1. 8:00 A.M.  SCRWA Meeting Agenda

   Documents:

   9-4-19 SCRWA AGENDA.PDF

1.I.  SCRWA Board Packet

   Documents:

   9-4-2019 SCRWA PACKET.PDF

1.I.i.  SCRWA Meeting Minutes

   Documents:

   SCRWA MIN 9-4-19.PDF
SOUTH COUNTY REGIONAL WASTEWATER AUTHORITY

BOARD OF DIRECTORS MEETING AGENDA
SEPTEMBER 4, 2019
8:00 A.M.

ADMINISTRATION BUILDING
1500 SOUTHSIDE DRIVE
GILROY, CA 95020

COMMENTS BY THE PUBLIC WILL BE TAKEN ON ANY AGENDA ITEM BEFORE ACTION IS TAKEN BY THE SCRWA BOARD OF DIRECTORS. Persons speaking on any matter are asked to state their name and address for the record. Public testimony is subject to reasonable regulations, including but not limited to time restrictions on particular issues and for each individual speaker.

All matters listed under Consent Calendar are considered by Board of Directors to be routine and will be enacted by a single motion. There will be no separate discussion of these items unless a request is made by a member of the public, a Board Member or Staff prior to the time the Board votes on the motion to adopt.

Persons who wish to speak on matters set for PUBLIC HEARING will be heard when the presiding officer calls for comments from those persons who are in support of or in opposition thereto. After persons have spoken, the hearing is closed and brought to Board level for discussion and action. There is no further comment permitted from the audience unless requested by the Board.

In compliance with the Americans with Disabilities Act, SCRWA will make reasonable arrangements to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the Secretary to the Joint Powers Authority at (408) 848-0480 at least 48 hours prior to the hearing for accommodations. Please ask for assistance at the Secretary’s desk PRIOR to the start of the meeting or during a break in the meeting.

If you challenge any planning or land use decision made at this meeting in court, you may be limited to raising only those issues you or someone else raised at the public hearing held at this meeting, or in written correspondence delivered to the Board of Directors at, or prior to, the public hearing.

A Closed Session may be called during this meeting pursuant to Government Code Section 54956.9(b)(1) if a point has been reached where, in the opinion of the legislative body of the Joint Powers Authority on the advice of its legal counsel, based on existing facts and circumstances, there is a significant exposure to litigation against the Joint Powers Authority.

Meeting Schedule: The Joint Powers Authority meets regularly on the first Wednesday of each month, at 8:00 a.m. If a holiday should fall on the regular meeting date, the meeting will be rescheduled to the following Wednesday.
I. Certification of Posting of the Agenda

II. Roll Call

III. Consent Calendar
   A. Approval of Minutes of the July 3, 2019 meeting (copies)
   B. Approval of Agricultural Lease Agreements (copies)
      1. Second Amendment to Agreement with B&T Farms for Assessor’s Parcel No. 841-28-001 containing 49.1 gross acres, approximately 40.0 farmable acres of land.
      2. Second Amendment to Agreement with B&T Farms for Assessor’s Parcel No. 841-29-024 containing 66.9 gross acres, approximately 37.0 farmable acres of land.
      3. Agreement with SF Farms for Assessor’s Parcel No. 841-30-004 containing 141.8 gross acres, approximately 125.1 farmable acres of land.
      4. Agreement with SF Farms for Assessor’s Parcel No. 841-30-003 containing 104.4 gross acres, approximately 60.0 farmable acres of land.
   C. Approval to Enter into Third Amendment to Agreement with Berliner Cohen to Provide Legal Services for SCRWA (copies)

I. Presentation by Members of the Public on Items not on the Agenda

II. Bids and Proposals

III. Old Business

IV. New Business
   A. Treatment Capacity Expansion Project Update (copies)

V. Communications
   A. Cash and Investment Report as of June 30, 2019 (copies)

VI. Reports
   A. Jacobs
      1. Wastewater Acronyms
      2. Plant Reports – June & July 2019 (copies)
      3. Recap of Expenses – June & July 2019 (copies)
   B. Valley Water
   C. Stantec
      1. Engineering Projects Report – September 2019 (copies)
   D. SCRWA Manager
   E. SCRWA Attorney
   F. Board Members

VII. Adjourn
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   3. Agreement with SF Farms for Assessor’s Parcel No. 841-30-004 containing 141.8 gross acres, approximately 125.1 farmable acres of land.
   4. Agreement with SF Farms for Assessor’s Parcel No. 841-30-003 containing 104.4 gross acres, approximately 60.0 farmable acres of land.
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      2. Plant Reports – June & July 2019 (copies)
      3. Recap of Expenses – June & July 2019 (copies)
   B. Valley Water
   C. Stantec
      1. Engineering Projects Report – September 2019 (copies)
   D. SCRW Manager
   E. SCRW Attorney
   F. Board Members

VII. Adjourn
MEMBERS PRESENT: Larry Carr, Marie Blankley, Dion Bracco, Rene Spring, Fred Tovar

STAFF PRESENT: Girum Awoke, Jimmy Forbis, Saeid Vaziry, Jonathan Crick, Miguel Trujillo

Morgan Hill: Chris Ghione, Dan Repp, Dat Nguyen

VALLEY WATER: Richard Santos, John Varela

Chairman Tovar called the meeting to order at 8:00 A.M.

I. Certification of Posting of the Agenda

Gina Bonnell reported the agenda was posted on June 27, 2019 at 1:33 P.M.

II. Roll Call

III. Consent Calendar

A. Approval of Minutes of the June 5, 2019 Meeting

Motion to approve Consent Calendar moved by Director Bracco, seconded by Director Spring.
Ayes: 5, Nays 0, Abstain: 0

IV. Presentation by Members of the Public on items not on the Agenda

V. Bids and Proposals

VI. Old Business

A. Miguel Trujillo from The City of Gilroy was introduced. He gave his background and reviewed the process to choose the vendor to update the Sewer Use Ordinance, Enforcement Response Plan, and perform a local limits study for the Pretreatment Program. It was determined that Larry Walk Associates was the most qualified for the scope of work. Jonathan Crick from The City of Gilroy gave a brief history of the Pre-Treatment Program and prior
consultant’s contract. The Board’s concerns were discussed.

Motion to authorize the agreement with Larry Walker Associates with an annotation added to not exceed budget amount moved by Director Bracco, seconded by Director Spring. Ayes: 5, Nays 0, Abstain: 0

VII. New Business

A. Saeid Vaziry described the history of NPDES permits and explained the amount of work to apply for this permit. He explained what the bill would change. He asked for approval of the Letter of Support for H.R. 1764 Introduced by Representative Jon Garamendi to Extend NPDES Permit Terms. Director Spring recommended also sending the letter to Zoe Lofgren with a description of SCRWA.

Motion to approve Letter of Support for H.R. 1764 moved by Director Bracco, seconded by Vice Chairman Carr. Ayes: 5, Nays 0, Abstain: 0

VIII. Communications

IX. Reports

A. Jacobs
   1. Wastewater Acronyms
   2. Plant Reports – April & May 2019
   3. Recap of Expenses – April & May 2019
   Chris Vasquez stated that all plant reports were submitted on time with no violations. He clarified report numbers. He reported that the plant was still seeing steady increase in septage. Chris noted the main focus of the plant was pond weed control and disking. He discussed reporting procedures.

B. Valley Water – Directors Santos and Varela were in attendance. Director Varela talked about the new draft for the water supply master plan and the importance of water conservation as the population increases.

C. Stantec – Billy Wong reviewed the Engineering Projects Report – July 2019. Saeid Vaziry said the plant expansion update is being prepared to present to the Board in September. Director Spring asked for clarification on a report item and Vice Chairman Carr asked to see solar cost impact related to outage.

D. SCRWA Manager – No Report

E. SCRWA Attorney – No Report

F. Board Members – No Report

X. Adjourn

Chairman Tovar adjourned the meeting at 8:38 A.M.
Gina Bonnell, Deputy Secretary of the Board
South County Regional Wastewater Authority
DATE: September 4, 2019

TO: GABRIEL A. GONZALEZ, Authority Manager

FROM: SAEID VAZIRY, P.E., Environmental Programs Manager

SUBJECT: AGRICULTURAL LEASES

**Recommendation**
Staff recommends that the SCRWA Board provide the SCRWA Manager the authority to execute the two attached agricultural leases with San Felipe Farms, LP (SF Farms) for Parcel Nos. 841-30-003 and 841-30-004, and the two attached agricultural leases with B&T Farms for Parcel Nos. 841-28-001 and 841-29-024.

**Discussion**
The buffer land surrounding the SCRWA facility has been leased to farmers for many years, and many of the parcels use recycled water for crop irrigation. The agreements will extend the term of these leases for another two years. Staff reviewed the terms of the leases and determined that the required lease payments are appropriate when compared to market rates. The leases have been approved as to form by legal counsel.

