



County of Santa Cruz 509

DEPARTMENT OF PUBLIC WORKS

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JOHN A. FANTHAM
DIRECTOR OF PUBLIC WORKS

AGENDA: SEPTEMBER 21, 1999

September 10, 1999

SANTA CRUZ COUNTY BOARD OF SUPERVISORS
701 Ocean Street
Santa Cruz, California 95060

**SUBJECT: ST. FRANCIS SEWER ASSESSMENT DISTRICT
AGREEMENT FOR TRANSFER OF FACILITIES**

Members of the Board:

In August 1997 your Board adopted several resolutions that initiated assessment district proceedings for the St. Francis subdivision located north of the Santa Cruz Fairgrounds. If approved, this assessment district will finance costs related to the sewer extension construction and the connection of properties within the district boundary to Salsipuedes Sanitary District owned facilities. The attached agreement and amendment to the agreement will allow for the transfer of facilities to the Sanitary District when the sewer line and appurtenances have been completed to Sanitary District standards.

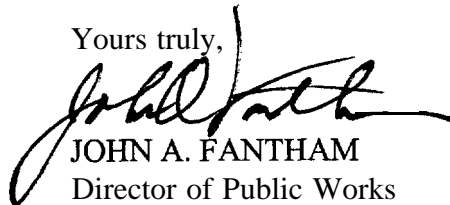
The Salsipuedes Sanitary District Board of Directors approved and signed the original agreement without the County's concurrence; therefore, County staff could not recommend approval of the original agreement. The amendment to the agreement was subsequently negotiated by Bond Counsel, Sanitary District, and County staff and is presented today for your consideration. With the addition of the amendment to the agreement, the original agreement becomes acceptable to the County.

SANTA CRUZ COUNTY BOARD OF SUPERVISORS

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It is therefore recommended that your Board approve and authorize the Chairperson to sign the original agreement with the amendment to the agreement to allow for the transfer of facilities.

Yours truly,


JOHN A. FANTHAM
Director of Public Works

DR:mg

Attachments

RECOMMENDED FOR APPROVAL:



County Administrative Officer

- copy to: Public Works
- County Counsel
- Auditor-Controller
- Salsipuedes Sanitary District
- Bond Counsel
- J. Briody
- Citizens Committee

AGREEMENT FOR THE OWNERSHIP, OPERATION AND
MAINTENANCE OF SEWER FACILITIES,
AS CONDITIONED
ST. FRANCIS SEWER ASSESSMENT DISTRICT

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THIS AGREEMENT, dated May 3, 1999

by and between the County of Santa Cruz, California, hereinafter called "COUNTY," and Salsipuedes Sanitary District, a public corporation, hereinafter called "DISTRICT";

Witnesseth:

WHEREAS, COUNTY has instituted proceedings pursuant to the provisions of the Municipal Improvement Act of 1913, for the acquisition and construction of improvements in the St. Francis Sewer ASSESSMENT DISTRICT, hereinafter referred to as "ASSESSMENT DISTRICT," the proposed boundaries of which ASSESSMENT DISTRICT are shown on a map entitled "Proposed Boundary Map of St. Francis Sewer Assessment District," which map is on file in the office of the Clerk of the Board of Supervisors, hereinafter called "CLERK," reference to such map is being hereby made for particulars;

WHEREAS, COUNTY will institute proceedings to annex lands in the ASSESSMENT DISTRICT to DISTRICT upon *completion of the special assessment proceedings and sale of the assessment bonds* of ASSESSMENT DISTRICT formation;

WHEREAS, COUNTY proposes to acquire, construct and install the improvements set forth in Exhibit "A" attached hereto and incorporated herein by reference, hereinafter called "FACILITIES," and upon completion of said FACILITIES *and completion of said annexation*. transfer ownership to DISTRICT; and

WHEREAS, after such annexation and acquisition by DISTRICT, the providing of sanitary sewerage and sewage disposal service within said territory shall be under the ownership, management and control of the DISTRICT.

