This was definitely the case with the County Board of Supervisors. They had a bid almost 3 times the original project construction budget of \$250,000 and with a single bid because they had only two bidders, one of whom arrived late. The concern expressed by one Supervisor was this:

"I'm not suggesting there is anything inappropriate about the bid or any of the bidders. That being said, it's startling to me that in a hot economy, in a bay area with several million folks, we got exactly one bid for three quarter of a million dollar job. When you have an initial budget of \$250,000, and a bid three times that amount and only with one bidder, raises concerns on my part about the potential for bid rigging."

The item ended with request to staff to return with an analysis including

if there are best practices that the County is not using today that they could be using. Also, for projects like this where they normally have a group of bidders who understand how to access public works, why did others not bid.

Thank you for your consideration,
Doug Muirhead, Morgan Hill



Morgan Hill City Council Meeting – November 15, 2017

Agenda Item: 15

Outdoor Sports Center Artificial Turf Replacement Project

Background

- The Outdoor Sports Center artificial field turf was installed over ten years ago
- Assessment shows the artificial field turfs are at end of their useful life
- Replacement of the artificial turf is recommended now

California Multiple Award Schedule Purchasing Process

- Effective in selecting the most qualified companies to replace the field turf
- Allow selection to be of best value to the City
- Most efficient from both timing and resource use

Proposals and Alternatives

- Base Bid
 - Provide a field turf within City Budget of \$1,250,000
- Alternative No. 1
 - Provide a field turf to meet a 10 year warranty
- Alternative No. 2
 - Provide most desired field turf from longevity and maintenance

Scoring Criteria

- Based on material type, warranty, maintenance program and life cycle analysis, performance, experience, price, schedule and other criteria
- Proposal with the lowest dollar per point determined the best value for each alternative

Selection

- Alternative No. 2 selected based on the ability to best meet the City's long-term needs
 - Provides for a newer “root zone” technology for reliability, durability, and less infill material
 - Provides for a cooler playing surface through the use of Nikegrind
 - Provides for a 10 year warranty with no limiting conditions (hours of use)

Recommendations

- Adopt resolution amending the Fiscal Year 2017-18 Budget appropriating \$217,000 from the Park Maintenance Fund (302) for the Outdoor Sports Center Artificial Turf Replacement Project for a total budget of \$1,567,000;
- Award contract to AstroTurf USA, Inc. in the amount of \$1,475,437 for the Outdoor Sports Center Artificial Turf Replacement Project;

Recommendations (Cont'd)

- Authorize expenditure of construction contingency funds not to exceed \$51,000; and
- Authorize the City Manager to execute and administer the construction contract with Astroturf USA, Inc.

Police Resources

Chief David Swing
November 15, 2017



Policy Considerations



- What methodology should be used to determine adequate police department staffing?
- What is the balance between the privacy interests of the public and the use of technology such as video cameras and license plate readers in public places?



Background



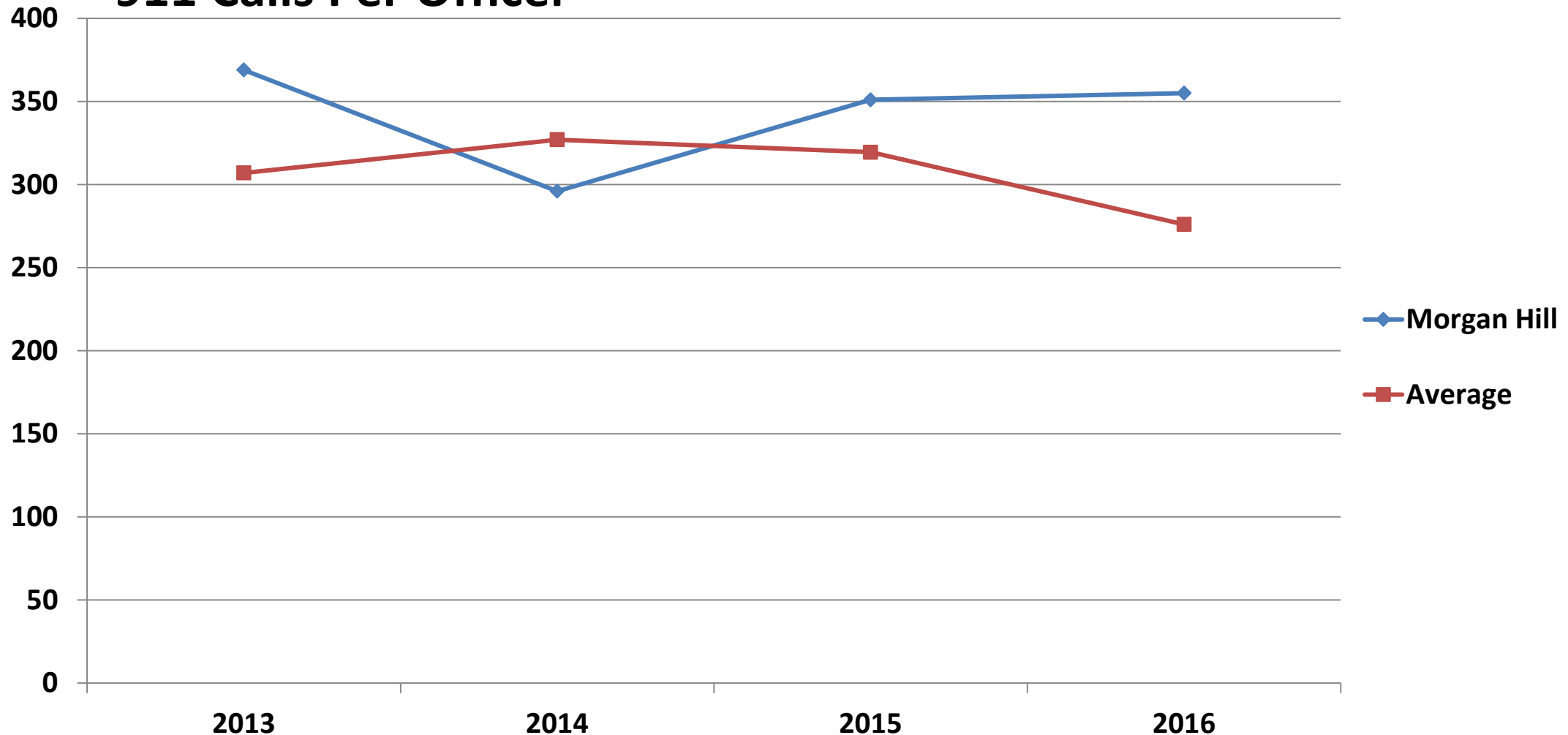
- Police staffing adequacy long discussed topic
- Prior methodologies were based on population
- Shift to focus on workload

City or Town	Population	Officers
Mountain View	77,914	96
Milpitas	72,606	82
Palo Alto	64,403	90
Gilroy	53,000	60
Morgan Hill	42,068	39
Campbell	41,119	42
Los Gatos/Monte Sereno	30,391	39
Los Altos	30,288	30

Workload Information



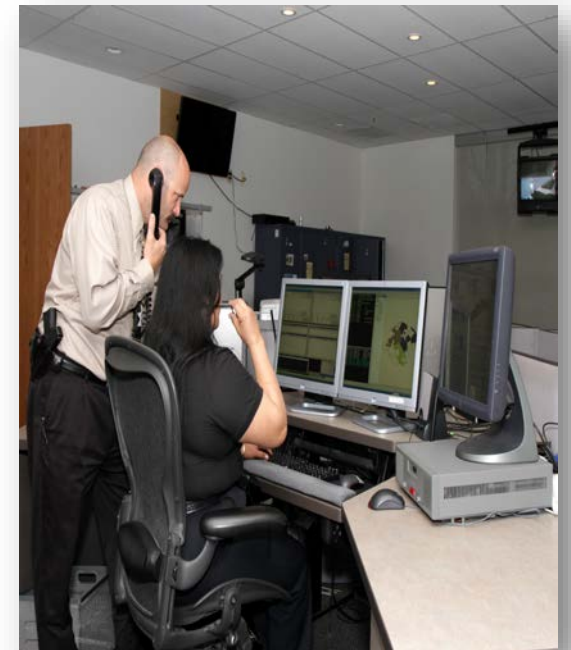
911 Calls Per Officer



Public Safety Master Plan



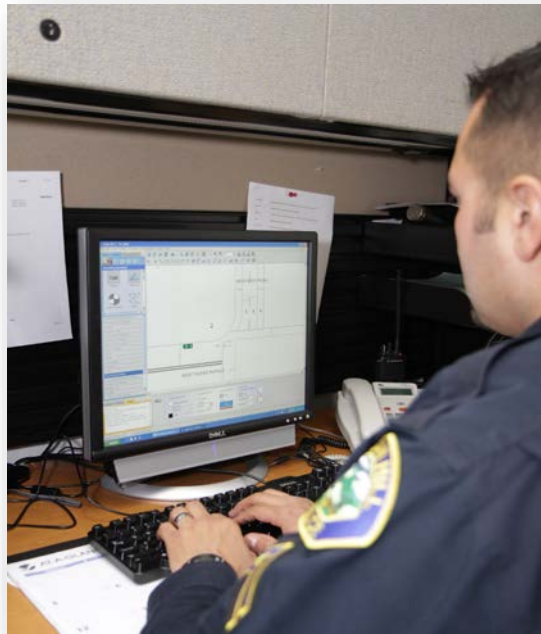
- Progress on Key Recommendations
 - Street Crimes/Neighborhood Resource Team
 - Dispatch Delay and Call Prioritization
 - Enhanced case management and technology priorities
- Patrol Saturation Index (PSI) – 60/40 (36 mins/24 mins)
 - Requires officers to log time
 - Complex and difficult to replicate without consultants
- Recommends no additions to Field Operations
 - 27 sworn and four civilian currently assigned



International Association of Chiefs of Police



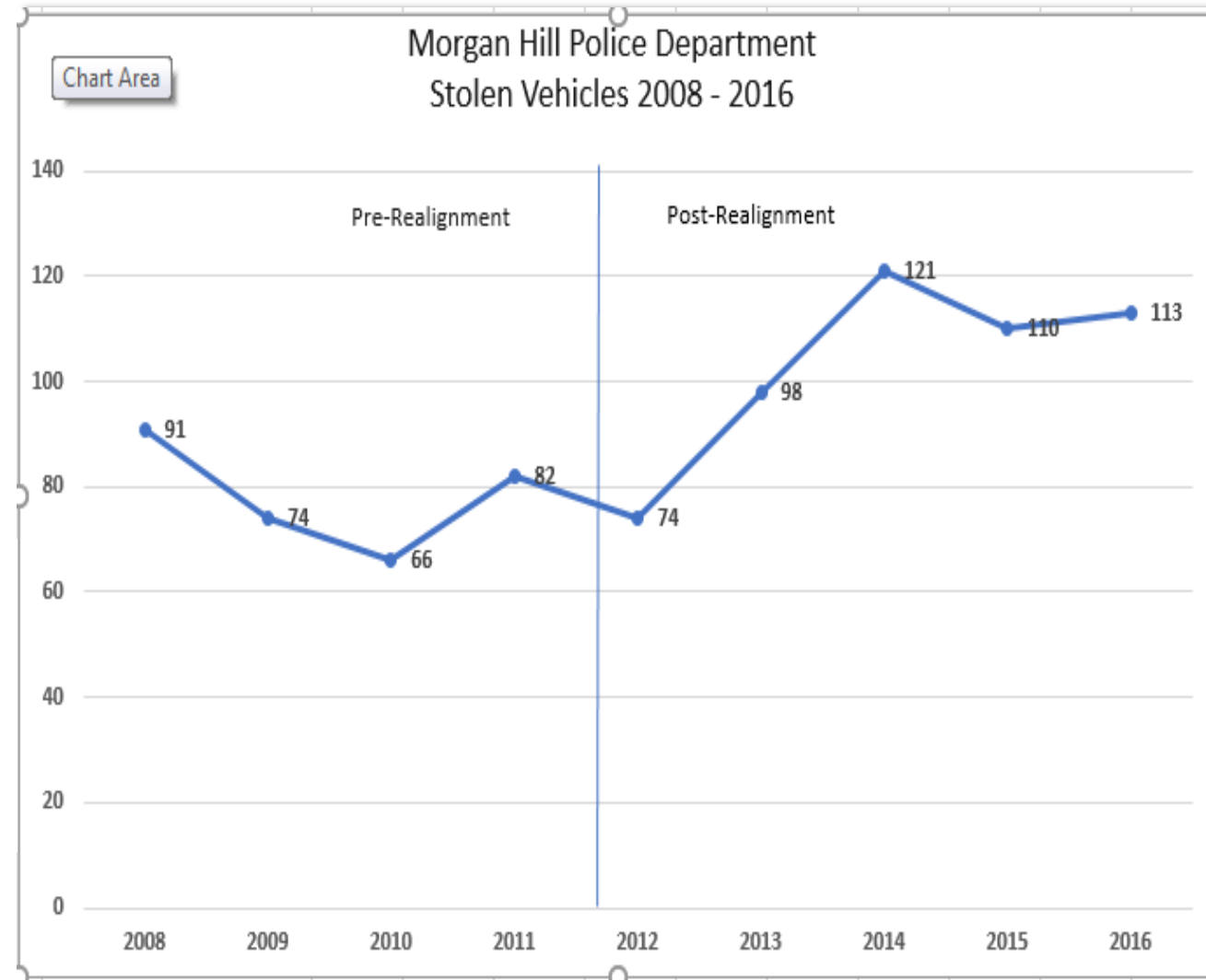
- Methodology – 20/20/20 (CFS, administrative, patrol)
- 26,747 Calls, 30.8 minutes per call and 1.8 officers assigned
- Assessment recommends 35 assigned to Field Operations