The terms of leases are summarized as follows:

- **B&T Farms Assessor’s Parcel No. 841-28-001** contains approximately 49.1 gross acres, approximately 40.0 farmable acres of land. The proposed lease amends original lease dated December 1, 2014 to extend its term for two years commencing on December 1, 2019 and terminates on November 30, 2021, subject to sooner termination as set forth in the lease. The rent is in the amount of Thirteen Thousand Dollars ($13,000) per year, payable in full each year no later than December 31.

- **B&T Farms Assessor’s Parcel No. 841-29-024** contains approximately 66.9 gross acres, approximately 37.0 farmable acres of land. The proposed lease amends original lease dated December 1, 2014 to extend its term for two years commencing on December 1, 2019 and terminates on November 30, 2021, subject to sooner termination as set forth in the lease. The rent is in the amount of Eleven Thousand Seven Hundred Dollars ($11,700) per year, payable in full each year no later than December 31.

- **SF Farms Assessor’s Parcel No. 841-30-004** contains approximately 141.8 gross acres, approximately 125.1 farmable acres of land. The proposed lease extends for two years
commencing on January 1, 2020 and terminates on December 31, 2021, subject to sooner termination as set forth in the lease. The rent is in the amount of Forty Six Thousand Two Hundred Dollars ($46,200.00) per year, payable in full each year no later than December 31.

- SF Farms Assessor’s Parcel No. 841-30-003 contains approximately 104.4 acres, approximately 60.0 farmable acres of land. The proposed lease extends for two years commencing on January 1, 2020 and terminates on December 31, 2021, subject to sooner termination as set forth in the lease. The rent is in the amount of Eighteen Thousand Nine Hundred Dollars ($18,900) per year, payable in full each year no later than December 31.

In addition, acreage was deducted for the solar system and clauses were added to each lease to ensure that the acreage can be reduced with a proper notification period, in the event that SCRWA needs to repurpose a portion of the parcels.

**Human Resources Impact**
There is no human resources impact with this action.

**Fiscal Impact**
The lease revenue has been incorporated into SCRWA’s operating budgets for fiscal years 2020 and 2021.

Attachment:
Agricultural Leases with SF Farms and B&T Farms
SECOND AMENDMENT TO AGRICULTURAL LEASE

This Second Amendment to Agricultural Lease ("Amendment") is dated for reference purposes on _____________, 2019, by and between South County Regional Wastewater Authority, a California Joint Exercise of Powers Authority organized and created pursuant to the law of the State of California ("Landlord") and B & T Farms ("Tenant") and is made with reference to the following facts:

RECITALS

A. WHEREAS, Landlord is the owner of certain real property located in Santa Clara County, California, identified as portions of Santa Clara County Assessor’s Parcel No. 841-28-001 which real property is depicted on Exhibit "A" attached hereto (the "Premises"). The Premises contain approximately Forty Nine and One Hundred and Two One-Thousandths (49.102) gross acres (approximately Forty (40.00) farmable acres) of land.

B. WHEREAS, Landlord and Tenant desire to amend that certain lease dated December 1, 2014 between Landlord and Tenant for the Premises ("the Lease") to extend its term under the terms and conditions set forth in this Amendment.

NOW, THEREFORE, for valuable consideration, the parties agree as follows:

1. Effective Date of Amendment. This Amendment shall become effective upon execution of this Amendment by Landlord and Tenant (the “Effective Date”).

2. Term. The term of the Lease is extended for two (2) years commencing on December 1, 2019 (the “Commencement Date”), and shall terminate on November 30, 2021 (the “Expiration Date”), subject to sooner termination as set forth in the Lease.

3. Rent. Tenant shall pay to Landlord for the term stated in Section 2 above, rent in the amount of Thirteen Thousand Dollars ($13,000) per year, payable in full each year no later than December 31. Rent shall be paid to Landlord in the form of cash or check, in advance, without deduction, offset, prior notice of demand, at the City of Gilroy, Finance Department, 7351 Rosanna Street, Gilroy, CA 95020.

4. Effect of Amendment. Except to the extent modified by the terms of this Amendment, the terms of the Lease, including the amount of rent due, shall remain unchanged and in full force and effect. In the event of a conflict between the terms of the Lease and this Amendment, the terms of this Amendment shall control.

[Signatures on next page]
Dated: ______________________

LANDLORD:

SOUTH COUNTY REGIONAL WASTEWATER AUTHORITY, a California Joint Exercise of Powers Authority organized and created pursuant to the laws of the State of California

By: _________________
Gabriel A. Gonzalez

Title: South County Regional Wastewater Authority Manager

Dated: ______________________

TENANT:

B & T Farms

By: _________________
Gary Tognetti

Title: Partner

APPROVED AS TO FORM:

By: _________________
Andy Faber
Legal Counsel
SECOND AMENDMENT TO AGRICULTURAL LEASE

This Second Amendment to Agricultural Lease ("Amendment") is dated for reference purposes on ____________, 2019, by and between South County Regional Wastewater Authority, a California Joint Exercise of Powers Authority organized and created pursuant to the law of the State of California ("Landlord") and B & T Farms ("Tenant") and is made with reference to the following facts:

RECITALS

A. WHEREAS, Landlord is the owner of certain real property located in Santa Clara County, California, identified as portions of Santa Clara County Assessor’s Parcel No. 841-29-024 which real property is depicted on Exhibit “A” attached hereto (the "Premises"). The Premises contains approximately Sixty Six and Nine Tenths (66.9) gross acres (approximately Thirty Seven (37.0) farmable acres) of land.

B. WHEREAS, Landlord and Tenant desire to amend that certain lease dated December 1, 2014 between Landlord and Tenant for the Premises ("the Lease") to extend its term under the terms and conditions set forth in this Amendment.

NOW, THEREFORE, for valuable consideration, the parties agree as follows:

1. Effective Date of Amendment. This Amendment shall become effective upon execution of this Amendment by Landlord and Tenant (the "Effective Date").

2. Term. The term of the Lease is extended for two (2) years commencing on December 1, 2019 (the "Commencement Date"), and shall terminate on November 30, 2021 (the "Expiration Date"), subject to sooner termination as set forth in the Lease.

3. Rent. Tenant shall pay to Landlord for the term stated in Section 2 above, rent in the amount of Eleven Thousand Seven Hundred Dollars ($11,700) per year, payable in full each year no later than December 31. Rent shall be paid to Landlord in the form of cash or check, in advance, without deduction, offset, prior notice of demand, at the City of Gilroy, Finance Department, 7351 Rosanna Street, Gilroy, CA 95020.

4. Effect of Amendment. Except to the extent modified by the terms of this Amendment, the terms of the Lease, including the amount of rent due, shall remain unchanged and in full force and effect. In the event of a conflict between the terms of the Lease and this Amendment, the terms of this Amendment shall control.

[Signatures on next page]
Dated: __________________________

LANDLORD:

SOUTH COUNTY REGIONAL WASTEWATER AUTHORITY, a California Joint Exercise of Powers Authority organized and created pursuant to the laws of the State of California

By: ____________________________

Gabriel A. Gonzalez

Title: South County Regional Wastewater Authority Manager

Dated: __________________________

TENANT:

B & T Farms

By: ____________________________

Gary Tognetti

Title: Partner

APPROVED AS TO FORM:

By: ____________________________

Andy Faber
Legal Counsel
AGRICULTURAL LEASE

This Lease, dated as of ________ ____ , 2019, is made by and between the South County Regional Wastewater Authority, a California Joint Exercise of Powers Authority organized and created pursuant to the laws of the State of California (“Landlord”) and San Felipe Farms, L.P., a California limited partnership (“Tenant”) and is made with reference to the following facts:

A. Landlord is the owner of certain real property located in Santa Clara County, California, identified as Santa Clara County Assessor’s Parcel No. 841-30-004 which real property is depicted on Exhibit “A” attached hereto (the “Premises”). The Premises contains approximately One Hundred Forty-One and Eighty-Two One-Hundredths (141.82) gross acres (approximately One Hundred Twenty-Five and Fourteen One-Hundredths (125.14) farmable acres) of land.

B. Tenant desires to lease from Landlord, the Premises, on the terms and conditions set forth in this Lease.

THEREFORE, the parties mutually agree and covenant as follows:

1. Term. Subject to this Section below, the term of this Lease shall commence on – January 1, 2020 (the “Commencement Date”), and shall terminate on December 31, 2021 (the “Expiration Date”), subject to sooner termination as set forth in this Lease.

2. Rent. Tenant shall pay to Landlord for the term stated in Section 1 above, rent in the amount of Ninety Two Thousand Four Hundred Dollars ($92,400.00), payable in two installments of $46,200.00 per year. The first installment of Forty Six Thousand Two Hundred Dollars ($46,200.00) is due on or before January 1 of first year of the lease. The second installment of Forty Six Thousand Two Hundred Dollars ($46,200.00) is due on or before January 1 of second year of the lease. Rent shall be paid to Landlord in the form of check or cash, in advance, without deduction, offset, prior notice or demand, at the City of Gilroy, Finance Department, 7351 Rosanna Street, Gilroy, CA 95020.

3. Notices. Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Lease or by law to be served on or given to either party by the other party shall be in writing and shall be deemed duly served and given when personally delivered to the party to whom they are directed, or in lieu of such personal service when deposited in the United States mail, first-class postage prepaid.