NOW, THEREFORE IT IS AGREED, as follows:

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1. Proceedings for the acquisition, construction and installation of said FACILITIES necessary to serve the properties within said ASSESSMENT DISTRICT and the levy of assessments and the issuance of bonds therefore shall be conducted by the COUNTY.

2. COUNTY has caused to be prepared preliminary improvement plans and specifications under the supervision of a civil engineer who shall certify as to the progress of the work done and the completion thereof for said sanitary sewer facilities in said proceedings. Said plans will be submitted for approval to the DISTRICT. It is agreed that all of said work shall be installed in accordance with full and complete final improvement plans and specifications for said FACILITIES in said proceedings and any approved written change orders. Said final improvement plans and specifications will be submitted for approval to the DISTRICT prior to bidding the project. Said final improvement plans must be approved by COUNTY and DISTRICT and evidenced by a written statement of such approval. Following approval of the final plans and specifications, no changes in said final improvement plans and specifications may be made without the prior written consent of COUNTY and DISTRICT. The FACILITIES shall be constructed by COUNTY in accordance with said approved plans and specifications. DISTRICT'S engineer shall inspect the progress of the work.

3. It is understood that the acquisition, construction and installation of FACILITIES and improvements herein provided shall be accomplished through an assessment district pursuant to appropriate special assessment and assessment bond acts and that COUNTY shall pay to DISTRICT, from funds raised in the ASSESSMENT DISTRICT, all fees and charges to be paid pursuant to this Agreement except as otherwise herein provided. The estimated acquisition, construction and installation cost of said sanitary sewerage facilities is _____ Dollars (\$ 744,347.42).

All parcels in the ASSESSMENT DISTRICT connected to a private sewer system shall pay the appropriate connection fee and annexation fee through the assessment district proceedings. The estimated amount of connection and annexation fees payable directly to the DISTRICT to be raised in the assessment is *ONE NUNVREV SIXTY-FIVE THOUSAND NINE HUNDRED SEVEN DOLLARS AND FIFTY-FOUR CENTS (\$165,907.54)*. A fee by COUNTY in the amount of *THIRTY-NINE THOUSAND FIVE HUNDRED DOLLARS (\$39,500.00)* shall also be raised in the assessment, *in addition to the acknowledged \$6,900.00 already paid as stated below*, for DISTRICT's cost of engineering, administration, inspection, legal, charges and other expenses incidental to the approval of the plans and specifications for said sanitary sewerage facilities and the construction and final acceptance thereof. The DISTRICT acknowledges the receipt of SIX THOUSAND NINE HUNDRED DOLLARS (\$6,900.00) for the purposes of preliminary legal and engineering reviews.

4. DISTRICT may at all times maintain an inspector over the work of construction and installation of said Facilities to see that plans and specifications and DISTRICT requirements are met.

5. Whenever any of said Facilities to be conveyed hereunder are not installed in dedicated streets or highways, COUNTY shall provide or cause to be provided to the DISTRICT the necessary easements, rights of way and other property necessary to accommodate said work and improvements and where said easements, rights of way or property is required exclusively for sanitary sewer mains or facilities, or where required by DISTRICT, COUNTY shall require the execution and delivery to DISTRICT of appropriate instruments of transfer and such other documents as DISTRICT may require to convey to DISTRICT said easements, rights of way and other property. COUNTY shall cause all easements and rights of way necessary for the project to be prepared, naming DISTRICT as Grantee, and executed by the Grantors, upon determination of the ownership of the real property *and warrants that previous to the time of execution of such conveyance to DISTRICT by others, such other person has not conveyed the same estate or interest or any right-of-way, title, or interest therein to any person other than the DISTRICT and that such estate or interest is, at the time of execution of the conveyance, free and clear of encumbrances of others.*

6. Upon receipt of proceeds of the sale of the bonds and prior to acceptance of any of the work or improvements to be installed, constructed or acquired, COUNTY shall pay DISTRICT annexation and connection fees and other fees and all expenses of DISTRICT incidental to the installation of sanitary sewerage facilities, together with all other charges of the DISTRICT attributable to or occasioned by the installation of the sanitary sewer facilities or other public sanitary sewer facilities. All sanitary sewer service charges for the subject territory will be collected on the regular County tax roll.