Factors Affecting Workload – Now and Future



- Growth
 - Population and traffic growth = increased demands
- Crime Trends
 - Transitory nature of criminals = increased incidents
- State Reform/Mandates
 - New state reform and mandates = increased incidents and less time for proactive patrol



Efficiencies



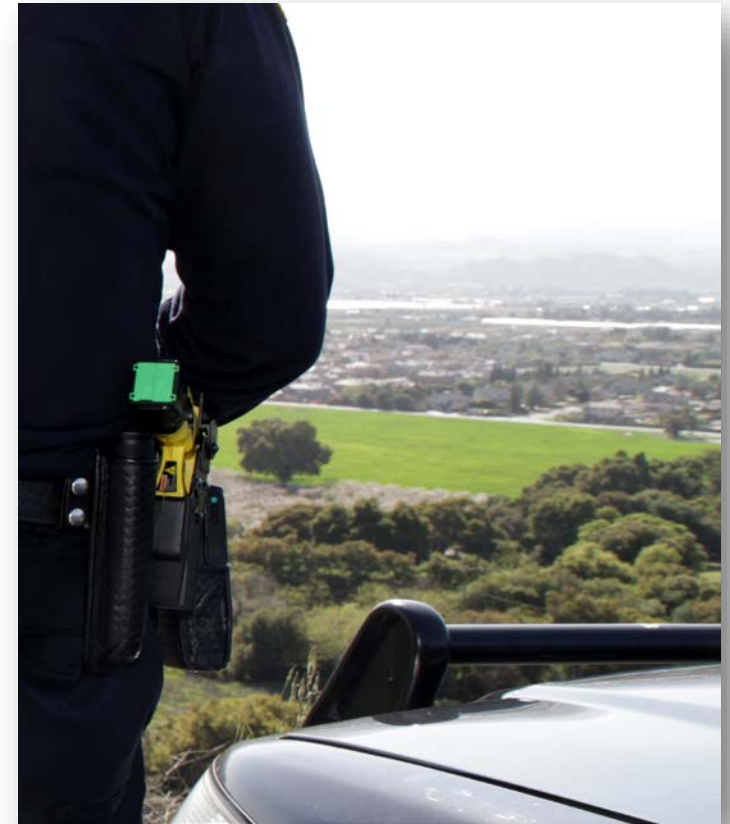
- Technology
 - License Plate Readers
 - Public Video Systems
 - Camera Registry System and Crime Notification
- Process
 - Reinstating the Street Crimes Team – Neighborhood Resource Team
 - Paperless criminal complaint filing
 - Integration of body-worn cameras



Potential Future Enhancements



- City-wide ALPR/Video Deployment
- Increase Field Operations Staffing (Four sworn)
- Increase Special Operations Staffing (Two sworn)
- Add Training Coordinator
- Add Dedicated Information Services Support



To be considered in future as part of upcoming budget processes.

Questions





Anderson Dam Seismic Retrofit Project Update

Morgan Hill City Council | November 15, 2017

Anderson Dam Existing Configuration

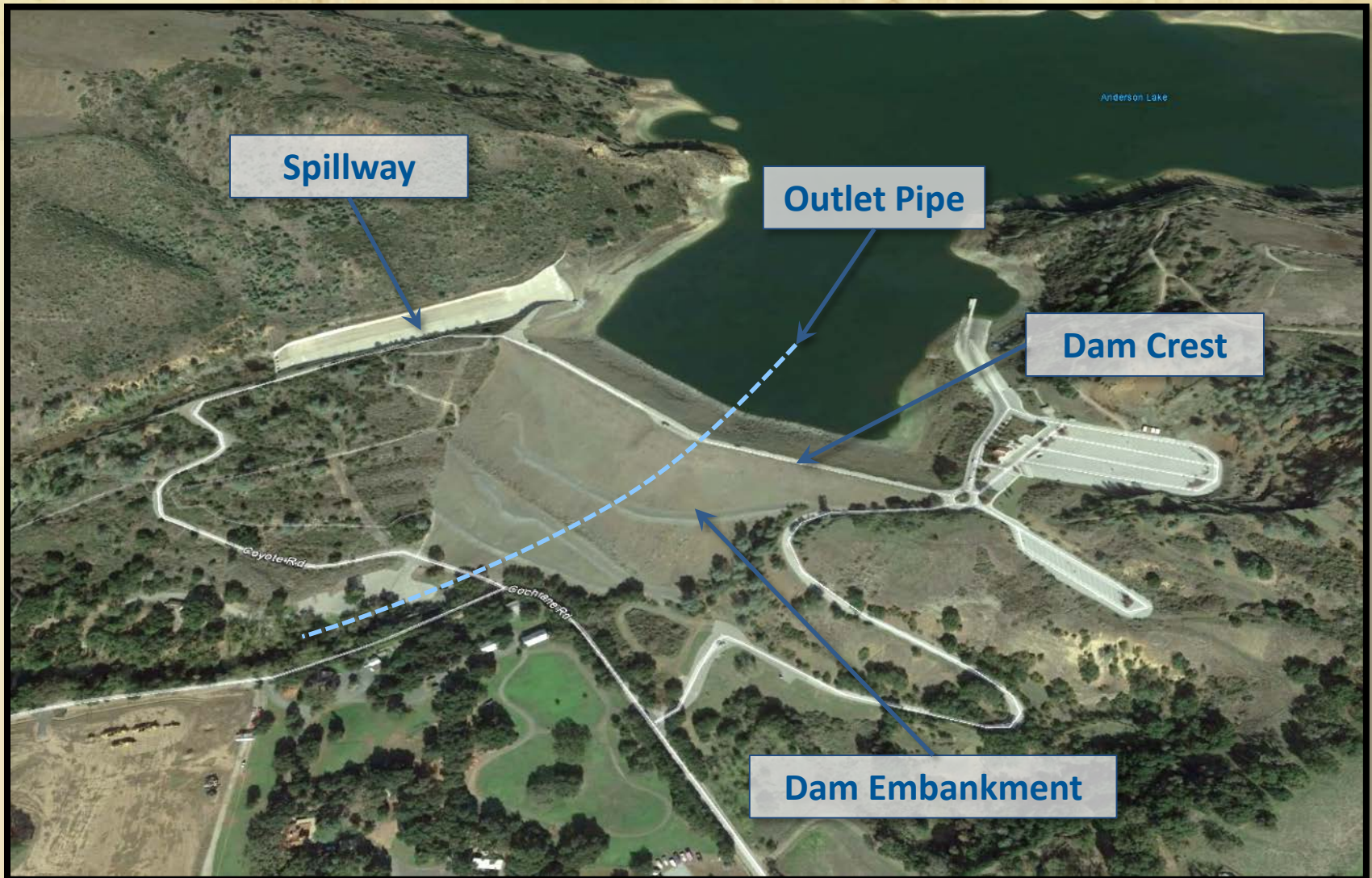
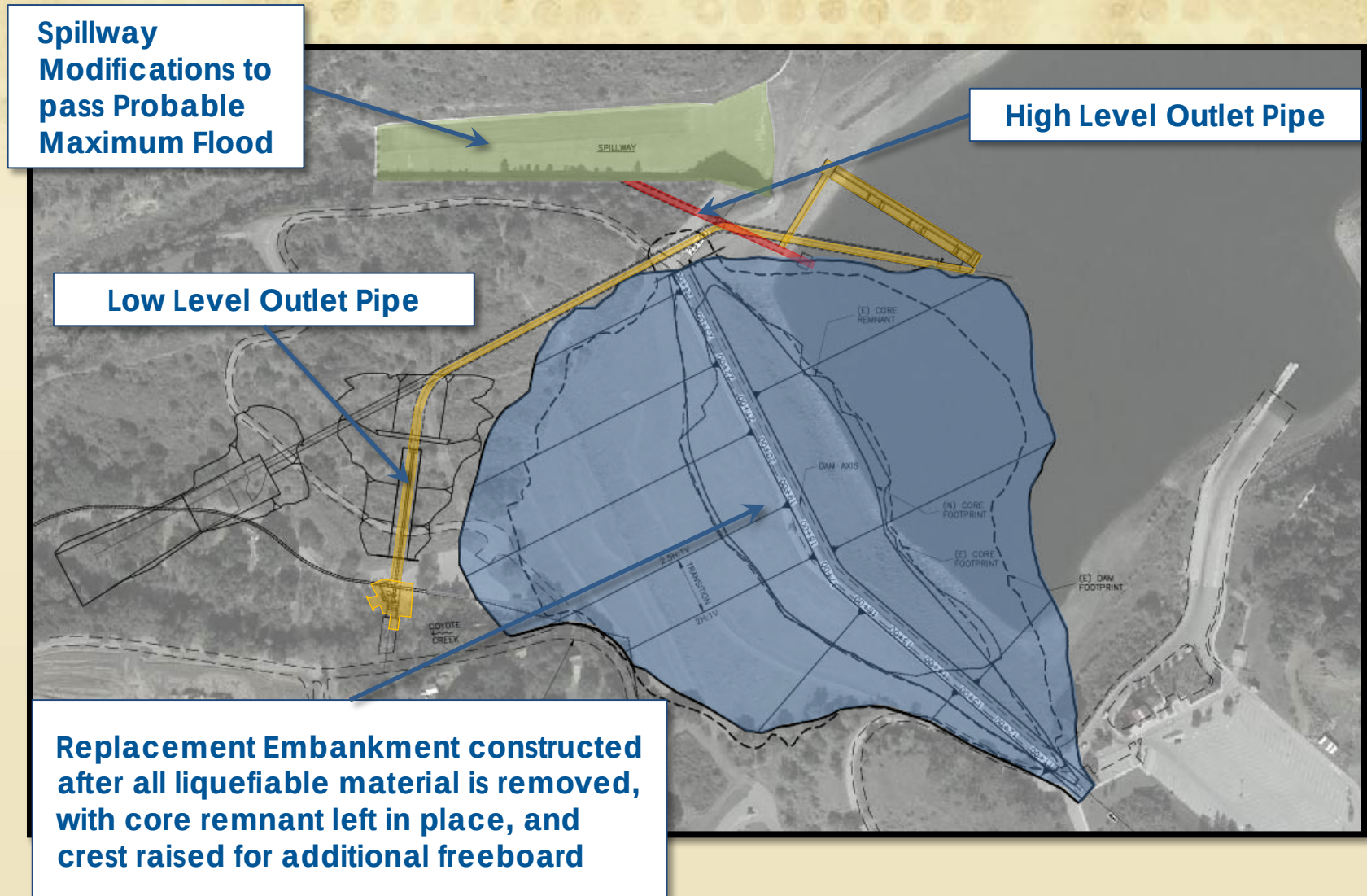