To Landlord: South County Regional Wastewater Authority
c/o City of Gilroy, Attn: Purchasing Coordinator
7351 Rosanna Street
Gilroy, California 95020

To Tenant: San Felipe Farms, L.P.
Attn: Tim Gillio
495 Bolsa Road
Gilroy, CA 95020
Either party may change its address for the purpose of this paragraph by giving written notice of the change to the other party in the manner provided by this Section.

4. **Use.** Tenant shall use the Premises only for the planting, growing and harvesting of crops, and for no other purpose. All operations on the Premises shall at all times be conducted in compliance with all applicable statutes, ordinances, laws, rules and regulations, and shall be carried on according to the best agricultural practices in the vicinity, including but not limited to maintenance of the surface of the land to properly maintain the Premises for irrigation and diligent efforts to remove all noxious weeds and rodents and other pests on the Premises. Tenant shall not use or permit the use of the Premises for any unlawful purpose, shall not commit waste thereon, and shall not maintain, commit or permit the maintenance or commission of any nuisance thereon. Tenant shall not apply pesticides, insecticides, fungicides, herbicides or other chemical treatments that will have a residual effect beyond the term of this Lease, except with the prior written consent of Landlord.

5. **Maintenance and Repair.** Tenant agrees to keep the Premises and all improvements thereon, including but not limited to any fences, ditches, wells, pumps, pipes and roadways (to the extent any such improvements exist), on the Premises in good condition, reasonable wear and tear and damage by elements excepted. All repairs necessary to the Premises and said improvements shall be made at Tenant’s own expense. If replacement of any wells, pumps, pipelines or other improvements becomes necessary during the term of the Lease, replacement costs will be at Tenant’s expense. In no event shall Landlord have any obligation to repair, maintain or replace the Premises or any improvements located thereon.

All utility charges, including but not limited to electrical energy and standby charges for the operation of any pumps serving the Premises, shall be paid by Tenant. The procurement of water necessary for the irrigation of the crops to be grown on the Premises shall be Tenant’s responsibility. Such water shall be used only on the Premises and in the performance of Tenant’s obligations under the Lease. Tenant shall not export this water to other lands without obtaining Landlord’s written consent. Landlord assumes no responsibility to Tenant for any utility or water shortage and assumes no responsibility for and does not warrant the quality or quantity of any water supplied to the Premises.

Tenant shall not make or permit to be made any additions or alterations of the Premises without first obtaining Landlord’s written consent. Additions to or alterations of the Premises, except trade fixtures, shall become at once a part of the realty and belong to the Landlord, except that Landlord may require that Tenant remove all such additions and alterations made by Tenant upon expiration or sooner termination of this Lease, which obligation shall survive expiration or termination of this Lease. Tenant shall keep the Premises free and clear of any and all liens arising out of any work performed or materials furnished at the request of Tenant, or obligations incurred by Tenant.

6. **Subletting and Assignment.** Tenant agrees not to assign or transfer this Lease or sublet any portion of said Premises, or allow any other person to use the Premises, either voluntarily or involuntarily, without the consent in writing of Landlord, which consent shall not be unreasonably withheld.
7. Default and Termination. It is further agreed between the parties hereto that all covenants and agreements on the part of Tenant herein mentioned and contained are express conditions and that time is of the essence of this Agreement. Should Tenant fail or default in the faithful keeping or performance of any of said conditions during the term of this Lease, or fail to promptly pay the rental when due, or abandon, vacate or surrender said Premises, Landlord shall be entitled to pursue all remedies available to Landlord at law or in equity. Without limiting the remedies available to Landlord at law or in equity, Landlord shall have the option to terminate this Lease, or to elect not to terminate Tenant’s right to possession, but continue the Lease in effect and collect rent as it becomes due pursuant to the provisions of section 1951.4 of the California Civil Code. In the event, however, that Landlord elects to terminate the Lease, Landlord may recover those damages set forth in section 1951.2 of the California Civil Code, specifically including, without limitation, the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of rental loss that Tenant proves could be reasonably avoided, as set forth in subparagraph (3) of section 1951.2(a) of the California Civil Code.

Tenant agrees to surrender the Premises at the expiration of this Lease, or sooner termination thereof, in good condition and repair, reasonable wear and tear and damage by the elements excepted. Should Tenant holdover after the term with Landlord’s consent, such tenancy shall be from month to month only, but otherwise on the same terms and conditions set forth in this Lease.

8. Indemnification and Insurance. Tenant shall defend through counsel approved by Landlord, indemnify and hold harmless Landlord, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys’ fees, due to any cause, including without limitation bodily injury and property damage, which arises out of or is attributable to the use or occupancy of the Premises or any part thereof, the acts or omissions of Tenant or Tenant’s agents, employees, contractors or invitees, Tenant’s breach of this Lease, or the use by Tenant of any Hazardous Materials on or about the Premises; except to the extent caused by the willful misconduct or sole negligence of Landlord. Hazardous Materials means any chemical, substance or material which has been or is hereafter determined by any federal, state or local governmental authority to be capable of posing risk of injury to health or safety, including without limitation, pesticides, insecticides, fungicides, herbicides and petroleum.

Tenant shall obtain and maintain throughout the Term a policy of Commercial General Liability Insurance in the minimum amount of One Million Dollars ($1,000,000), combined single limit for bodily injury and property damage. Such insurance shall specifically insure Tenant’s performance of the indemnity, defense and hold harmless agreement contained in this paragraph above, although Tenant’s obligations pursuant to this paragraph shall not be limited by the amount of insurance. Such insurance shall be in a company, on forms and with coverage and loss payable clauses satisfactory to Landlord, and a copy of such policies, certified by the insurer to be a true and correct copy of the insurance policy, shall be delivered to Landlord upon execution of this Amendment by Tenant, and a new certified policy shall be delivered at least thirty (30) days before the expiration of the old policy. Such policy shall not be cancelable except after thirty (30) days’ prior notice to Landlord, shall name Landlord as an additional insured, shall be primary insurance as respects Landlord and shall contain a cross-liability endorsement. Such policy shall further provide coverage on an occurrence basis and not on a claim made basis.
Tenant shall also obtain and maintain throughout the term Workers' Compensation Insurance as required by law.

Tenant shall comply with all requirements of governmental authorities with regard to the Premises and shall not do anything on or about the Premises which results in an increase in any premium on insurance or the cancellation of insurance carried by Landlord, if any.

9. Condemnation. If a part of the Premises is condemned or acquired for a public use and the remaining part is susceptible of occupation by Tenant, this Lease shall terminate as to the part taken on the date title vests in the acquiring agency. The rent payable under this Lease shall be apportioned in the ratio that the area of the cultivable portion of the Premises not taken bears to the cultivable area of the Premises before such taking. If all or part of the Premises are condemned or acquired for public use during the Term of this Lease, Tenant shall have no right whatsoever to any compensation for the full or partial termination of this Lease or taking of the land or improvements, either under the terms of this Lease or under the Eminent Domain Law of California, except that Tenant shall be entitled to recover from the condemning authority the value of any crop which cannot be harvested on the portion so taken. If the entire or a part of the leased Premises is taken or condemned so that there does not remain a portion capable of occupation by Tenant, this Lease shall terminate on the date title vests in the condemnor.

10. "As Is": Flooding and Overflow. Tenant accepts the Premises, as well as the improvements thereon and facilities appurtenant thereto, in their present condition, "As Is", without representation or warranty of any kind. Tenant agrees with, and represents to Landlord, that the Premises have been inspected by it and that Tenant has been assured by means independent of Landlord or Landlord's agents of the truth of all facts material to this Lease, and that the Premises are being leased by Tenant as a result of its inspection and investigation and not as a result of any representations made by Landlord or Landlord's agents. Tenant acknowledges that the Premises is subject to occasional flooding and overflow of waters, and may be subject to various easements granted to the Santa Clara Valley Water District. Tenant accepts the Premises subject to all such conditions. In no event shall Landlord have any liability to Tenant as a result of any flooding or overflow of waters onto any portion of the Premises or the exercise by the Santa Clara Valley Water District of any easement rights it has to any portion of the Premises. In no case shall such circumstances or exercise of rights affect Tenant's obligations under this Lease.

11. Easements and Other Interests. This lease is subject to (a) all existing easements, servitude, licenses and rights-of-way for canals, ditches, levees, roads and highways, telegraph, telephone and electric power lines, railroads, pipelines and other purposes, whether recorded or not; and (b) the rights of other tenants under any existing or future oil, gas and mineral lease or leases from Landlord affecting the entire or any portion of the Premises, whether recorded or not.

12. Taxes and Assessments. Tenant shall pay, prior to delinquency, all personal property taxes or assessments levied upon Tenant's personal property situated in or about the Premises during the term of this Lease. In connection with California Revenue and Taxation Code section 107.6, Landlord advises Tenant and Tenant acknowledges that by entering into this Lease, a possessory interest subject to taxes may be created. Tenant shall pay any such possessory interest taxes which may be levied in connection with this Lease prior to delinquency.
At Landlord’s request, Tenant shall execute a memorandum of this Lease in a form requested by Landlord for recordation in the Official Records of Santa Clara County, California. If such memorandum is recorded, upon lease termination Tenant shall execute and deliver to Landlord a quitclaim deed, whereby Tenant quit claims all of its right title and interest in and to the Premises to Landlord. On demand, Tenant shall provide to Landlord satisfactory evidence of payment of taxes.