7. COUNTY shall require that the contractor performing the work of construction of sanitary sewerage facilities provide labor and material and faithful performance bonds, in the sum of the bid for such work, and shall require said contractor to provide the COUNTY with certificates of insurance naming both the DISTRICT and the COUNTY, their officers, agents and employees as additional insured against any claims of any nature.

8. After the work has been completed and the facilities have been accepted by the DISTRICT, all the sanitary sewerage facilities so installed shall be transferred to DISTRICT and shall be property of DISTRICT and part of its system and thereafter DISTRICT may make extensions therefrom and install services thereto at any point or points thereon. The system shall be operated, maintained and managed by DISTRICT as part of its system under the rules and regulations and subject to the rates and charges of DISTRICT.

9. DISTRICT shall not be obligated to extend, with or without charge, its mains and facilities within the boundaries of the territory of said ASSESSMENT DISTRICT and any future extension of mains, facilities and appurtenances beyond those specifically set forth in the plans and specifications shall be under the rules and regulations and subject to the rates and charges established by DISTRICT.

10. It is agreed that the signatures of the duly authorized officers of each of the parties to this agreement are based and predicated upon consummation of special assessment and assessment bond proceedings providing for a sufficient assessment to pay

costs and expenses of said proceedings and consummation of said annexation proceedings. It is agreed that COUNTY is signing this Agreement solely as agent and trustee for the property owners within the area described in the Agreement; that it is assuming no direct liability for payment of said money or the expenses of the acquisition, construct and installation of said FACILITIES and its only liability and responsibility is that of conducting the special assessment district proceedings referred to in the form provided by law. It is also understood by all parties that COUNTY cannot pledge itself in advance that said special assessment proceedings will give COUNTY jurisdiction to confirm the assessment and that all terms and provisions of this agreement are subject to said special assessment proceedings being consummated. COUNTY is to pay sums to be paid pursuant to this agreement only out of the money in said special assessment district proceedings and out of no other funds except as otherwise provided. It is further agreed DISTRICT, in signing this Agreement, is assuming no responsibility or liability for the special assessment and assessment bond proceedings or the annexation of said territory proceedings.

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11. COUNTY agrees to provide three sets of "as-built" drawings as a condition precedent to final acceptance of the facilities by DISTRICT.

12. DISTRICT agrees to accept said FACILITIES upon completion and proof supplied to it of the installation thereof, full payment of all costs thereof by COUNTY and approval by DISTRICT's Engineer that said FACILITIES and all parts thereof are at least equal to the standards and specifications now required by DISTRICT for sanitary sewerage systems now installed for or by it.

13. Both parties hereto agree that this Agreement is not a reservation or guarantee of capacity or capacity rights in sewage collection, transmission or disposal for the subject FACILITIES.

14. Both parties understand that annexation proceedings to annex the subject property to the DISTRICT will be undertaken and that DISTRICT will not accept said FACILITIES until the annexation of territory is completed and the required filing is made with the State Board of Equalization.

15. COUNTY shall provide DISTRICT a certified statement of acquisition, construction and installation improvement costs and execute a Bill of Transfer of the Facilities upon completion, free and clear of all encumbrances, to DISTRICT.

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16. COUNTY shall provide or cause to be provided, a two-year warranty to the DISTRICT *commencing from the date of the bill of transfer from COUNTY to DISTRICT* for all improvements acquired, constructed and installed in the form satisfactory to DISTRICT from a surety licensed to do business in California.

17. The COUNTY shall, to the best of its ability, cause the acquisition, construction and installation of said FACILITIES to be completed within one year from the date of this Agreement.