Image Source: Google Earth

Project Components



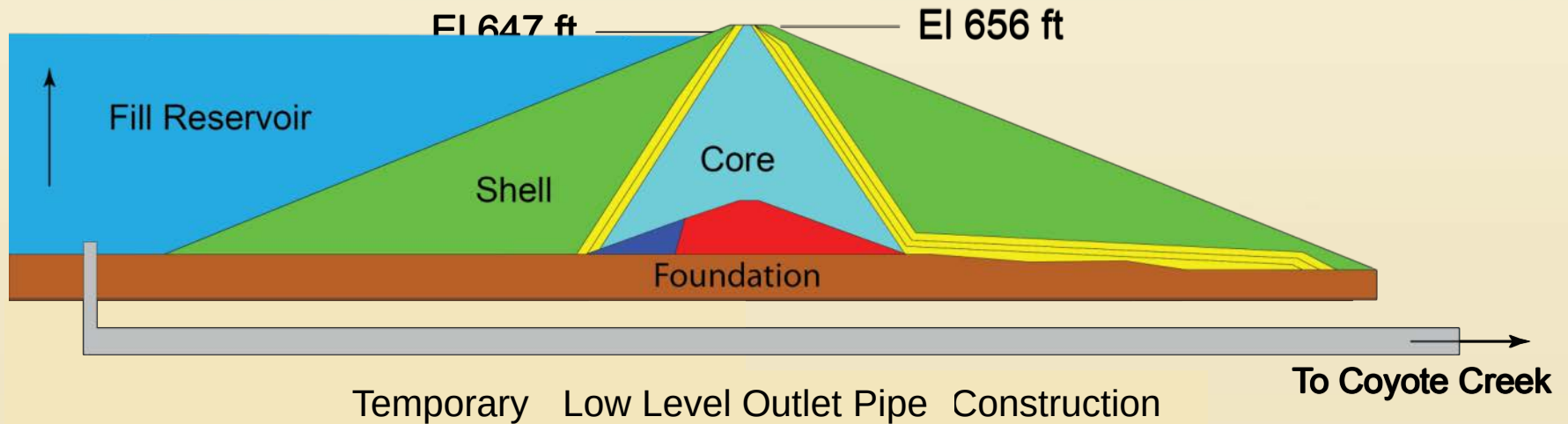
Staging and Temporary Stockpile Areas



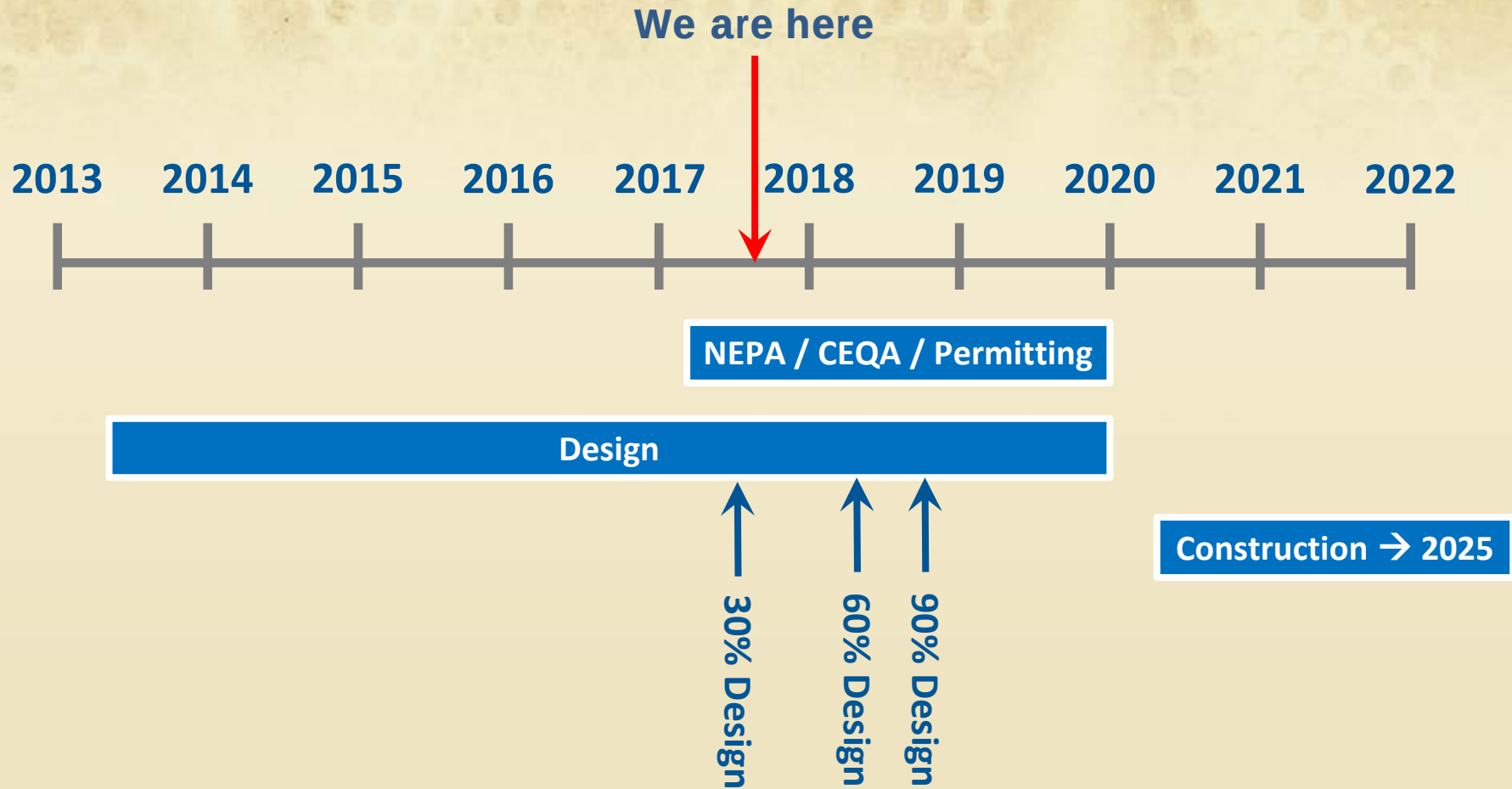
Construction Sequence

Year 3
April to October

Existing Embankment
Staging Area for Filling



Project Schedule



Next Steps and Public Meetings

- ▶ **CEQA scoping meeting January 2018**
- ▶ **60% Design – Spring 2018**
 - ▶ Public meeting in Spring 2018
- ▶ **Draft Environmental Impact Report (EIR) for Public Review – Spring 2018**
 - ▶ Public meeting for Draft EIR in Summer 2018
- ▶ **90% Design – Summer 2018**
 - ▶ Pre-construction meetings in 2019-2020
- ▶ **Start of Construction – 2020**

Reservoir Operations

Based on the District's current water supply projection, Board directed staff to operate the Anderson Reservoir system in 2017/18 to:

- Follow the 40% Exceedance Rule Curve for winter 2017/18.

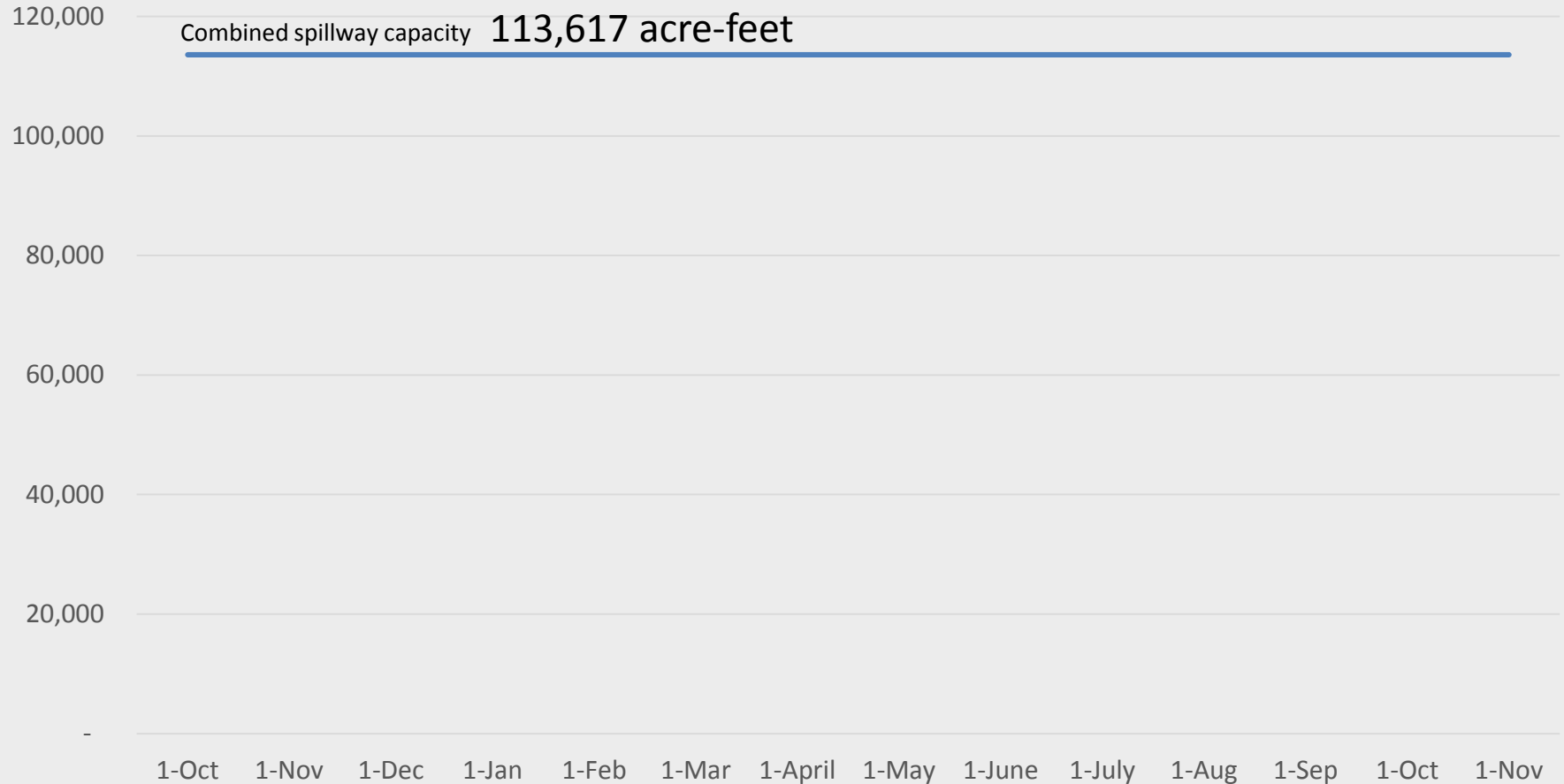
For the winters remaining until Anderson Dam retrofit:

- Analyze conditions and report back to Board annually,
- Recommend annual operations plan
- Reduce the risk of flooding,
- Provide adequate water supplies and reliability,
- Balance other beneficial uses.