13. Entry by Landlord. Tenant shall permit Landlord or Landlord’s agents, representatives, or employees to enter the Premises at all reasonable times to determine whether Tenant is complying with the terms of this Lease and for the purpose of doing other lawful acts that may be necessary to protect Landlord’s interest in the Premises. In addition, Landlord shall have the right to conduct tests and surveys on the Premises, including without limitation installation of stakes and monuments in connection with Landlord’s survey activities, and Tenant agrees not to disturb any stakes or monuments placed on the Premises by Landlord. Tenant shall pay, on demand, any costs incurred by Landlord as a result of the disturbance of any stakes or monuments on the Premises during the term of this Lease, including without limitation any replacement costs.

14. Consequential Damages. Notwithstanding anything to the contrary contained in this Lease, Landlord shall in no event be liable under any circumstances for any injury or damage to, or interference with Tenant’s business, loss of profits or other revenues, loss of business opportunity, loss of goodwill or consequential damages and/or indirect, incidental, exemplary and/or punitive damages of any kind or nature, in each case, however occurring.

15. CASp Inspection. For purposes of California Civil Code Section 1938, Landlord hereby discloses to Tenant that, as of the date first stated above, to Landlord’s actual knowledge, the Premises have not undergone inspection by a Certified Access Specialist (“CASp”). Pursuant to California Civil Code Section 1938(e), Landlord hereby further discloses to Tenant the following: “A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.” Notwithstanding the foregoing and/or anything to the contrary contained in this Lease, Landlord and Tenant hereby agree and acknowledge that, in the event Tenant desires to obtain a CASp inspection, then:

(x) Tenant shall provide Landlord with no less than twenty (20) business days’ prior written notice and, upon receipt of such notice, Landlord shall have the right to, among other things, (i) select the date and time at which such inspection shall occur, and (ii) have one (1) or more representatives present during such inspection.

(y) Tenant hereby agrees and acknowledges that it shall (x) provide Landlord with a copy of any and all findings, reports and/or other materials (collectively, the “CASp Report”) provided by the CASp immediately following Tenant’s receipt thereof, (y) at all
times maintain (and cause to be maintained) the CASp Report and its findings (and any and all other materials related thereto) confidential and (z) pay for the CASp inspection and CASp Report at Tenant's sole cost and expense. If Tenant receives a disability access inspection certificate, as described in subdivision (e) of California Civil Code Section 55.53, in connection with or following any CASp inspection undertaken on behalf, or for the benefit, of Tenant, then Tenant shall cause such certificate to be provided immediately to Landlord.

(z) If the CASp Report identifies any violation(s) of applicable construction-related accessibility standards ("CASp Violation(s)"), Tenant shall immediately provide written notice to Landlord of any and all such CASp Violation(s). In such event, Tenant shall, at Tenant’s sole cost and expense, perform, or cause to be performed, any repairs, modifications and/or other work necessary to correct such the CASp Violation(s) (any such repairs, modifications and/or other work being collectively referred to herein as the "CASp Work"). Tenant shall commence (or cause the commencement of) such CASp Work no later than fifteen (15) business days after Landlord’s receipt of the CASp Report in accordance with the terms and conditions of this Lease. Tenant shall diligently prosecute (or cause to be diligently prosecuted) to completion all such CASp Work in a lien free, good and workmanlike manner, and, upon completion, obtain an updated CASp Report showing that the Premises then comply with all applicable construction-related accessibility standards. Any and all cost and expense associated with the CASp Work and/or the updated CASp Report (which Tenant shall provide to Landlord immediately upon Tenant’s receipt thereof) shall be at Tenant’s sole cost and expense.

Without limiting the generality of the foregoing, Tenant hereby agrees and acknowledges that: (i) Tenant assumes all risk of, and agrees that Landlord shall not be liable for, any and all loss, cost, damage, expense and liability (including, without limitation, court costs and reasonable attorneys' fees) sustained as a result of the Premises not having been inspected by a Certified Access Specialist (CASp); (ii) Tenant's indemnity obligations set forth in this Lease shall include any and all claims relating to or arising as a result of the Premises not having been inspected by a Certified Access Specialist (CASp); and (iii) Landlord may require, as a condition to its consent to any alterations, additions or improvements, that the same be inspected and certified by a Certified Access Specialist (CASp) (following completion) as meeting all applicable construction-related accessibility standards pursuant to California Civil Code Section 55.53.

16. **Attorneys' Fees.** Should any litigation be commenced between the parties to this Lease for the enforcement of any rights of either party against the other pursuant to the provisions of this Lease, to interpret the Lease, or by reason of any alleged breach of any of the provisions of this Agreement, the party prevailing in the litigation shall be entitled to receive from the unsuccessful party all costs incurred in connection with the litigation, including without limitation reasonable attorneys' fees incurred by the prevailing party.

17. **Effect on Heirs and Successors.** Subject to Section 7 above, this Lease and each of its provisions shall be binding on and shall inure to the benefit of the respective heirs, devisees, legatees, executors, administrators, trustees, successors and assigns of the parties to this Lease.

18. **Time of Essence.** Time is of the essence of this Lease and of each provision contained within, and each provision is made and declared to be a material, necessary and essential part of this Lease.
19. **Amendments to Lease.** This Lease may be amended only by a writing signed by the party against whom or against whose successors and assigns enforcement of the change is sought.

20. **Effect of Partial Invalidity.** If any term or provision of this Lease or any application thereof shall be held invalid or unenforceable, the remainder of this Lease and any application of the terms and provisions shall not be affected thereby, but shall remain valid and enforceable pursuant to this Lease or California law.

21. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of California.

22. **Waiver.** The waiver by Landlord of any breach by Tenant of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach by Tenant either of the same or of another provision of this Lease.

Dated: __________________________

**LANDLORD:**

SOUTH COUNTY REGIONAL WASTEWATER AUTHORITY, a California Joint Exercise of Powers Authority organized and created pursuant to the laws of the State of California

By: __________________________

Gabriel A. Gonzales
Title: Authority Manager

Dated: __________________________

**TENANT:**

San Felipe Farms, L.P., a California limited partnership

By: __________________________

Tim Gillio
Title: Partner

**APPROVED AS TO FORM:**

By: __________________________

Andy Faber
Legal Counsel
EXHIBIT “A”

[MAP SHOWING PREMISES TO BE ATTACHED]
AGRICULTURAL LEASE

This Lease, dated as of ____________, 2019, is made by and between the South County Regional Wastewater Authority, a California Joint Exercise of Powers Authority organized and created pursuant to the laws of the State of California ("Landlord") and San Felipe Farms, L.P., a California limited partnership ("Tenant") and is made with reference to the following facts:

A. Landlord is the owner of certain real property located in Santa Clara County, California, identified as Santa Clara County Assessor’s Parcel No. 841-30-003 which real property is depicted on Exhibit “A” attached hereto (the “Premises”). The Premises contains approximately One Hundred Four and Thirty-Nine One-Hundredths (104.39) acres (approximately Sixty (60) farmable acres) of land.

B. Tenant desires to lease from Landlord, the Premises, on the terms and conditions set forth in this Lease.

THEREFORE, the parties mutually agree and covenant as follows:

1. Term. Subject to this Section below, the term of this Lease shall commence on January 1, 2020 (the “Commencement Date”), and shall terminate on December 31, 2021 (the “Expiration Date”), subject to sooner termination as set forth in this Lease.

2. Rent. Tenant shall pay to Landlord for the term stated in Section 1 above, rent in the amount of Thirty Seven Eight Hundred Dollars ($37,800.00) for the term stated, payable in two installments of $18,900.00 each per year. The first installment of Eighteen Thousand Nine Hundred Dollars ($18,900.00) is due on or before January 1 of first year of the lease. The second installment of Eighteen Thousand Nine Hundred Dollars ($18,900.00) is due on or before January 1 of second year of the lease. Rent shall be paid to Landlord in the form of check or cash, in advance, without deduction, offset, prior notice or demand, at the City of Gilroy, Finance Department, 7351 Rosanna Street, Gilroy, CA 95020.

3. Notices. Except as otherwise expressly provided by law, any and all notices or other communications required or permitted by this Lease or by law to be served on or given to either party by the other party shall be in writing and shall be deemed duly served and given when personally delivered to the party to whom they are directed, or in lieu of such personal service when deposited in the United States mail, first-class postage prepaid.

To Landlord: South County Regional Wastewater Authority
c/o City of Gilroy, Attn: Purchasing Coordinator
7351 Rosanna Street
Gilroy, California 95020

To Tenant: San Felipe Farms, L.P.
Attn: Tim Gillio
495 Bolsa Road
Gilroy, CA 95020
Either party may change its address for the purpose of this paragraph by giving written notice of the change to the other party in the manner provided by this Section.