18. Upon execution of this Agreement, COUNTY certifies that it has complied with the California Environmental Quality Act for the subject project.

19. COUNTY shall provide DISTRICT with a policy covering all work and improvements done and made by, for and on behalf of COUNTY, in the amount of not less than \$1 Million for personal injury liability and property damage liability, naming the DISTRICT, its officers, agents and employes as additional insured. Said policy shall be satisfactory to DISTRICT and written by an insurer licensed to do business in California.

20. Both parties acknowledge that Section 509 of Ordinance No. 3, as amended, of the DISTRICT requires that all construction of lateral sewers and connections to public sewers shall be performed by the DISTRICT at the expense of the applicant. This Agreement between DISTRICT and COUNTY shall allow for the construction of lateral sewers to the property line and connections to the public sewers by the contractor hired by the COUNTY to construct the improvements shown on the plans described in paragraph 2 of this Agreement.

The parties further acknowledge that the lateral sewers to be constructed through the Assessment District proceedings shall be shown on the approved plans and the DISTRICT'S specifications for lateral sewers shall be made a part thereof. Further, the lateral sewers constructed shall be owned by the property owner served. The COUNTY shall provide DISTRICT an easement sufficient in law to allow maintenance, extension, replacement or connection for each such lateral sewer. COUNTY shall, upon completion, provide DISTRICT the results of all tests relating to the lateral sewers' construction. (517

21. COUNTY shall indemnify and hold DISTRICT its officers, agents and employees harmless from any liability or claim of liability for costs and expenses incurred, directly or indirectly, by COUNTY in the construction of the facilities and from any damage or claim for injury to person or property arising from the activities of COUNTY or its contractor in the performance of the terms of this agreement or of the assessment district.

22. COUNTY and DISTRICT acknowledge that the improvements to be acquired from the 14th District Agricultural Association (Association) to serve the Assessment District lands and the location of the several easements, rights of way and permits, are unknown at the time of execution of this Agreement.

In addition to the rights and obligations required to be done and performed by the parties in this Agreement, District's obligation to perform under the terms of this Agreement is also subject to the following conditions being satisfied by an addendum or amendment to this Agreement, as follows:

1. Identification of the existing sanitary sewer improvements owned by the Association and to be acquired by District, the adequacy and satisfactory condition thereof and the form of conveyance document from Association to District.

2. Access, location and width of easements to be dedicated by Association to District as required in order to serve the Assessment District lands.

3. A list of all other easements, rights of way and permits to be acquired by District by name of property owner, Assessor's Parcel Number, street address, general location of the rights to be acquired on the parcel and width of easement or other access.

District agrees to not disapprove these conditions unreasonably.

23. *Assessor's Parcel Numbers 051-053-17, 051-051-08, 051-551-07, -51-551-04 apparently will require sewage ejector pumps to serve their plumbing. other parcels. due to physical conditions, may also require ejector pumps. COUNTY agrees this requirement will be conveyed to the affected property owners during any public hearing required on the formation of the Assessment District and such information will be included in the preliminary Engineer's Report. COUNTY further agrees that all costs of required ejector pumps and maintenance thereof shall be borne by the property owner and that information will be communicated to each property owner affected prior to completion of the Assessment District proceedings.*

24. *The property owners should be advised during any public hearing that the lateral sewers will be constructed as part of the Assessment District. However, the property owners will be required to retain their own plumber to connect the building sewer to the lateral sewer and that connection will be inspected for approval by the DISTRICT*

25. Annual sewer service charges are collected on the tax roll. However, the property owners should be advised during any public hearing that the sewer service charges for any period of connection to the public sewer before July 1 must be paid to the DISTRICT by the property owner before connection is approved.

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IN WITNESS WHEREOF, COUNTY and DISTRICT have hereunto subscribed their names by their officers thereunto duly authorized, the day and year in this Agreement first above written.