Proposed Reservoir Operations

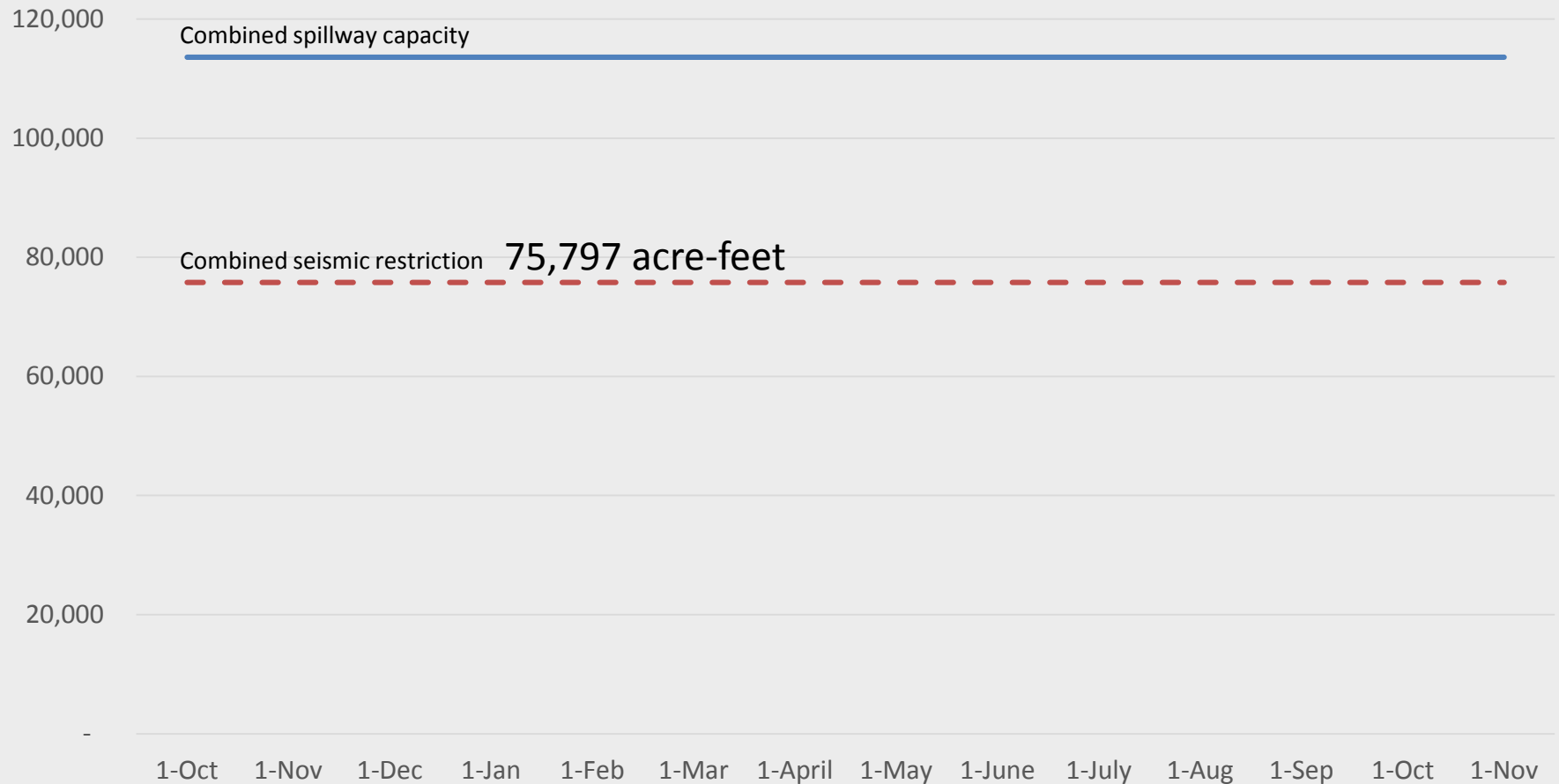
Combined Anderson & Coyote Storage



— Spillway

Proposed Reservoir Operations

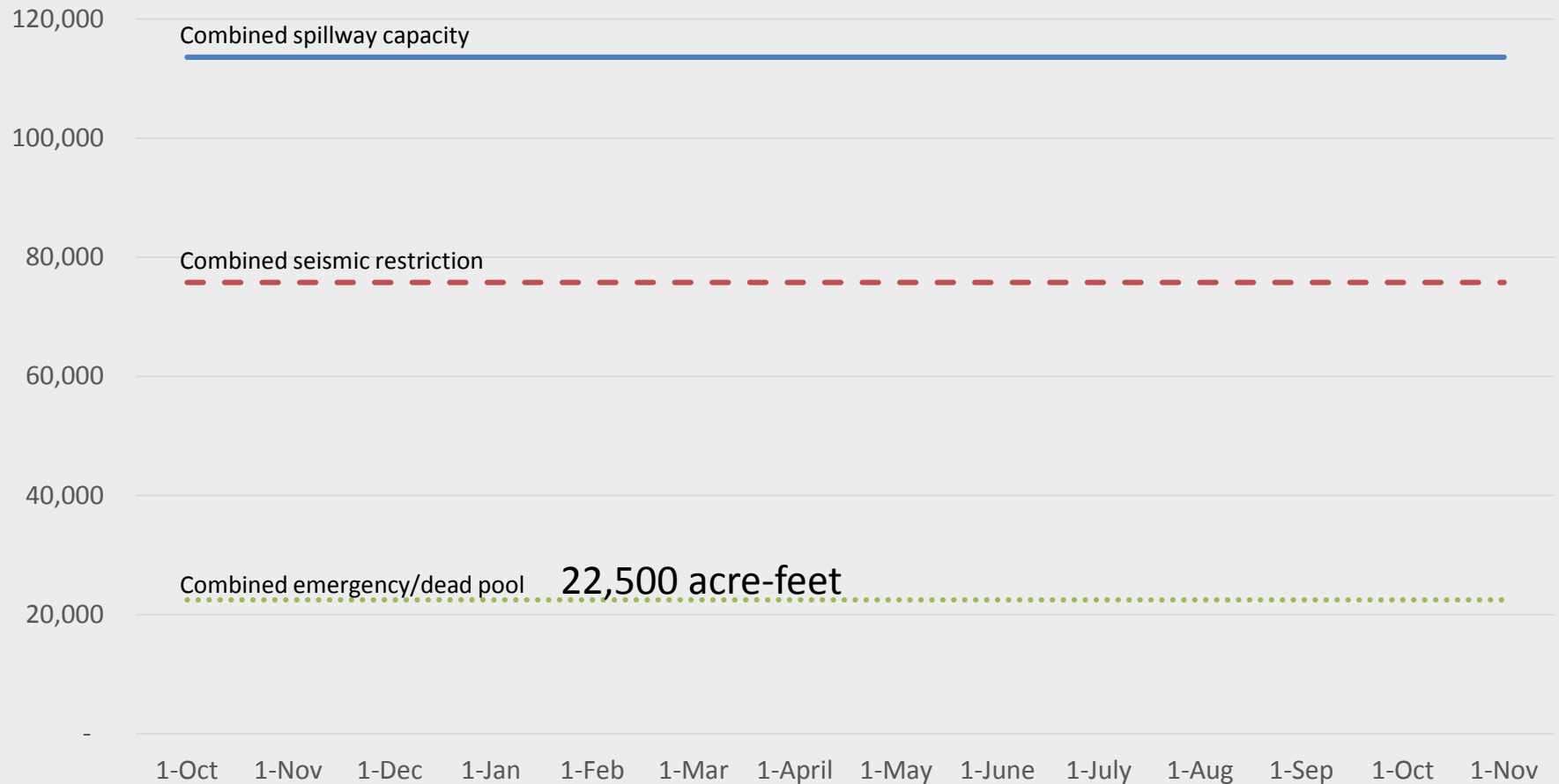
Combined Anderson & Coyote Storage



— Spillway - - Seismic Restriction

Proposed Reservoir Operations

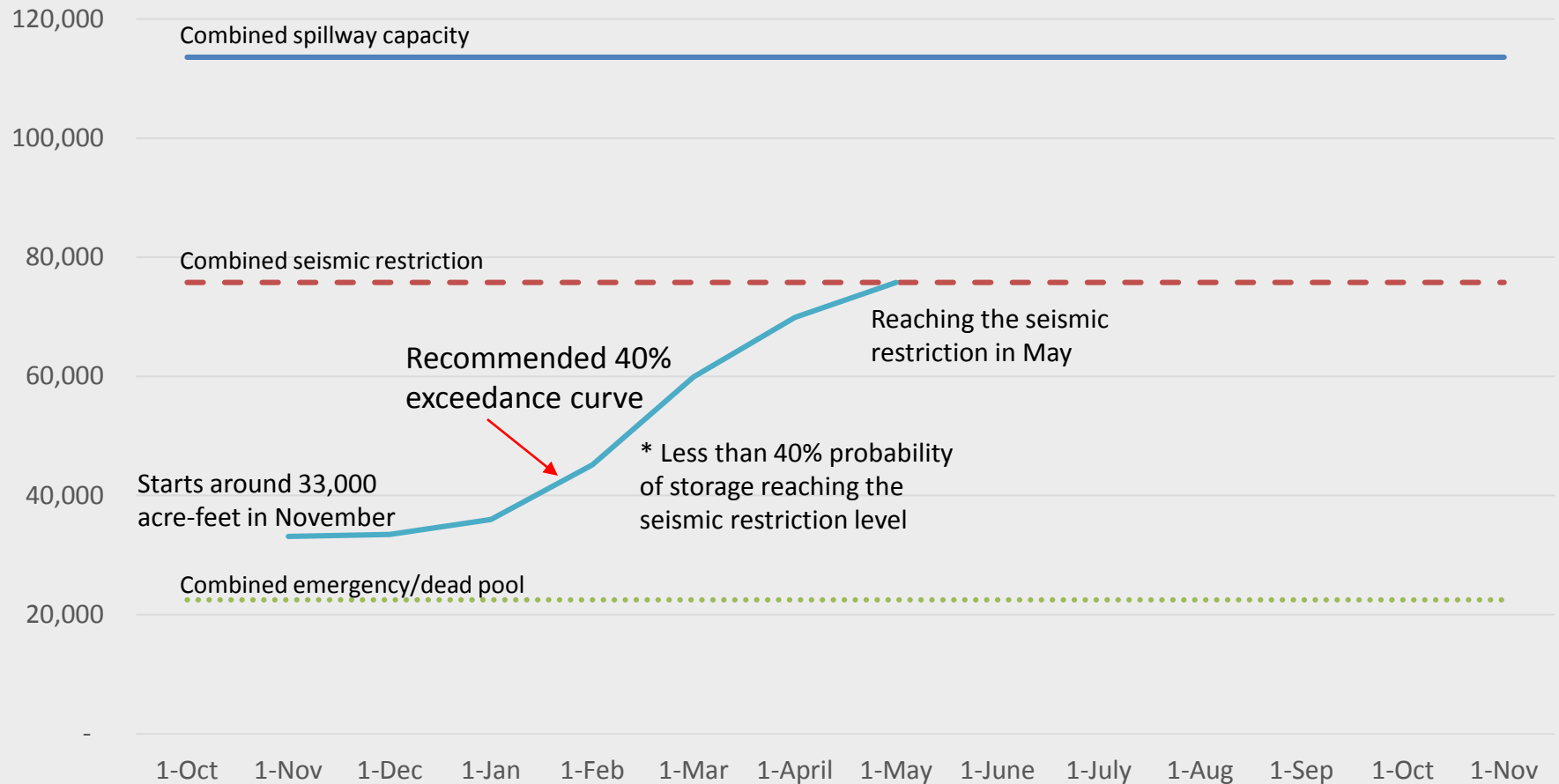
Combined Anderson & Coyote Storage



— Spillway - - Seismic Restriction Emergency

Proposed Reservoir Operations

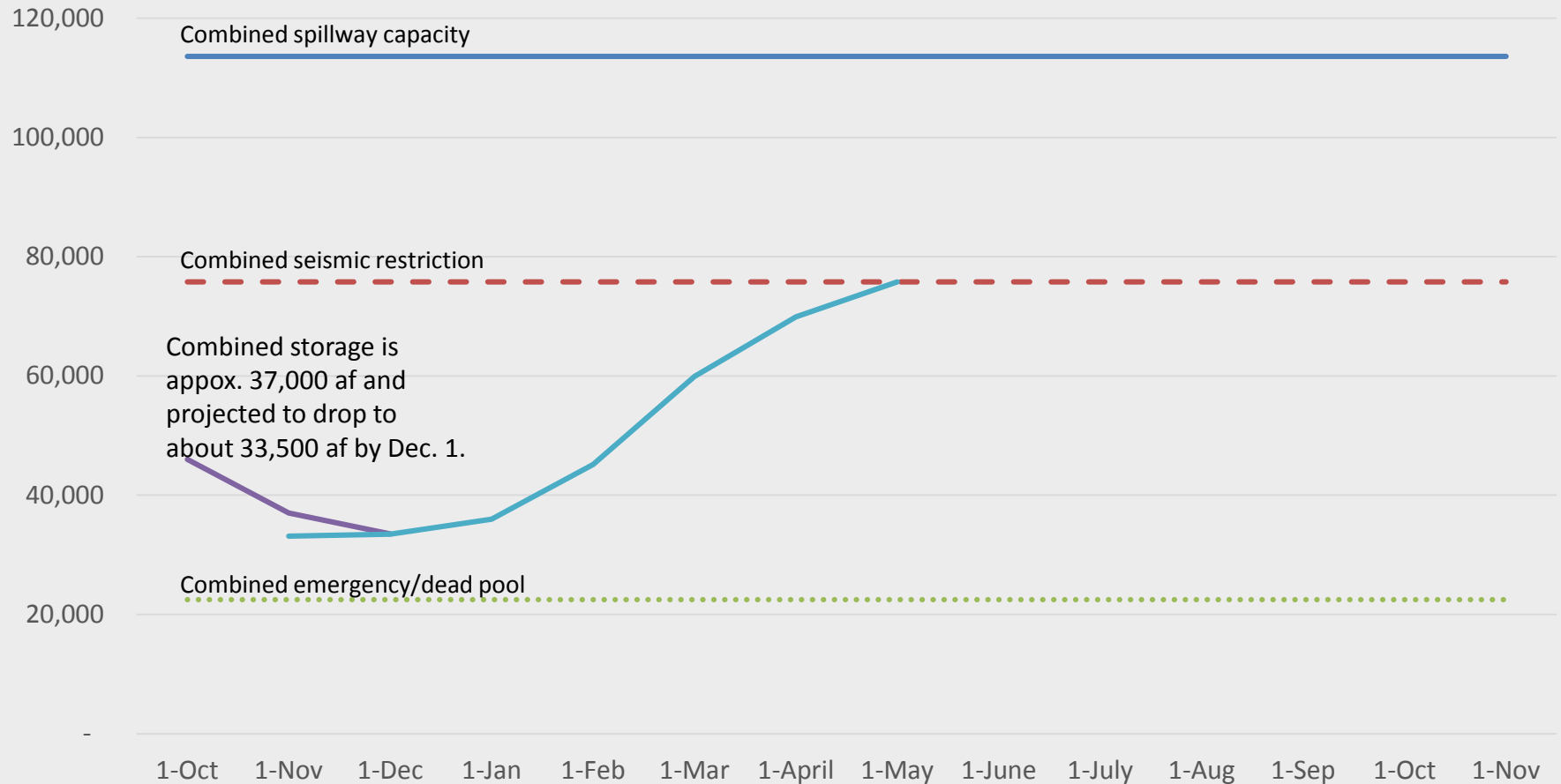