4. **Use.** Tenant shall use the Premises only for the planting, growing and harvesting of crops, and for no other purpose. All operations on the Premises shall at all times be conducted in compliance with all applicable statutes, ordinances, laws, rules and regulations, and shall be carried on according to the best agricultural practices in the vicinity, including but not limited to maintenance of the surface of the land to properly maintain the Premises for irrigation and diligent efforts to remove all noxious weeds and rodents and other pests on the Premises. Tenant shall not use or permit the use of the Premises for any unlawful purpose, shall not commit waste thereon, and shall not maintain, commit or permit the maintenance or commission of any nuisance thereon. Tenant shall not apply pesticides, insecticides, fungicides, herbicides or other chemical treatments that will have a residual effect beyond the term of this Lease, except with the prior written consent of Landlord.

5. **Maintenance and Repair.** Tenant agrees to keep the Premises and all improvements thereon, including but not limited to any fences, ditches, wells, pumps, pipes and roadways (to the extent any such improvements exist), on the Premises in good condition, reasonable wear and tear and damage by elements excepted. All repairs necessary to the Premises and said improvements shall be made at Tenant’s own expense. If replacement of any wells, pumps, pipelines or other improvements becomes necessary during the term of the Lease, replacement costs will be at Tenant’s expense. In no event shall Landlord have any obligation to repair, maintain or replace the Premises or any improvements located thereon.

All utility charges, including but not limited to electrical energy and standby charges for the operation of any pumps serving the Premises, shall be paid by Tenant. The procurement of water necessary for the irrigation of the crops to be grown on the Premises shall be Tenant’s responsibility. Such water shall be used only on the Premises and in the performance of Tenant’s obligations under the Lease. Tenant shall not export this water to other lands without obtaining Landlord’s written consent. Landlord assumes no responsibility to Tenant for any utility or water shortage and assumes no responsibility for and does not warrant the quality or quantity of any water supplied to the Premises.

Tenant shall not make or permit to be made any additions or alterations of the Premises without first obtaining Landlord’s written consent. Additions to or alterations of the Premises, except trade fixtures, shall become at once a part of the realty and belong to the Landlord, except that Landlord may require that Tenant remove all such additions and alterations made by Tenant upon expiration or sooner termination of this Lease, which obligation shall survive expiration or termination of this Lease. Tenant shall keep the Premises free and clear of any and all liens arising out of any work performed or materials furnished at the request of Tenant, or obligations incurred by Tenant.

6. **Subletting and Assignment.** Tenant agrees not to assign or transfer this Lease or sublet any portion of said Premises, or allow any other person to use the Premises, either voluntarily or involuntarily, without the consent in writing of Landlord, which consent shall not be unreasonably withheld.

7. **Default and Termination.** It is further agreed between the parties hereto that all covenants and agreements on the part of Tenant herein mentioned and contained are express
conditions and that time is of the essence of this Agreement. Should Tenant fail or default in the faithful keeping or performance of any of said conditions during the term of this Lease, or fail to promptly pay the rental when due, or abandon, vacate or surrender said Premises, Landlord shall be entitled to pursue all remedies available to Landlord at law or in equity. Without limiting the remedies available to Landlord at law or in equity, Landlord shall have the option to terminate this Lease, or to elect not to terminate Tenant’s right to possession, but continue the Lease in effect and collect rent as it becomes due pursuant to the provisions of section 1951.4 of the California Civil Code. In the event, however, that Landlord elects to terminate the Lease, Landlord may recover those damages set forth in section 1951.2 of the California Civil Code, specifically including, without limitation, the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of rental loss that Tenant proves could be reasonably avoided, as set forth in subparagraph (3) of section 1951.2(a) of the California Civil Code.

Tenant agrees to surrender the Premises at the expiration of this Lease, or sooner termination thereof, in good condition and repair, reasonable wear and tear and damage by the elements excepted. Should Tenant holdover after the term with Landlord’s consent, such tenancy shall be from month to month only, but otherwise on the same terms and conditions set forth in this Lease.

8. **Indemnification and Insurance.** Tenant shall defend through counsel approved by Landlord, indemnify and hold harmless Landlord, its officers, representatives, agents and employees against any and all suits, damages, costs, fees, claims, demands, causes of action, losses, liabilities and expenses, including without limitation attorneys’ fees, due to any cause, including without limitation bodily injury and property damage, which arises out of or is attributable to the use or occupancy of the Premises or any part thereof, the acts or omissions of Tenant or Tenant’s agents, employees, contractors or invitees, Tenant’s breach of this Lease, or the use by Tenant of any Hazardous Materials on or about the Premises; except to the extent caused by the willful misconduct or sole negligence of Landlord. Hazardous Materials means any chemical, substance or material which has been or is hereafter determined by any federal, state or local governmental authority to be capable of posing risk of injury to health or safety, including without limitation, pesticides, insecticides, fungicides, herbicides and petroleum.

Tenant shall obtain and maintain throughout the Term a policy of Commercial General Liability Insurance in the minimum amount of One Million Dollars ($1,000,000), combined single limit for bodily injury and property damage. Such insurance shall specifically insure Tenant’s performance of the indemnity, defense and hold harmless agreement contained in this paragraph above, although Tenant’s obligations pursuant to this paragraph shall not be limited by the amount of insurance. Such insurance shall be in a company, on forms and with coverage and loss payable clauses satisfactory to Landlord, and a copy of such policies, certified by the insurer to be a true and correct copy of the insurance policy, shall be delivered to Landlord upon execution of this Amendment by Tenant, and a new certified policy shall be delivered at least thirty (30) days before the expiration of the old policy. Such policy shall not be cancelable except after thirty (30) days’ prior notice to Landlord, shall name Landlord as an additional insured, shall be primary insurance as respects Landlord and shall contain a cross-liability endorsement. Such policy shall further provide coverage on an occurrence basis and not on a claim made basis.
Tenant shall also obtain and maintain throughout the term Workers’ Compensation Insurance as required by law.

Tenant shall comply with all requirements of governmental authorities with regard to the Premises and shall not do anything on or about the Premises which results in an increase in any premium on insurance or the cancellation of insurance carried by Landlord, if any.

9. **Condemnation.** If a part of the Premises is condemned or acquired for a public use and the remaining part is susceptible of occupation by Tenant, this Lease shall terminate as to the part taken on the date title vests in the acquiring agency. The rent payable under this Lease shall be apportioned in the ratio that the area of the cultivable portion of the Premises not taken bears to the cultivable area of the Premises before such taking. If all or part of the Premises are condemned or acquired for public use during the Term of this Lease, Tenant shall have no right whatsoever to any compensation for the full or partial termination of this Lease or taking of the land or improvements, either under the terms of this Lease or under the Eminent Domain Law of California, except that Tenant shall be entitled to recover from the condemning authority the value of any crop which cannot be harvested on the portion so taken. If the entire or a part of the leased Premises is taken or condemned so that there does not remain a portion capable of occupation by Tenant, this Lease shall terminate on the date title vests in the condemnor.

10. **“As Is”: Flooding and Overflow.** Tenant accepts the Premises, as well as the improvements thereon and facilities appurtenant thereto, in their present condition, “As Is”, without representation or warranty of any kind. Tenant agrees with, and represents to Landlord, that the Premises have been inspected by it and that Tenant has been assured by means independent of Landlord or Landlord’s agents of the truth of all facts material to this Lease, and that the Premises are being leased by Tenant as a result of its inspection and investigation and not as a result of any representations made by Landlord or Landlord’s agents. Tenant acknowledges that the Premises is subject to occasional flooding and overflow of waters, and may be subject to various easements granted to the Santa Clara Valley Water District. Tenant accepts the Premises subject to all such conditions. In no event shall Landlord have any liability to Tenant as a result of any flooding or overflow of waters onto any portion of the Premises or the exercise by the Santa Clara Valley Water District of any easement rights it has to any portion of the Premises. In no case shall such circumstances or exercise of rights affect Tenant’s obligations under this Lease.

11. **Easements and Other Interests.** This lease is subject to (a) all existing easements, servitude, licenses and rights-of-way for canals, ditches, levees, roads and highways, telegraph, telephone and electric power lines, railroads, pipelines and other purposes, whether recorded or not; and (b) the rights of other tenants under any existing or future oil, gas and mineral lease or leases from Landlord affecting the entire or any portion of the Premises, whether recorded or not.

12. **Taxes and Assessments.** Tenant shall pay, prior to delinquency, all personal property taxes or assessments levied upon Tenant’s personal property situated in or about the Premises during the term of this Lease. In connection with California Revenue and Taxation Code section 107.6, Landlord advises Tenant and Tenant acknowledges that by entering into this Lease, a possessory interest subject to taxes may be created. Tenant shall pay any such possessory interest taxes which may be levied in connection with this Lease prior to delinquency.
At Landlord’s request, Tenant shall execute a memorandum of this Lease in a form requested by Landlord for recordation in the Official Records of Santa Clara County, California. If such memorandum is recorded, upon lease termination Tenant shall execute and deliver to Landlord a quitclaim deed, whereby Tenant quit claims all of its right title and interest in and to the Premises to Landlord. On demand, Tenant shall provide to Landlord satisfactory evidence of payment of taxes.