COUNTY OF SANTA CRUZ

SALSIPUEDES SANITARY DISTRICT

By: _____
Chairperson of the Board of Supervisors

Michael A. Larkin
President

ATTEST:

Clerk of the Board of Supervisors

Joanne Turnquist
Secretary

(SEAL) "County"

"District" (SEAL)

Approved as to Form:

D. McRae 9-9-99
Assistant County Counsel

COPY
0522

AMENDMENT NO. 1 TO AGREEMENT FOR THE OWNERSHIP, OPERATION AND MAINTENANCE OF SEWER FACILITIES, AS CONDITIONED

ST. FRANCIS SEWER ASSESSMENT DISTRICT

THIS AMENDMENT No. 1 TO AGREEMENT FOR THE OWNERSHIP, OPERATION AND MAINTENANCE OF SEWER FACILITIES, AS CONDITIONED (Agreement), made and entered into this ____ day of _____, 1999, by and between the COUNTY OF SANTA CRUZ (County), a political subdivision of the State of California, and SALSIPUEDES SANITARY DISTRICT, (District) a public corporation.

R E C I T A L S

A. County and District have or will enter into the Agreement for the ownership, operation and maintenance of sanitary sewer facilities, as conditioned, to serve the St. Francis Subdivision, dated May 3, 1999.

B. The parties desire to modify certain provisions of said Agreement.

NOW, THEREFORE, in consideration of the recitals and the mutual obligations of the parties hereto expressed, District and County agree that the Agreement dated May 3, 1999, by and between the District and County shall be amended as follows:

2. The second WHEREAS on page 1 shall be amended to read as follows:

"WHEREAS, proceedings to annex lands in the Assessment District to District upon completion of the special assessment proceedings and male of the assessment bonds of Assessment District formation have been undertaken."

2. The third from last sentence of Section 2 on gage 2 shall be amended to read as follows:

"Following approval of the final plans and specifications, no changes in said final improvement plans and specificaltions may be made without the prior written consent of County of its agent and District or its agent."

3. Section 6 on page 4 shall be amended to read as follows:

"6. Upon receipt of proceeds of the sale of bonds and prior to acceptance of any of the work or improvements to be installed,

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constructed or acquired, County shall pay District annexation, inspection, plan check and connection fees and administrative and legal costs incidental to the installation, construction and acquisition of the sanitary sewerage facilities."

4. Section 14 on page 5 shall be amended to read as follows:

"14. Both parties understand that annexation proceedings to annex the subject property to the District have been undertaken and that District will not accept said facilities until the annexation of territory is completed and the required filing is made with the State Board of Equalization."

5. Section 16 on page 6 shall be amended to read as follows:

"16. County shall provide or cause to be provided a one-year warranty to the District commencing from the date of the bill of transfer from County to District for all improvements acquired, constructed and installed in the farm satisfactory to District from a surety licensed to do business in California."

6. Section 21 on page 7 shall be amended to read as follows:

"21. The County shall exonerate, indemnify, defend, and hold harmless District, including its officers, agents and employers, from and against any and all claims, demands, losses, damages, defense costs, or liability of any kind or nature which District may sustain or incur or which may be imposed upon it for injury to or death of persons, including employees or damage to property, including property of said parties, as a result of, arising out of, or in any manner connected with the construction and installation of the facilities and the performance of the terms of this Agreement."

7. Sections 23 and 24 on page 8 shall be deleted.

8. Section 25 on page 9 shall be deleted.

All other provisions of said Agreement dated May 3, 1999, except as modified herein, remain in effect.

IN WITNESS WHEREOF, this Amendment No. 1 to Agreement is executed as of the date first above written.

DISTRICT

SALSIPUEDES SANITARY DISTRICT

By _____
President

By _____
Secretary

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COUNTY

COUNTY OF SANTA CRUZ

By _____
Chairperson of the
Board of Supervisors

Attest:

BY _____
Clerk of the
Board of Supervisors

Approved as to form:

D. Rae 9-9-99
Assistant County Counsel