Combined Anderson & Coyote Storage



— Spillway - - Seismic Restriction Emergency — 40% Rule Curve

Proposed Reservoir Operations

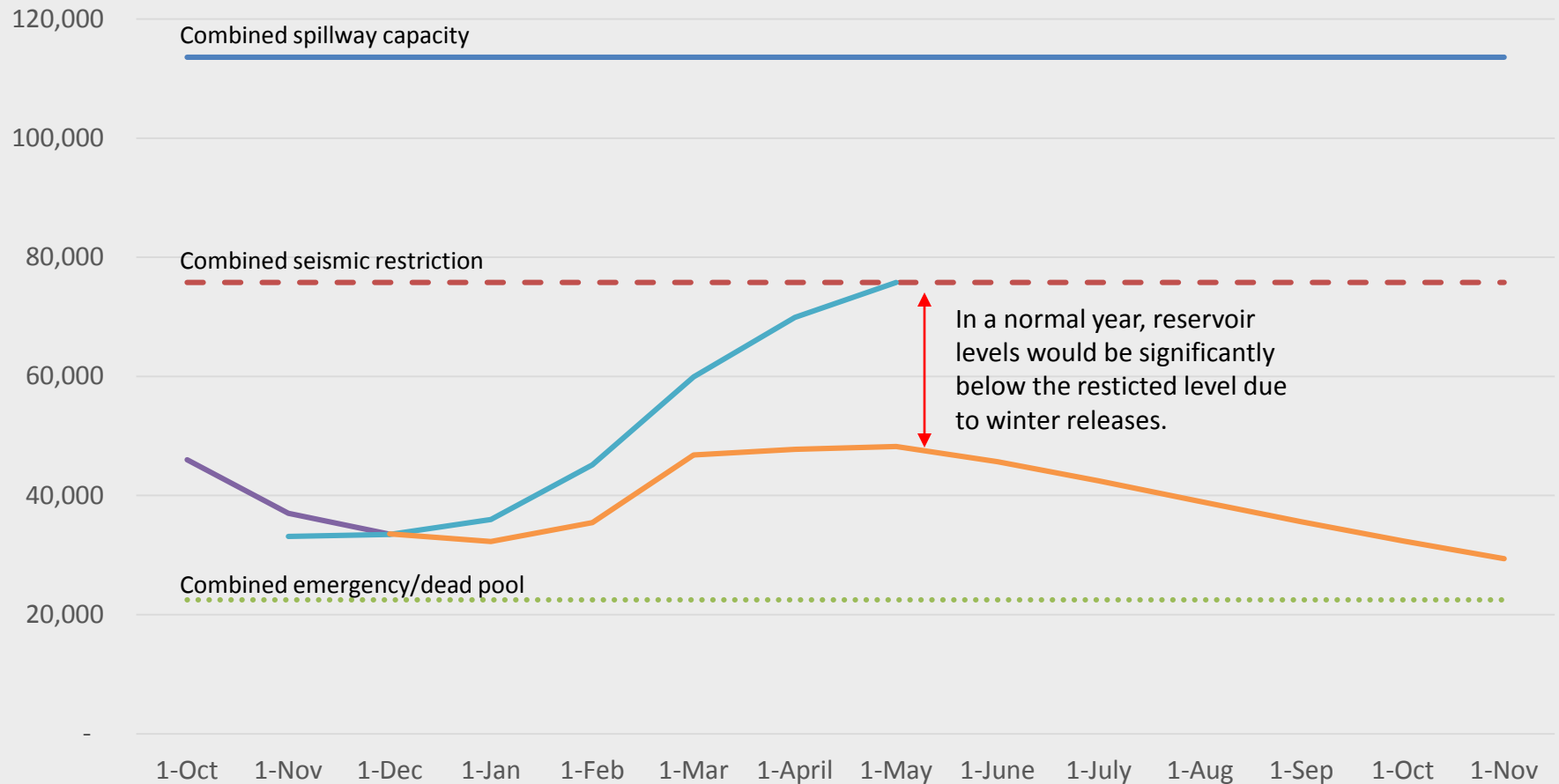
Combined Anderson & Coyote Storage



— Spillway - - - Seismic Restriction Emergency — Planned Ops — 40% Rule Curve

Proposed Reservoir Operations

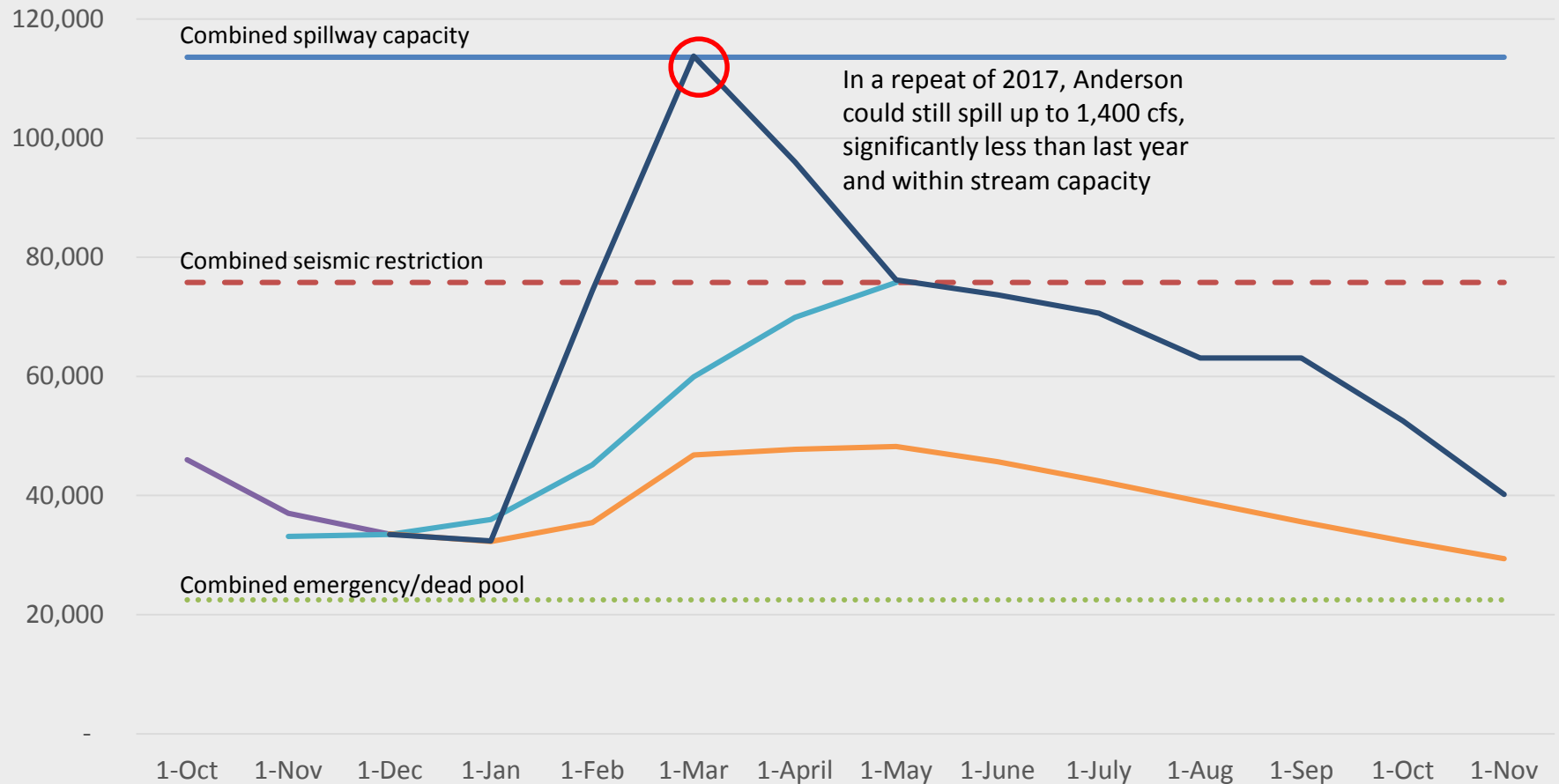
Combined Anderson & Coyote Storage



— Spillway - - - Seismic Restriction Emergency — Planned Ops — 40% Rule Curve — Average