13. **Entry by Landlord.** Tenant shall permit Landlord or Landlord’s agents, representatives, or employees to enter the Premises at all reasonable times to determine whether Tenant is complying with the terms of this Lease and for the purpose of doing other lawful acts that may be necessary to protect Landlord’s interest in the Premises. In addition, Landlord shall have the right to conduct tests and surveys on the Premises, including without limitation installation of stakes and monuments in connection with Landlord’s survey activities, and Tenant agrees not to disturb any stakes or monuments placed on the Premises by Landlord. Tenant shall pay, on demand, any costs incurred by Landlord as a result of the disturbance of any stakes or monuments on the Premises during the term of this Lease, including without limitation any replacement costs.

14. **Consequential Damages.** Notwithstanding anything to the contrary contained in this Lease, Landlord shall in no event be liable under any circumstances for any injury or damage to, or interference with Tenant’s business, loss of profits or other revenues, loss of business opportunity, loss of goodwill or consequential damages and/or indirect, incidental, exemplary and/or punitive damages of any kind or nature, in each case, however occurring.

15. **CASp Inspection.** For purposes of California Civil Code Section 1938, Landlord hereby discloses to Tenant that, as of the date first stated above, to Landlord’s actual knowledge, the Premises have not undergone inspection by a Certified Access Specialist (“CASp”). Pursuant to California Civil Code Section 1938(e), Landlord hereby further discloses to Tenant the following: “A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises.” Notwithstanding the foregoing and/or anything to the contrary contained in this Lease, Landlord and Tenant hereby agree and acknowledge that, in the event Tenant desires to obtain a CASp inspection, then:

(x) Tenant shall provide Landlord with no less than twenty (20) business days’ prior written notice and, upon receipt of such notice, Landlord shall have the right to, among other things, (i) select the date and time at which such inspection shall occur, and (ii) have one (1) or more representatives present during such inspection.

(y) Tenant hereby agrees and acknowledges that it shall (x) provide Landlord with a copy of any and all findings, reports and/or other materials (collectively, the “CASp Report”) provided by the CASp immediately following Tenant’s receipt thereof, (y) at all
times maintain (and cause to be maintained) the CASp Report and its findings (and any and all other materials related thereto) confidential and (z) pay for the CASp inspection and CASp Report at Tenant’s sole cost and expense. If Tenant receives a disability access inspection certificate, as described in subdivision (e) of California Civil Code Section 55.53, in connection with or following any CASp inspection undertaken on behalf, or for the benefit, of Tenant, then Tenant shall cause such certificate to be provided immediately to Landlord.

(z) If the CASp Report identifies any violation(s) of applicable construction-related accessibility standards ("CASp Violation(s)"), Tenant shall immediately provide written notice to Landlord of any and all such CASp Violation(s). In such event, Tenant shall, at Tenant’s sole cost and expense, perform, or cause to be performed, any repairs, modifications and/or other work necessary to correct such the CASp Violation(s) (any such repairs, modifications and/or other work being collectively referred to herein as the “CASp Work”). Tenant shall commence (or cause the commencement of) such CASp Work no later than fifteen (15) business days after Landlord’s receipt of the CASp Report in accordance with the terms and conditions of this Lease. Tenant shall diligently prosecute (or cause to be diligently prosecuted) to completion all such CASp Work in a lien free, good and workmanlike manner, and, upon completion, obtain an updated CASp Report showing that the Premises then comply with all applicable construction-related accessibility standards. Any and all cost and expense associated with the CASp Work and/or the updated CASp Report (which Tenant shall provide to Landlord immediately upon Tenant’s receipt thereof) shall be at Tenant’s sole cost and expense.

Without limiting the generality of the foregoing, Tenant hereby agrees and acknowledges that: (i) Tenant assumes all risk of, and agrees that Landlord shall not be liable for, any and all loss, cost, damage, expense and liability (including, without limitation, court costs and reasonable attorneys' fees) sustained as a result of the Premises not having been inspected by a Certified Access Specialist (CASp); (ii) Tenant's indemnity obligations set forth in this Lease shall include any and all claims relating to or arising as a result of the Premises not having been inspected by a Certified Access Specialist (CASp); and (iii) Landlord may require, as a condition to its consent to any alterations, additions or improvements, that the same be inspected and certified by a Certified Access Specialist (CASp) (following completion) as meeting all applicable construction-related accessibility standards pursuant to California Civil Code Section 55.53.

16. **Attorneys’ Fees.** Should any litigation be commenced between the parties to this Lease for the enforcement of any rights of either party against the other pursuant to the provisions of this Lease, to interpret the Lease, or by reason of any alleged breach of any of the provisions of this Agreement, the party prevailing in the litigation shall be entitled to receive from the unsuccessful party all costs incurred in connection with the litigation, including without limitation reasonable attorneys’ fees incurred by the prevailing party.

17. **Effect on Heirs and Successors.** Subject to Section 7 above, this Lease and each of its provisions shall be binding on and shall inure to the benefit of the respective heirs, devisees, legatees, executors, administrators, trustees, successors and assigns of the parties to this Lease.
18. **Time of Essence.** Time is of the essence of this Lease and of each provision contained within, and each provision is made and declared to be a material, necessary and essential part of this Lease.

19. **Amendments to Lease.** This Lease may be amended only by a writing signed by the party against whom or against whose successors and assigns enforcement of the change is sought.

20. **Effect of Partial Invalidity.** If any term or provision of this Lease or any application thereof shall be held invalid or unenforceable, the remainder of this Lease and any application of the terms and provisions shall not be affected thereby, but shall remain valid and enforceable pursuant to this Lease or California law.

21. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of California.

22. **Waiver.** The waiver by Landlord of any breach by Tenant of any of the provisions of this Lease shall not constitute a continuing waiver or a waiver of any subsequent breach by Tenant either of the same or of another provision of this Lease.

Dated: ______________________

LANDLORD:

SOUTH COUNTY REGIONAL WASTEWATER AUTHORITY, a California Joint Exercise of Powers Authority organized and created pursuant to the laws of the State of California

By: ______________________
Gabriel A. Gonzales
Title: Authority Manager

TENANT:

San Felipe Farms, L.P, a California limited partnership

By: ______________________
Tim Gillio
Title: Partner

APPROVED AS TO FORM:

By: ______________________
Andy Faber
Legal Counsel

-7-
EXHIBIT "A"

[MAP SHOWING PREMISES TO BE ATTACHED]
DATE: September 4, 2019

TO: GABRIEL A. GONZALEZ, Authority Manager

FROM: SAEID VAZIRY, P.E., Environmental Programs Manager

SUBJECT: AGREEMENT WITH BERLINER COHEN

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**Recommendation**
Approval of the Agreement with Berliner Cohen to provide legal services to the South County Regional Wastewater Authority.

**Summary**
Berliner Cohen has been providing legal services to the SCRWA since 1992. This agreement is the third amendment, with a proposed term of six years. The costs have been updated to reflect increases in the CPI.

**Background**
Since its inception, the SCRWA has been represented by the firm of Berliner Cohen as its official Counsel, and in fact drafted the initial formation documents of the Joint Powers Authority that is SCRWA, and actually represented the cities of Gilroy and Morgan Hill in connection with the environmental litigation over the SCRWA plant facility before there was a SCRWA. In 2017, Resolution No. 2017-01 passed and adopted by the Board appointed Andrew L. Faber, Esq. as Legal Counsel to the SCRWA.

**Human Resources Impact**
There are no human resources impacts with this action.

**Financial Impact**
There are no financial impacts with this action. All cost associated with this Amendment to Agreement have been programmed in the approved SCRWA Budget for fiscal years 2020 and 2021.

Attachment: Third Amended and Restated Agreement for Legal Services
THIRD AMENDED AND RESTATED AGREEMENT FOR LEGAL SERVICES

This Third Amended and Restated Agreement is made and entered into effective the 1st day of July, 2019 ("Effective Date"), between the South County Regional Wastewater Authority, a California Joint Exercise of Powers Authority organized and created pursuant to the laws of the State of California ("Authority"), and Berliner Cohen, a partnership including professional corporations ("BC").

1. **Engagement for Legal Services.** Authority hereby engages BC to perform legal services for Authority, commencing as of the Effective Date for the term specified in Section 5 below.

2. **Services.** BC shall provide the following services:

   (a) Attend regular and special Board of Directors ("Board") meetings each month on an as needed basis and render advice and opinions on all legal matters which may arise during such meetings.

   (b) Be available for telephone consultation and attend meetings upon request of the Authority.

   (c) Perform non-extraordinary administrative legal services such as research and the preparation and review of ordinances, resolutions, standard leases and contracts, notices, legal opinions, memoranda, findings, decisions and other documents and papers pertaining to usual Authority business and to the legislative or quasi-judicial actions of the Board as requested by Authority. Negotiate or advise in negotiations pertaining to standard Authority contracts and leases.

