ITEM 18
Motion to authorize the City Manager to execute a contract amendment with BKF Engineers for professional design services for the Plans, Specifications and Estimate and Right-of-Way Phases for the Highway 1/9 Intersection Improvement Project (c400805) in a form acceptable to the City Attorney.

BACKGROUND
In 2004, the former Redevelopment Agency approved a contract with BKF Engineers to develop a preliminary design and environmental documentation to improve the Highway 1/9 Intersection consistent with Caltrans’ 1999 Project Study Report (PSR). The report proposed constructing an additional left turn lane on southbound Highway 1 and an additional north bound lane on Highway 9 between Highway 1 and Encinal Street. Subsequent analysis has shown that additional improvements are needed; adding a northbound lane on River Street and a southbound thru-left on Hwy 9. The need to implement these improvements is regularly identified by Caltrans Interagency Planning staff in comments to traffic analyses in connection with developments proposed in the City. The improvement to the intersection has also been identified in the City’s planning documents and is considered of the highest priority transportation congestion and safety improvement project. Since approval of the contract in 2004, there have been six contract amendments which include additional engineering, environmental services and right-of-way acquisition services for this project and for the Highway 1 Bridge Bike/Pedestrian Underpass project. With City Council approval, the City and Caltrans entered into a cooperative agreement in December 2013 defining the agencies responsibilities for the coming phases. The CEQA and NEPA environmental review process was completed and certified in 2015.

DISCUSSION
Staff and the consultant team have met all of Caltrans design standards, and completed the environmental review process and 95% of the design. The right-of-way acquisition process is well underway, with appraisals complete and offers made. The relocation process is in progress, as is potential condemnation of some of the right-of-way. This proposed amendment to the consulting contract in the amount of $356,128.00 details the additional scope of work to complete the Plans, Specifications and Estimate, Right-of-Way process and coordinate the final approval process through Caltrans that is needed to seek approval to bid and award the construction contract. Design alternatives and changes for drainage and retaining walls were required by Caltrans, as well as changes to the administrative processing of the design documents.
In addition, staff and the consultant improved bicycle lane geometry and treatments. Right-of-way negotiations are also more costly and intensive than originally anticipated. A $30,000.00 contingency is included to address unknown design or coordination issues that may come up, and if not used will carry over to a future construction services and closeout amendment. The design and right-of-way phase are funded with Traffic Impact Fees. Construction is currently funded from Traffic Impact Fees and a Federal/State transportation grant in the amount of $2.853 million.

CITY COUNCIL ACTION:  Motion by Council member Mathews to move forward to authorize the City Manager to execute a contract amendment with BKF Engineers for professional design services for the Plans, Specifications and Estimate and Right-of-Way Phases for the Highway 1/9 Intersection Improvement Project (c400805) in a form acceptable to the City Attorney. The motion requested the 95% design of the project move forward, however the Council recommended that additional reviews of public safety, pedestrian & bicycle improvements and lighting be consider in the next step design. The Agenda Item was approved on a 6-1 vote and the public works and transportation commission will return to the Council with further recommendations and final consideration before putting the contract out for construction bids.

VOTE:

YES: Mayor Watkins, Vice Mayor Cummings, Councilmembers Brown, Glover, Mathews and Meyers

NO: Councilmember Korhn

CHAMBER POSITION
The Chamber supports the execution of the Highway 1/9 Intersection Improvement Project which involves constructing an additional lane on southbound Highway 1, northbound Highway 9 between Highway 1 and Encinal Street, northbound River Street, and a southbound thru-left lane on Hwy 9. The Chamber supports investments in transportation and sees this as an opportunity to alleviate traffic congestion and address safety concerns. The Chamber hopes this is the beginning of an upward trend towards increased mobility in Santa Cruz County, which would benefit business and leisure activities in the community.

ITEM 24
Motion authorizing the City Manager to execute an agreement between the City of Santa Cruz and Soquel Creek Water District to provide source water from the Santa Cruz Regional Wastewater Treatment Facility (WWTF) for the Pure Water Soquel
Project, and construct the Tertiary Treatment Component of the Pure Water Soquel Project at the WWTF, in a form acceptable to the City Attorney.

**BACKGROUND**

Soquel Creek Water District is solely reliant on groundwater from the Santa Cruz Mid-County Groundwater Basin which has been identified by the State of California as being critically overdrafted, and is experiencing seawater intrusion at the coastline. The only way to address this issue is through supplemental supply or a groundwater replenishment project that creates and sustains an effective barrier to seawater intrusion. The Pure Water Soquel project and the City’s winter water harvesting strategy have the greatest potential to achieve the groundwater sustainability plan goals of protecting critically important groundwater resources. The District needs an agreement with the City to provide the source water for the Pure Water Soquel project; the District also does not own or operate a wastewater treatment facility, but sends wastewater produced in its service area to the City’s regional wastewater treatment facility through the collection system owned and operated by the Santa Cruz County Sanitation District. The recommendation for placing the tertiary treatment facility at the wastewater treatment facility is based on the fact that the existing tertiary treatment facility at the WWTF is at the end of its life. City and District staff will be developing and bringing forward for Council action at least two additional agreements in the fall of 2019: an Operations and Maintenance (O&M) Plan and Agreement for the tertiary treatment facility which will be owned by the District and operated by the City and a Land Lease for the tertiary treatment facility.

**DISCUSSION**

The City and District staff have taken individual and collaborative actions to identify critical water supply issues and develop strategies and plans to address them. Key provisions of the agreement address the quality and quantity of the source water to be provided to the District for the Pure Water Soquel project, the parties’ terms and conditions to work together during the design, construction, and start-up of the planned tertiary treatment facility, as well as the parties’ general and specific roles and responsibilities. Staff from the City Public Works and Water departments, City Attorney, and District staff, consultants and the District’s attorney have worked to develop an agreement that meets the needs of both the City and the District. Both commissions agreed with the basic concepts of the Pure Water Soquel project, and both commissions took action to move forward with Council consideration. Water Commissioners raised questions related to the specific terms and conditions of the draft agreement that resulted in the Commission establishing an ad hoc subcommittee. The Water Department’s Director worked extensively with the subcommittee, as well as with the City Attorney, City Public Works staff and the
District’s staff and attorneys to comprehensively identify and resolve the issues raised, and clarify and augment the terms and provisions, producing a substantially improved agreement that appropriately and effectively provides a basis for moving forward.

**CITY COUNCIL ACTION:** The City Council voted 7-0 unanimously in favor of the Motion authorizing the City Manager to execute an agreement between the City of Santa Cruz and Soquel Creek Water District to provide source water from the Santa Cruz Regional Wastewater Treatment Facility (WWTF) for the Pure Water Soquel Project.

**CHAMBER POSITION**
The Chamber supports having a sustainable and clean water supply for Santa Cruz County residents, visitors, and businesses. Last January, the Chamber wrote in support of the Pure Water Soquel project, the provision of source water, and the construction of a Tertiary Treatment Component at the Santa Cruz Regional Wastewater Treatment Facility. As the County’s groundwater supply is in a critical state, the Chamber suggests that the Council act with urgency and execute the agreement between the City of Santa Cruz and Soquel Creek Water District.