Proposed Reservoir Operations

Combined Anderson & Coyote Storage



Spillway

Seismic Restriction

Emergency

Planned Ops

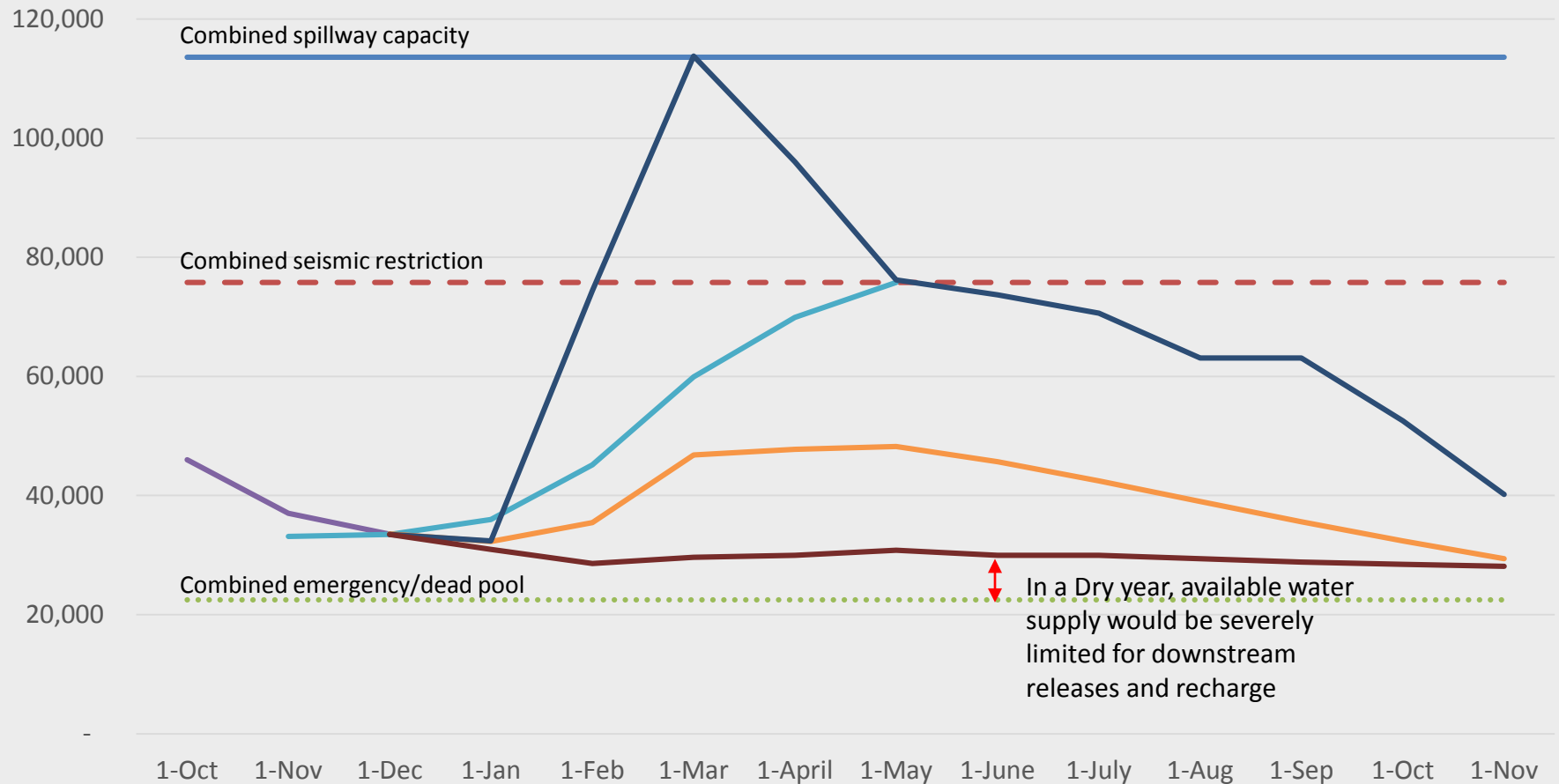
40% Rule Curve

Average

2017

Proposed Reservoir Operations

Combined Anderson & Coyote Storage



Spillway

Seismic Restriction

Emergency

Planned Ops

40% Rule Curve

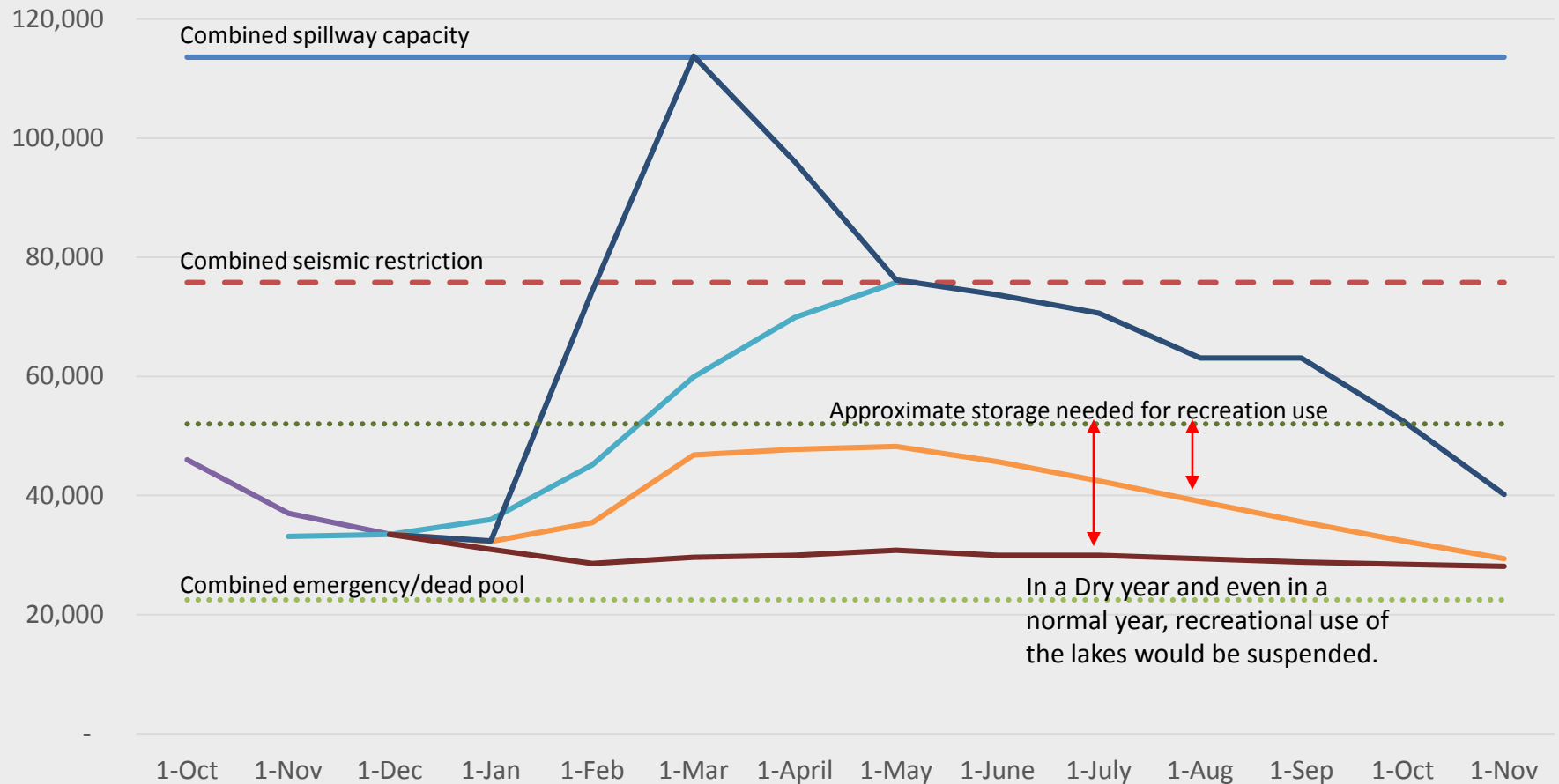
Average

2017

Dry

Proposed Reservoir Operations

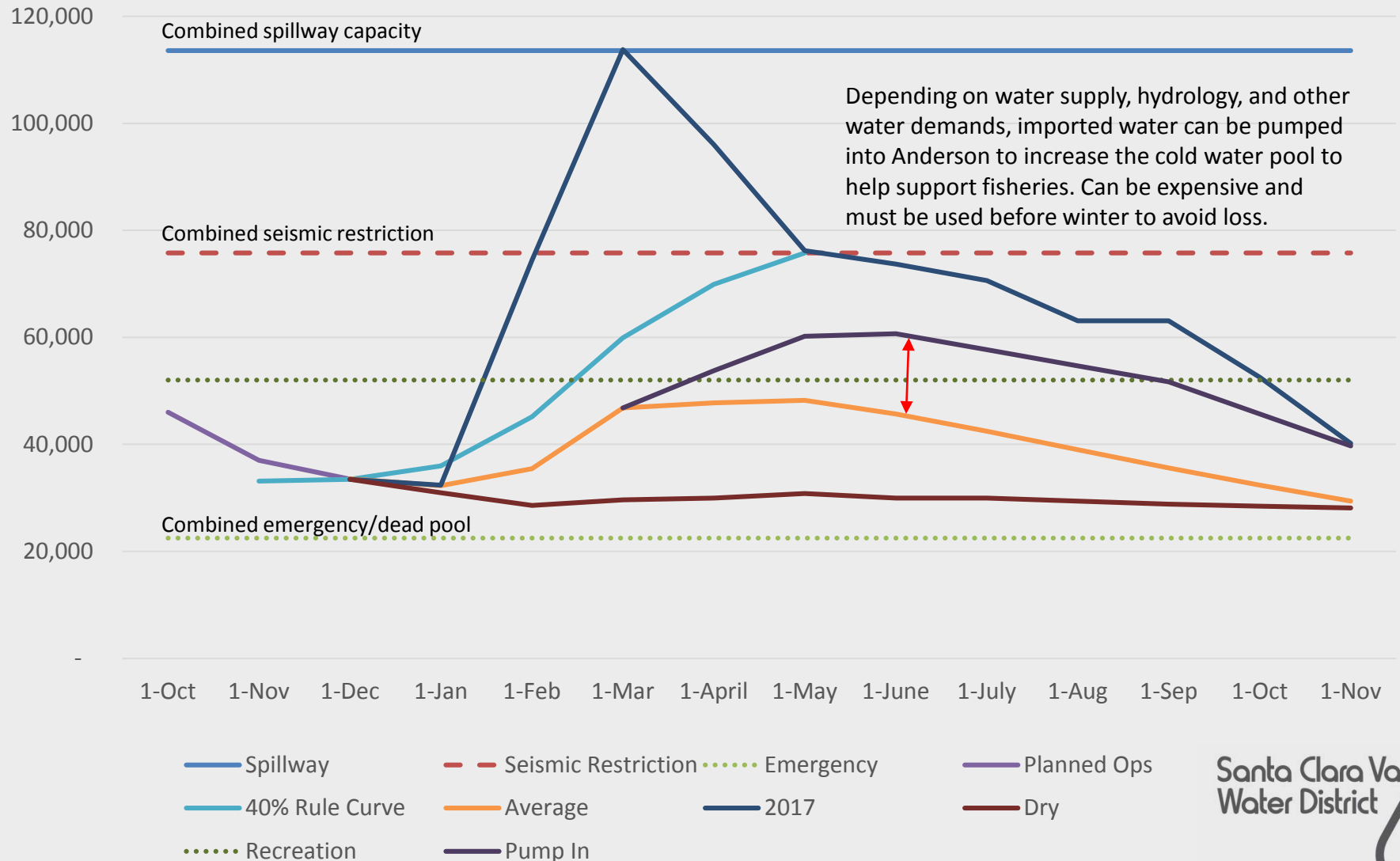
Combined Anderson & Coyote Storage



- | | | |
|---------------|---------------------------|------------------|
| — Spillway | - - - Seismic Restriction | Emergency |
| — Planned Ops | — 40% Rule Curve | — Average |
| — 2017 | — Dry | Recreation |

Proposed Reservoir Operations

Combined Anderson & Coyote Storage



Thank you



Haul Road - Dam to Stockpile Area A





Special - Regular Meeting Agenda
City Council

Steve Tate - Mayor
Larry Carr - Mayor Pro Tem
Rich Constantine - Council Member
Caitlin Jachimowicz - Council Member
Rene Spring - Council Member

Wednesday, November 15, 2017 5:30 PM

Council Chamber
17555 Peak Avenue, Morgan Hill, CA 95037

SPECIAL/REGULAR MEETING

(5:30 P.M. Workshop/ 7:00 P.M. Regular Meeting)

SPECIAL MEETING

5:30 P.M.

CALL TO ORDER

(Mayor Tate)

ROLL CALL ATTENDANCE

DECLARATION OF POSTING AGENDA

Per Government Code Section 54954.2
(Deputy City Clerk Wilson)

WORKSHOP

1. HIGH SPEED RAIL WORKSHOP

Recommendation:

The purpose of the High Speed Rail workshop is to review the findings of the Highway 101 Corridor Study by Michael Baker and Associates, provide an update on consultant-related work for the project, and receive a schedule update from the California High Speed Rail Authority.

CLOSED SESSION

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Authority: Government Code 54957(b)(1)

Title: City Attorney

RECONVENE

CLOSED SESSION ANNOUNCEMENT

REGULAR MEETING

7:00 P.M.

The City Council has adopted a policy that regular meetings shall not continue beyond 11:00 p.m. unless extended by a majority of the City Council.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

CITY COUNCIL REPORTS

Mayor Pro Tem Carr

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PROCLAMATIONS

Proclaiming the month of November as Philanthropy Month

PRESENTATIONS

YAC Presentation - Asset #41 - Positive Cultural Identity

Santa Clara Valley Water District - Anderson Dam Project and Water Levels Update

PUBLIC COMMENT

Members of the public are entitled to address the City Council concerning any item within the Morgan Hill City Council's subject matter jurisdiction. Public comments are limited to no more than three minutes. Except for certain specific exceptions, the City Council is prohibited from discussing or taking action on any item not appearing on the posted agenda. (See additional noticing at the end of this agenda)

ADOPTION OF AGENDA

CONSENT CALENDAR

Items appearing on the Consent Calendar are considered routine and may be approved by one motion. Pursuant to City Council Policies and Procedures (CP 97-01), any member of the Council or public may request to have an item removed from the Consent Calendar for comment and action.

Time Estimate for Consent Calendar: 1 - 10 Minutes

2. APPROVE SERVICE MAINTENANCE AGREEMENT WITH SALINAS PUMP COMPANY

Recommendation:

Approve and authorize the City Manager to execute a three-year agreement with Salinas Pump Company in the amount of \$275,000 for on-call routine and emergency repair, maintenance, and rehabilitation of the City's water wells and pump stations.

3. APPROVE PURCHASE OF A CARGO VAN WITH AN UPFIT

Recommendation:

1. Approve purchase of a new Cargo Van with an Upfit from Downtown Ford Sales in the amount of \$39,292.32; and
2. Authorize City Manager to approve purchase order in the amount of \$39,292.32 with Downtown Ford Sales.

4. APPROVE CONCEPTUAL PLAN FOR JACKSON PARK PLAYGROUND ENHANCEMENTS AND APPROPRIATION FOR MATCHING PROJECT FUNDS

Recommendation:

1. Approve conceptual plans for Jackson Park playground enhancements and direct staff to solicit bids; and
2. Adopt resolution approving an appropriation of \$72,327 from the Park Impact Fund (Fund 301) for matching funds.

5. AUTHORIZE EXECUTION OF LETTER OF INTENT FOR THE PURCHASE OF AN AGRICULTURAL CONSERVATION EASEMENT ON PROPERTY LOCATED ON APN 728-06-019, HENDRY DRIVE

Recommendation:

Authorize the City Manager to execute a Letter of Intent for the purchase of an agricultural conservation easement.

6. SITE REVIEW, SR2017-0011: W. MAIN – MH LIBRARY: REQUEST FOR A SITE, ARCHITECTURAL AND LANDSCAPE PLAN APPROVAL OF A 6,434-SQUARE FOOT ADDITION TO THE MORGAN HILL LIBRARY LOCATED AT 660 WEST MAIN ST.

Recommendation:

Adopt resolution approving the Design Permit for the Library Expansion project.

7. ACCEPTANCE OF SUBDIVISION PUBLIC IMPROVEMENTS - GIOVANNI DEVELOPMENT - TRACT NO. 9971

Recommendation:

1. Accept the subdivision public improvements for Giovanni Development – Tract No. 9971;
2. Authorize the Director of Engineering and Utilities or his designee to sign a Notice of Completion; and
3. Direct the City Clerk to file the Notice of Completion with the Recorder of Santa Clara County.

8. FINAL MAP APPROVAL OF WALNUT GROVE ESTATES - TRACT NO. 10422

Recommendation:

1. Approve the Final Map;
2. Authorize the City Manager to execute the Subdivision Improvements Agreement with Newland Homes, LLC and SiliconSage Builders, LLC;
3. Authorize the City Manager to execute a Stormwater Best-Management-Practices (BMP) Operation and Maintenance Agreement pending review and approval by the City Attorney; and
4. Authorize the recordation of the Final Map, Subdivision Improvements Agreement, and the Stormwater BMP Operation and Maintenance Agreement.

9. FINAL MAP APPROVAL OF EVERGREEN RENTAL

Recommendation:

1. Approve the Parcel Map;
2. Authorize the City Manager to execute the Improvement Agreement with MH Evergreen Multi, LLC;
3. Authorize the City Manager to execute a Stormwater Best-Management-Practices (BMP) Operation and Maintenance Agreement pending review and approval by the City Attorney; and
4. Authorize the recordation of the Parcel Map, Improvement Agreement, and the Stormwater BMP Operation and Maintenance Agreement.

10. FINAL MAP APPROVAL OF EVERGREEN FOR SALE - TRACT NO. 10403

Recommendation:

1. Approve the Final Map;
2. Authorize the City Manager to execute the Subdivision Improvements Agreement with MH Evergreen 74, LLC;
3. Authorize the City Manager to execute a Stormwater Best-Management-Practices (BMP) Operation and Maintenance Agreement pending review and approval by the City Attorney; and
4. Authorize the recordation of the Final Map, Subdivision Improvements Agreement, and the Stormwater BMP Operation and Maintenance Agreement.

11. ADOPT ORDINANCE APPROVING ZONING AMENDMENT ZA 2017-0004 CHANGING THE ZONING DESIGNATION OF AN APPROXIMATELY 1.745-ACRE SITE LOCATED ON THE WEST SIDE OF DEL MONTE AVENUE OPPOSITE MATHILDA COURT (ASSESSOR PARCEL NUMBERS 767-16-013, -043) FROM RE 100,000 RESIDENTIAL ESTATE DISTRICT TO R-1 7,000 SINGLE FAMILY MEDIUM DENSITY RESIDENTIAL DISTRICT

Recommendation:

Waive the reading, adopt Ordinance No. 2263, New Series, and declare that said title, which appears on the agenda, shall be determined to have been read by title and further reading waived.

12. APPROVE THE NOVEMBER 1, 2017 MEETING MINUTES

Recommendation:

Approve Minutes.

OTHER BUSINESS

13. REVIEW OF CITY COUNCIL MEETING SCHEDULE

Recommendation:

1. Review and adjust the City Council meeting schedule as deemed appropriate; and
2. Approve 2018 City Council meeting schedule.

Estimated Time: 10 Minutes

14. APPROVE AGREEMENT WITH CAL-SOAP FOR COLLEGE SCHOLARSHIP PROGRAM

Recommendation:

Authorize the City Manager to enter into an agreement between the City of Morgan Hill and the California Student Opportunity and Access Program (South County Cal-SOAP) to provide a \$25,000 college scholarship to a Morgan Hill student, for a maximum contract amount of \$26,000 with administrative fees.

Estimated Time: 5 Minutes

15. AWARD OF OUTDOOR SPORTS CENTER ARTIFICIAL TURF REPLACEMENT PROJECT

Recommendation:

1. Adopt resolution amending the Fiscal Year 2017-18 Budget appropriating \$217,000 from the Park Maintenance Fund (302) for the Outdoor Sports Center Artificial Turf Replacement Project for a total budget of \$1,567,000;
2. Award contract to Astroturf USA, Inc. in the amount of \$1,475,437 for the Outdoor Sports Center Artificial Turf Replacement Project;
3. Authorize expenditure of construction contingency funds not to exceed \$51,000; and
4. Authorize the City Manager to execute and administer the construction contract with Astroturf USA, Inc.

Estimated Time: 15 Minutes

16. 2016 WATER LOSS AUDIT REPORT

Recommendation:

Receive report on 2016 Water Loss Audit Report.

Estimated Time: 10 Minutes

17. POLICE RESOURCES REPORT

Recommendation:

Accept report on Police resources and update on Public Safety Master Plan recommendations.