   (d) Furnish legal advice on matters of Authority business to Board members, the Chairman of the Board, the Authority Manager and other designated personnel.

   (e) Advise Authority as to when special counsel should be retained for a particular matter and monitor the activities of any such special counsel retained by Authority.

   (f) Render litigation services as follows:

      (i) Represent Authority in the administration and defense of all claims and legal actions filed against it.

      (ii) Pursue Authority claims or actions on behalf of Authority as deemed appropriate by the Board.

      (iii) Represent Authority in all legal proceedings, civil or criminal.

   (g) Perform such other legal services for Authority as may be requested by the Chairman of the Board or the Authority Manager.
3. **Compensation.**

(a) Authority shall compensate BC for the services described in Sections 2(a) through (e) and (g) above and for non-complex litigation on an hourly basis at the rate of Three Hundred and Twenty-six Dollars ($326) for attorneys, and at the rate published by BC for paralegals and other staff aides.

(b) Authority shall compensate BC for extraordinary legal services not described in Sections 2(a) through (e) and (g) above and for complex litigation on an hourly basis at a public agency discount of ten percent (10%) on BC's normal billing rates for attorneys and paralegals. A copy of BC's current billing rates is attached hereto as Exhibit "A". Extraordinary legal services include, without limitation, condemnation related services and large or complex litigation and transactional matters.

(c) Authority shall also reimburse BC for reasonable costs incurred in connection with BC's services to Authority, including but not limited to:

(i) Costs of photocopying, postage, computer research on-line fees, word processing, messenger services and long-distance telephone calls relating to the professional services specified herein.

(ii) Meals, when necessarily incurred in connection with Authority business.

(iii) Travel, meals and lodging expenses incurred on business outside the County of Santa Clara for Authority, subject to approval by the Authority Manager.

(iv) Mileage at the IRS authorized reimbursement rate or the rate established for all others on Authority business if such a rate has been adopted.

(v) Customary costs of litigation, provided that the hiring of any experts shall be approved by the Board (or an authorized subcommittee thereof) or Authority Manager.

(d) BC shall bill Authority on a monthly basis, said bills due and payable upon receipt. Bills relating to litigation will not be itemized unless requested in writing by the Authority Manager. Authority agrees to pay BC within thirty (30) days of receipt of such bill or statement. A late charge of 1% will be imposed on fees and costs which are outstanding more than two months after the date set forth on the first billing statement for those fees and costs. A late charge of 1% will continue to be imposed each month thereafter on said unpaid balance on each billing statement until it is paid in full.

(e) The parties acknowledge and agree that compensation shall not include any health, dental or retirement benefits, nor shall Authority be liable for Workers' Compensation or unemployment benefits for BC, its agents or employees. In addition, BC shall bear all expenses incurred for attendance at courses and seminars relating to public law, and the expense of acquiring and maintaining books, texts, periodicals and other materials relating to public law in general. Authority shall furnish BC at Authority's cost, however, copies of books and other materials relating to Authority operations, such
as current copies of the Authority's organizational information.

4. **Adjustments to Compensation.** On an annual basis beginning July 1, 2020, BC's compensation for professional services shall be increased by the United States Consumer Price Index All-Urban Consumers, San Francisco, California, All Items ("CPI") for the previous twelve months. Any other increases shall only be by mutual agreement of the parties as expressed in writing.

5. **Term.** This Agreement shall remain in full force and effect for a period of six (6) years commencing on the Effective Date, subject to termination by either Authority or BC as set forth herein, and subject to extension by mutual agreement of the parties.

6. **Termination.** Either party may terminate this Agreement, without cause, by giving the other party thirty (30) days written notice. Upon expiration or sooner termination of this Agreement, the parties shall cooperate to achieve an orderly transition and assumption of duties by any succeeding attorney.

7. **Assignment.** The professional services to be provided under this Agreement are personal in nature and this Agreement cannot be assigned.

8. **Insurance.** BC agrees to maintain lawyer's professional liability insurance in full force and effect during the term of this Agreement. Such insurance shall have a limit of not less than One Million Dollars ($1,000,000) per claim and aggregate.

9. **Notices.** Written notices to BC required under this Agreement shall be delivered personally or by first-class mail, postage prepaid to:

   Berliner Cohen
   Ten Almaden Blvd., Eleventh Floor
   San Jose, California 95113-2233
   Attn: Andrew L. Faber, Esq.

Written notices to Authority required by this Agreement shall be delivered personally or by first-class mail, postage prepaid, to:

   South County Regional Wastewater Authority
   1500 Southside Drive
   Gilroy, California 95020
   Attn: Gabriel A. Gonzalez, Authority Manager

10. **Entire Agreement.** This Agreement supersedes the Amended and Restated Agreement for Legal Services between the Authority and BC dated December 11, 2007 and constitutes the entire agreement between the Authority and BC regarding the retention of BC to provide legal services for the Authority. No terms, conditions, understanding or agreements purporting to modify or vary this Agreement, unless hereafter made in writing and signed by the party to be bound, shall be binding on either party.
11. **Review and Amendment.** The terms and conditions of this Agreement and BC's performance of services hereunder shall be subject to annual review at the request of either party. The parties may agree to changes or amendments to the terms and conditions of this Agreement, which changes, or amendments shall be evidenced by a written agreement. Nothing in this paragraph shall be deemed to prevent or inhibit more frequent review of performance, compensation or otherwise inhibit the free and candid exchange of views between the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year set forth below.

South County Regional Wastewater Authority,
a California Joint Exercise of Powers Authority
organized and created pursuant to the laws of
the State of California

Dated: ____________________________

By: ____________________________

Its Chair  Fred Tovar

BERLINER COHEN

Dated: ____________________________

By: ____________________________

Andy Faber, Esq.
### SAN JOSE
#### 2019 PROFESSIONAL RATES

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*PARALEGAL AND PLANNER OVERTIME MAY BE BILLED AT HIGHER RATES.
DATE: September 4, 2019

TO: GABRIEL A. GONZALEZ, Authority Manager

FROM: JIMMY FORBIS, Authority Treasurer
       SAEID VAZIRY, P.E., Environmental Programs Manager

SUBJECT: TREATMENT CAPACITY EXPANSION PROJECT UPDATE

Recommendation
The Board is asked to receive and discuss information related to the wastewater treatment capacity expansion project and provide direction to prioritize the much-planned improvements.

Summary
Over the past decade, SCRWA has continued a process of planning and designing facility improvements with the goal of continuing to provide high quality service to the users in Gilroy and Morgan Hill and further expand treatment capacity in accordance with both cities’ General Plans. Several large capital projects have been implemented to optimize system limitations. This has allowed the plant to operate within compliance limits; however, to continue service reliability, a capacity expansion is required to keep pace with the cities’ growth and comply with existing permits. This report outlines the drivers to make the necessary improvements and prioritizes the timing of the capacity expansion project over the next few years.

An evaluation of plant systems has indicated that the current treatment capacity is sufficient until 2025, at which time new facilities will be needed. Granted the Board authorization, the proposed project delivery strategy is to complete the design this year, let construction bid in 2020 and, with a four-year construction and commissioning window, the new facilities are expected to be in service by 2025. Both cities have evaluated funding options and are ready to move forward with the project. The preliminary cost estimate is $75 million.

Key findings are summarized as follows:
• Flow and loading projections indicate the facility will reach treatment capacity sometime between 2021 and 2026, requiring a fully commissioned expansion by 2025.
• The design of treatment capacity expansion project continues and it has incorporated value engineering elements per the Board’s direction.
• An opinion of project cost is $75 million, based on 90% design.
• Both cities have expressed the intent to fund their share of costs with a combination of accumulated sewer impact and operational fund balances, coupled with debt issuance supported by ongoing wastewater revenues. The project will receive some funding from wastewater impact fees, and will also need to be secured from wastewater collection fees.

IV.A
• After completion of the design, when project details and associated costs are better known, a final estimate along with any necessary budget amendments will be submitted to the Board for review.

• Granted the SCRWA Board authorization, the construction can initiate bid advertisement in 2020.

**Project Drivers**

Compliance with state and federal permitting agency regulations is of utmost importance to SCRWA which has an impressive track record of meeting or exceeding operational permit requirements.

As SCRWA plans for future treatment capacity and the projected demand for recycled water, the influent flow projections have been updated and new factors influencing the need for plant expansion have been identified, specifically “Organic Loading” – amount of biodegradable organic matter in water. High organic loading is attributed to population growth and reductions in water use through conservation. Less water in homes means more concentrated waste and higher costs and difficulties to treat the sewage.

The influent loading continues to increase as the population continues to increase and the water conservation continues from the drought. In contrast, the influent flows to the facility have fallen short of the projections, due in part to water conservation in the SCRWA service area. However, it is important to note that due to a particularly heavy rain season in 2017, the plant experienced peak wet weather flows that reached permit limit.

As a consequence of the change in flows to the facility, organic loading is introduced as the “driver” to prioritize the proposed expansion.