Estimated Time: 30 Minutes

PUBLIC HEARING

18. AN ORDINANCE OF THE CITY OF MORGAN HILL ALLOWING EXISTING RESIDENTIAL DEVELOPMENT PROJECTS WITH A COMMENCEMENT OF CONSTRUCTION REQUIREMENT TO UTILIZE THE EXERCISE OF ALLOTMENT PROVISION PROVIDED WITHIN THE RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDCS) ORDINANCE SECTION 18.78.160 OF THE MORGAN HILL MUNICIPAL CODE

Recommendation:

1. Open/close public hearing;
2. Waive the first and second reading of the Ordinance; and
3. Introduce the Ordinance.

Estimated Time: 10 Minutes

19. ADOPT WAGE THEFT PREVENTION ORDINANCE

Recommendation:

1. Open/close public hearing;
2. Waive the first and second reading of the Wage Theft Prevention Ordinance; and
3. Introduce the Ordinance.

Estimated Time: 15 Minutes

FUTURE COUNCIL INITIATED AGENDA ITEMS

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

ADJOURNMENT

NOTICE

Any documents produced by the City and distributed to the majority of the City Council less than 72 hours prior to an open meeting, will be made available for public inspection at the City Clerk's Counter at City Hall located at 17575 Peak Avenue, Morgan Hill, CA, 95037 and at the Morgan Hill Public Library located at 660 West Main Avenue, Morgan Hill, California, 95037 during normal business hours. (Pursuant to Government Code 54957.5)

PUBLIC COMMENT

Members of the Public are entitled to directly address the City Council concerning any item that is described in the notice of this meeting, before or during consideration of that item. If you wish to address the Council on any issue that is on this agenda, please complete a speaker request card located in the foyer of the Council Chambers, and deliver it to the Minutes Clerk prior to discussion of the item. You are not required to give your name on the speaker card in order to speak to the Council, but it is very helpful. When you are called, proceed to the podium and the Mayor will recognize you. If you wish to address the City Council on any other item of interest to the public, you may do so by during the public comment portion of the meeting following the same procedure described above. Please limit your comments to three (3) minutes or less.

Please submit written correspondence to the Minutes Clerk, who will distribute correspondence to the City Council.

Persons interested in proposing an item for the City Council agenda should contact a member of the City Council who may plan an item on the agenda for a future City Council meeting. Should your comments require Council action, your request may be placed on the next appropriate agenda. Council discussion or action may not be taken until your item appears on an agenda. This procedure is in compliance with the California Public Meeting Law (Brown Act) Government Code §54950.

City Council Policies and Procedures (CP 03-01) outlines the procedure for the conduct of public hearings. Notice is given, pursuant to Government Code Section 65009, that any challenge of Public Hearing Agenda items in court, may be limited to raising only those issues raised by you or on your behalf at the Public Hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to the Public Hearing on these matters.

The time within which judicial review must be sought of the action by the City Council, which acted upon any matter appearing on this agenda is governed by the provisions of Section 1094.6 of the California Code of Civil Procedure.

For a copy of City Council Policies and Procedures CP 97-01, please contact the City Clerk's office (408) 779-7259, (408) 779-3117 (fax) or by email michelle.wilson@morganhill.ca.gov.

AMERICANS WITH DISABILITIES ACT (ADA)

In compliance with the Americans with Disabilities Act, if you are a disabled person and you need a disability-related modification or accommodation to participate in this meeting, please contact the City Clerk's Office at (408)779-7259, (408)779-3117 (fax) or by email michelle.wilson@morganhill.ca.gov. Requests must be made as early as possible and at least two-full business days before the start of the meeting



Sustainable Morgan Hill Vision

Morgan Hill is a socially responsible, environmentally conscious, and economically sound community that embraces inclusiveness with participation by all.

CITY COUNCIL ONGOING PRIORITIES

Enhancing Public Safety · Protecting the Environment · Maintaining Fiscal Responsibility ·
Supporting Our Youth, Seniors, and Entire Community · Fostering a Positive Organizational Culture ·
Preserving and Cultivating Public Trust · Preserving Our Cultural Heritage

2017 STRATEGIC PRIORITIES

High Speed Rail

Inclusiveness

Infrastructure

Regional Initiatives

Telecommunications

2017 STRATEGIC PRIORITIES:



High Speed Rail

The City of Morgan Hill will directly advocate for our community's needs through our communications, discussions, and decisions. We will continue to engage the community, the High Speed Rail Authority, our state and federal legislators, and other regional agencies to mitigate negative impacts and convey our position that the High Speed Rail Authority should only use the existing Highway 101 right-of-way to avoid all impacts to residents, schools, and businesses. Should the Authority decide the 101 right-of-way is not feasible, we will strongly advocate for the route with the least impact on Morgan Hill.



Inclusiveness

We will celebrate the diversity, history, and culture of our community. Through City Council workshops, community meetings, and researching successes in other communities, the City will listen to and collaborate with the community to define how inclusiveness will be further woven into our community's fabric and to increase public participation. The City's communications, services, public spaces, and projects will embrace all community members as partners, advancing our vision of being a socially responsible community.



Infrastructure

The City will review its streets, parks, and public facilities infrastructure needs initially by updating its 2014 infrastructure study to quantify the funding gap. We will identify potential funding options as ongoing revenue is insufficient to fund our vital community assets at a sustainable level without significantly impacting existing service levels that our community has come to expect. Morgan Hill will actively work with the Valley Transportation Agency, the County, and the State to secure funding for the Santa Teresa extension and road maintenance. We will continue to work closely with our community to inform them of the needs and engage them to find an affordable and sustainable solution.



Regional Initiatives

City Council and staff will focus on influencing regional decisions that benefit Morgan Hill. This regional involvement will include, but not be limited to, partnering with the League of California Cities, Valley Transportation Authority, Santa Clara Valley Water District, Cities Association of Santa Clara County, the City of Gilroy, Santa Clara County, Morgan Hill Unified School District, the Local Agency Formation Commission, the Open Space Authority, and Silicon Valley Clean Energy to advance projects that further Sustainable Morgan Hill.



Telecommunications

The City will collaborate with the private sector to explore ways to provide fast, reliable access and wireless connectivity for residents and businesses. The 2016 Telecommunications Infrastructure and Economic Development Blueprint reports will be the foundation for continuing discussions with broadband providers, public utilities, and other infrastructure service providers in developing an implementation plan for growing our telecommunications infrastructure. The plan will be used to signal Morgan Hill's support for business expansion.

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15 Nov 17

REQUEST FOR ADDITIONAL ANIMAL SERVICES FUNDING
AND CHANGE IN EMERGENCY SERVICES PROVIDER

My name is Ava Geddes. I am a Morgan Hill City Resident, and am active in animal welfare in South County. Thank you for the opportunity to request City Council add review and decision on the subjects of additional animal services funding, and changing the emergency animal services provider, to an agenda before the end of CY17.

Santa Clara County recently offered a proposal to Morgan Hill for unlimited animal services for \$30K/year. Please note this is separate from the \$5K/year for the County's low-cost spay/neuter program.

In my opinion, this is an incredible offer, not to mention a bargain, a rarity in Government finances. The City Council already approved \$11K for cat services and \$4K for dog services (\$15K total) for FY18 (breakdown provided by MHPD Captain Shane Palsgrove). If FY18 needs mirror FY17 needs, Morgan Hill will require at least \$11K more for cat services since last year's \$11K ran-out in Dec (lasted only half a year), and we'll need more to cover the second half of the fiscal year, especially since that includes part of the peak baby season when demands are highest. Adding this second \$11K raises the total to \$26K. For \$4K more (total \$30K), Morgan Hill would have unlimited services from the County Shelter, and a local place with guaranteed acceptance to take found pets, stray, and other unowned animals; surrender animals; take injured and deceased animals; and a local facility during disasters such as the recent fires and floods. Providing more funding will prevent a lapse in animal services. Please note, when those of us in South County animal rescue are contacted for help with lost, found, injured, and deceased animals, we strongly encourage the reporting party to contact MHPD to report the incident so there is an official record of needed animal services.

I also propose a change in contracted after-hour emergency veterinary services. Currently, Morgan Hill contracts with United Veterinary Specialty and Emergency Hospital, the 24-hour emergency veterinary clinic on Thornwood Drive in San Jose, near Oak Ridge Mall. I request changing from there to Silicon Valley Veterinary Specialists (near the intersection of Santa Teresa Boulevard and Bernal Road). This new veterinary office already has an outstanding reputation, and is closer to Morgan Hill than the Thornwood facility. Using this clinic would improve the medical chances for injured animals, while at the same time, reduce the time police officers need to transport injured animals, and get the officers back to their law enforcement duties quicker. Another win-win option.

Thank you.

(Additional details on the back - Over)

ANIMAL SERVICES

FYI - Lisa Jenkins, Interim Program Manager over the Animal Shelter, was at the New Shelter Meeting last week, and updated me on billing and payments from Morgan Hill to Santa Clara County for animal services.

\$4,620	Billed by the County and already paid by Morgan Hill
<u>+ 3,190</u>	Currently being billed by the County
\$7,810	Total paid/billed

At this rate, it looks like we're on-track to expend the initial \$11K by the end of December, just like last year, i.e., services cost \$7,810 for roughly 4 months, so 6 months will likely cost \$11,715.

I request that increasing funding for animal services be placed on an upcoming City Council agenda so there is no lapse in services. Further I request that the City Council review and favorably vote to accept the County's offer of a flat \$30K annually to provide services for an unlimited number of animals. To reiterate the calculation:

\$11,000	First cat allocation for first half FY18
4,000	Allocation for dogs for FY18
<u>+ 11,000</u>	Proposed second cat allocation for second half of FY18, but likely need more since this period contains peak baby (kitten/puppy) season
\$26,000	
<u>\$30,000</u>	County's offer for unlimited animal services
\$4,000	Delta, but this will likely be used for peak kitten/puppy season demands, especially as more people move to Morgan Hill

CONTRACT ANIMAL EMERGENCY FACILITY

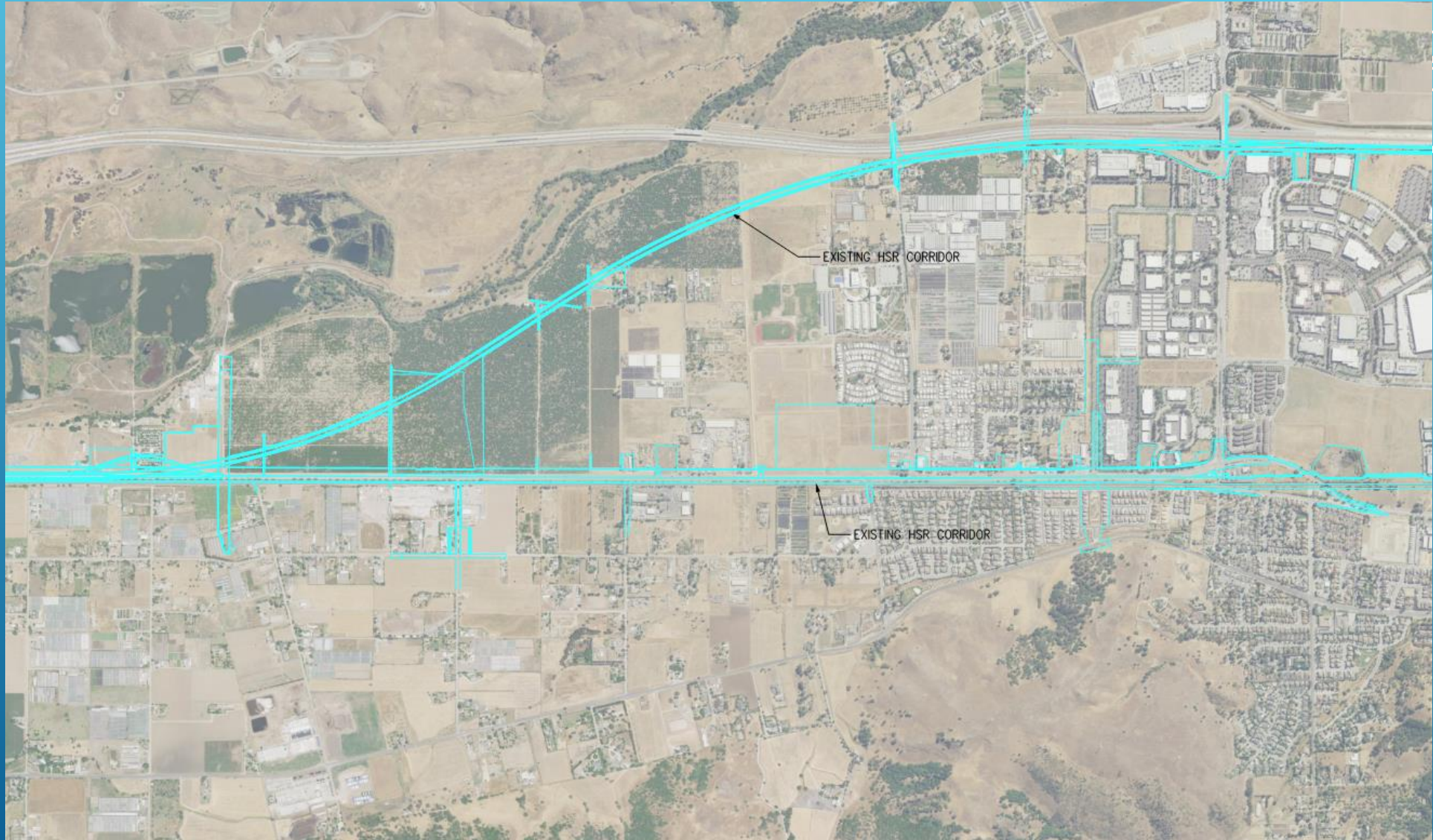
Morgan Hill contracts with United Veterinary Specialty and Emergency Hospital, the 24-hour emergency veterinary clinic located at 5406 Thornwood Drive, San Jose (near Oak Ridge Mall), (408) 578-5622. I request changing from there to Silicon Valley Veterinary Specialists, 7160 Santa Teresa Boulevard (near the intersection with Bernal Road), (408) 457-8866.



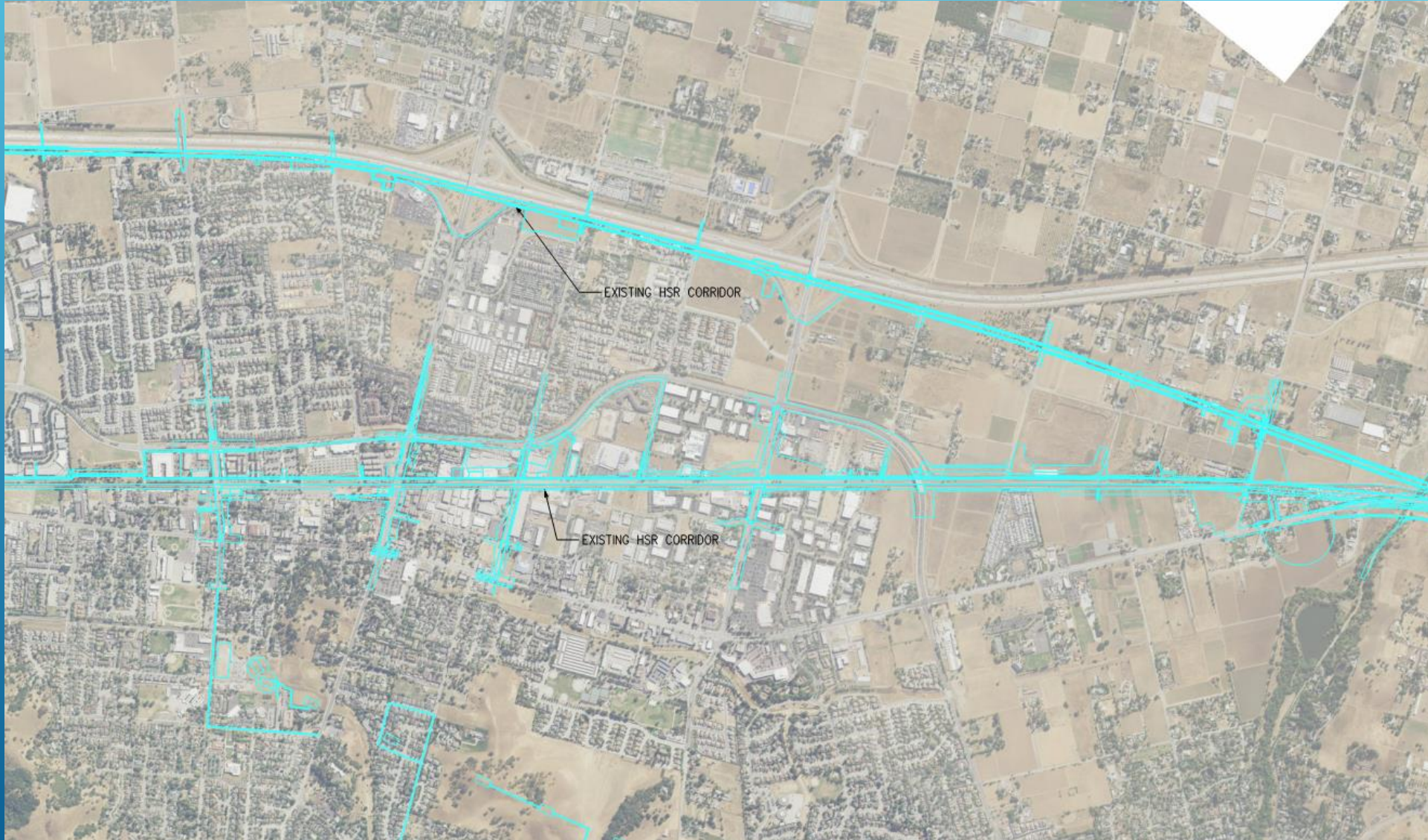
MORGAN HILL CITY COUNCIL

High Speed Rail Workshop
November 15, 2017

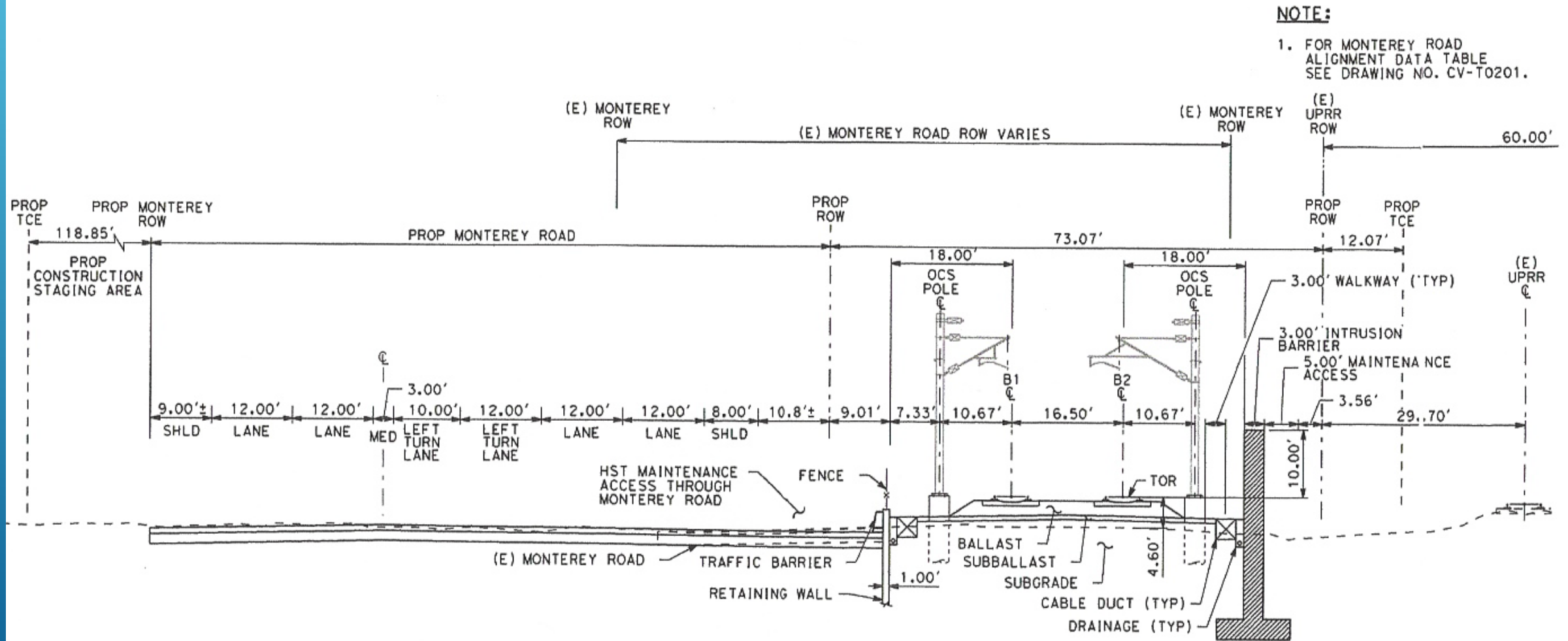
CHSRA Proposed Alternatives



CHSRA Proposed Alternatives



EMBANKMENT ALONG UPRR



- At Grade / Embankment
- Viaduct
- Trench
- Tunnel

Embankment





FLY CALIFORNIA

STOP

5KE2431

44-763

FORREST
WILLIAMS
SUPERVISOR

McNerney

- At Grade / Embankment
- Viaduct
- Trench
- Tunnel

Viaduct



- At Grade / Embankment
- Viaduct
- Trench
- Tunnel

Viaduct



US-101 Median Alternative



HWY US-101

DESIGN ASPECTS

- Located within the median at Morgan Hill.
- Design speed is 90-100 mph.
- Connects with CHSRA alignments north and south of Morgan Hill.

CHALLENGES

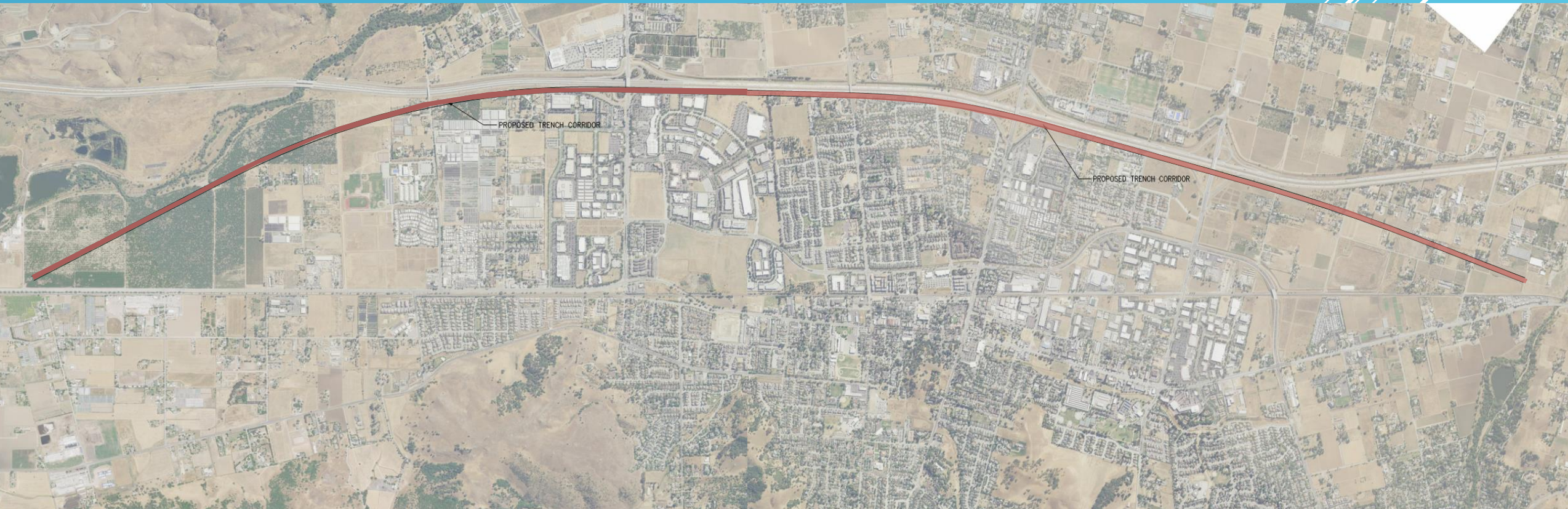
- Cannot continue in the median south of the City due to San Martin Airport.
- Reduced speed, 100 mph, due to freeway curves.
- Complex structures where it enters and exits the freeway right-of-way.
- Not compatible with approved High Occupancy Toll (HOT) lanes project by Caltrans for the current US-101 median.



TRENCH ON WEST SIDE OF US-101



Trench Alternative



TRADITIONAL TRENCH DESIGN REQUIREMENTS

-

[illegible]

VIADUCT IN THE MEDIAN AND EAST EDGE OF US-101



VIADUCT IN THE MEDIAN AND EAST EDGE OF US-101

DESIGN ASPECTS

- Located within the median and on the east side of US-101
- Design speed up to 250 mph
- Connects with CHSRA alignments north and south of Morgan Hill

CHALLENGES

- Cannot continue in the median south of the City due to San Martin Airport
- Significant length of complex structures, such as straddle bents
- Not compatible with approved High Occupancy Toll (HOT) lanes project by Caltrans for the current US-101 median.
- Significant construction cost.



CONCLUSIONS

MORGAN HILL STUDIED ALTERNATIVES

- **Highway 101 Median Alternative:**
 - Not compatible with Caltrans US-101 HOT Lane Project
 - Significant reduction in speed
- **Trench Alternative:**
 - Complicated by waterproofing design requirement
 - May have additional construction & right-of-way impacts
- **East side Highway 101 Alternative:**
 - Complex structures
 - May have additional construction & right-of-way impacts
 - Not compatible with US-101 HOT Lane Project

QUESTIONS?



November

Developmental Asset

Asset #41

Positive Cultural Identity

Young person feels proud of her/his cultural background.

Ways to incorporate this asset into our lives

- Talk to your family about your cultural background and family traditions to understand your heritage
- Learn about other cultures and be sensitive of other traditions



How does this apply to YAC and Morgan Hill?

- Morgan Hill is a diverse community and we should embrace one another's heritage
- We should inform ourselves on the variety of cultures surrounding us
- In order to build a stronger relationship between cultures, we should celebrate and participate in ethnic events such as:
 - Dia de los Muertos
 - Vietnamese Moon Festival
 - Dia de la Virgen Maria
 - Fourth of July, and more!





Complimentary Developmental Asset

Asset #34 Cultural Competence

Young person has knowledge of
and comfort with people of
different cultural/racial/ethnic
backgrounds

Connection to Positive Cultural Identity

- Embrace your cultural identity by being proud of who you are and where you come from
- Educate in cultures other than your own to understand multiple perspectives and prevent biased opinions



What was your favorite cultural
tradition growing up?

Do you continue any of these traditions
today or have made any of your own?