**Project Financials**

• Financial Options – there are few options concerning financing a plant expansion as plant capital improvements can only be funded through wastewater treatment fees (rates), bond issuance, or loans such as the State Revolving Fund. Both cities currently have debt service on bonds used to fund plant and collection system improvements. Gilroy’s debt will be retired in FY 22 while Morgan Hill’s debt shall be retired in FY 36.

• Utility Rates – Projects will receive significant funding from wastewater impact fees, but debt security will be provided by wastewater collection fees. Gilroy’s current rate structure has been adopted through July 1, 2019 and is in the process of being reviewed. Gilroy will use a combination of accumulated fund balance, impact fees, and wastewater collection fees. Morgan Hill’s rate structure has been approved through July 1, 2023 with 25% of the trunk line expansion costs be funded by ratepayers, and the remaining 75% of the trunk line expansion, as well as 100% of the SCRWA expansion costs will be funded through impact fees.

• Affordability – At an estimated cost of approximately $75 million, debt service over 30 years for such an amount equates to annual payments of approximately $4 million – payments that are not currently supported in Gilroy’s rate structure, thus Gilroy would have to consider debt
capacity in the current rate structure – or make rate adjustments to support debt payments. Additional debt capacity has been incorporated into Morgan Hill’s current rate structure.

**Discussion**

SCRWA has been proactive in constructing capital improvements to meet current and future permit requirements. Various projects implemented at the facility over the years have allowed the plant to operate within compliance limits. However, a detailed capacity study of influent loading has determined that the plant will be overloaded sometime between 2021 and 2026. At which time, there will be inherent risk and uncertainty as the ability to operate the facility in compliance becomes increasingly challenging.

The technical study was conducted as a mid-course review to verify alignment between current information and planning for the expansion project. A brief summary of the findings is as follows:

- From the organic loading perspective, the plant is operating above design criteria but within a safety margin that meets compliance with the permit requirements.
- Facility improvements including major maintenance have contributed towards the ability to treat organic loading.
- Based on organic loading trends derived by recent estimates for both cities growth, the facility will reach treatment capacity sometime between 2021 and 2026.
- The average daily wet weather capacity approached the permitted flow in 2017 as it was a very wet water year in California.
- The 2019 flow projection and loading analysis refines the timing of the next long term capacity increase to an expected construction completion in 2024 and full commission in 2025.
- Staff has determined project financials per the Board’s direction and will program funding accordingly for the construction phase of the project, in concurrence with our budget activities this fiscal year.
- The treatment capacity expansion accommodates the long-term growth of each community in accordance with both cities’ General Plans.
- Staff will continue to monitor organic loading and flow projections and re-evaluate timing of expansion project on a regular basis, and the outcome of the future studies will verify if projections and recommended schedules stand for increased treatment capacity.

**Background**

The influent flow projections have been updated for the SCRWA facility. The last analysis was completed in 2017, using data through December 2016. Since then, population has increased and drought conditions have changed. The flow has remained relatively constant the last decade due in part to cities proactive measures for water conversation and infiltration management, and under normal operations, the plant has adequate treatment. However, the influent loading continues to increase as the population continues to increase and the water conservation also continues from the drought.

This year, a comprehensive study was performed considering organic loading increases based on projections for population and building permits issuance through end of 2018. It evaluated the trend for the purpose of estimating when the facility will require expansion.
The report analyzed recent information on the development and population growth predictions obtained from cities of Gilroy and Morgan Hill. The evaluation considered the existing plant design criteria and treatment limitation based on the upward trend in organic loading. The previous study in 2016, refined the timing of the next capacity increase to an expected construction completion in 2024 based on flow projections, and did not consider the impacts of organic loading. For the purpose of estimating when the facility will require expansion, the study predicted the trends of organic loading. Based solely on flow trends derived by recent estimates for both cities growth, the facility may reach treatment capacity in early 2020’s as it continues permit compliance within a safety margin.

SCRWA will continue to update flow and loading projections on a regular basis, and future recommendations will be adjusted accordingly. Any potential factors resulting from future loading and flow projections will continue to provide information as to further expansion needs. Consideration of said drivers helped to further prioritize the planned improvements.

**Human Resources Impact**
There are no human resources impacts with this action.

**Financial Impact**
There are no financial impacts with this action.

Attachment: PowerPoint Presentation on Wastewater Treatment Capacity Expansion
Agenda

1. Project Background and Need
2. Project Evaluation
3. Project Costs
4. Recommendations
5. Next Steps

Definitions

Organic Loading: Bio-degradables such as food, human waste and yard waste (organic matter) in water

Average Dry/Wet Weather Flow (ADWF/AWWF): Average flow during the three driest/wettest months of the year

Value Engineering (VE): The process of determining high value design alternatives that achieve similar functions at lower cost

MGD: Million gallons per day

Biochemical Oxygen Demand (BOD): Amount of oxygen required by aerobic microorganisms to decompose organic matter present in water

National Pollutant Discharge Elimination System (NPDES): Permit program that controls water pollution by regulating point sources that discharge pollutants into waters of the United States.
Project Drivers

- Cities' growth – based on 2020 General Plans
- Treatment process limitation for Organic Loading – plant exceeding original design criteria
- Permit limitations
  - Average Wet Weather Flow
  - Average Dry Weather Flow

Capital Improvements

Proposed Plant Expansion

- Adds 2.5 MGD treatment capacity
- Meets 2035/2040 General Plans
- Provides more recycled water

Recent Plant Improvements

- New influent pump station
- Primary influent force main
- East and west generators
- Fiber optics communications network upgrade
- Pre-anoxic basins
- Aeration system improvements
- Secondary clarifier
- UV facility

Project History

Proactive Measures for both cities to minimize plant impacts

- Continue to promote water conservation and irrigation restrictions
- Low flow fixtures for water efficiency
- Sewer System Management Programs (SSMP) to reduce flow infiltration
- Update Industrial Pretreatment Programs to minimize organic loading
- Update building code requirements for new developments to reduce flow and loading
2 Project Evaluation

Wet Weather Permit Limitation

Historical Average Wet Weather Flows

Note: Average wet weather flow (AWWF) is the average flow during the three wettest months of the year.

Historical Organic Loading

Water Conservation = Higher Organic Loading

Population and Influent loading continues to increase as flow remains constant.

Organic Loading

Influent Organic Loading

年人均生活污水排放量

年人均生活污水排放量

年人均生活污水排放量
3 Project Costs

Costs Escalation

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*Based on inflation rate (considering the BCI national index and Bay Area local market conditions)

Financial Considerations
- Cities’ ready with financing options
- Higher costs for deferred construction
- Current construction market saturation
- Future regulatory uncertainties

Project Cost

Total Project Budget Estimate
$74.6 million (2020)

Estimate includes
- Construction cost
- Construction contingency
- Market condition
- Design engineering
- Construction management
- Legal, bidding/advertisement, etc.
- Only plant expansion

Current Market Saturation

Central Contra Costa Sanitation District — $873M Capital Projects in the next 10 years

Palo Alto — $190M Long Range Facility Plan thru 2025

Redwood City — $822M Silicon Valley Clean Water Upgrades thru 2025

San Jose — $2B San Jose Pollution Control Plant Rebuild/Upgrade thru 2040

San Luis Obispo — $140M Wastewater Facility Upgrade thru 2020

San Mateo — $900M Clean Water Program thru 2035

Sunnyvale — $456M Water Pollution Control Plant Upgrades thru 2035
4 Recommendations

Project Recommendation

Bidding: 2020
Construction Period: 2021 – 2024
Project Commissioning: 2025

Timeline Recommendations

Construction: 2021-2024
Commissioning: 2025

Timeline Recommendations

Construction: 2021-2024
Commissioning: 2025
Funding Recommendations

- Each City to separately finance their portion – no financing through SCRW
- Funding per JPA Agreement:
  - Gilroy - 58.1% ($43.3 million)
  - Morgan Hill - 41.9% ($31.3 million)
- Funding can be through existing funds and the issuance of debt secured by impact fees (backed by user fees)
- Both entities have excellent credit ratings
- Good environment for debt issuance – rates are historically low

Upcoming Activities

- Finalize financing plan
- General plan CEQA environmental review and clearance
- Legal review
- Update growth based on cities' general plans
- Finalize project design & update cost estimate
SOUTH COUNTY REGIONAL WASTEWATER AUTHORITY
CASH AND INVESTMENTS REPORT
AS OF 6/30/19

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NOTE:
1. Day to day transactions are made through Gilroy\'s cash account. The balance held in Gilroy\'s cash account on behalf of SCRWA should be close to zero at month end, as the majority of funds will be held in the SCRWA LAF account.
A transfer of $1,000,000 was made from SCRWA cash to SCRWA LAIF on July 8th after month end closing entries had been booked to the General Ledger.

This is to certify that this schedule of investments is in compliance with SCRWA\'S investment policy and that there are adequate funds available to meet SCRWA\'S budgeted and actual operating expenses for the next six months.

SIGNED BY: Jimmy Forbis
Finance Director

DATE: 7/9/17

V.A
# SCRW
## Portfolio Management
### Portfolio Summary
#### June 30, 2019

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| Cash                         |            |              |            |                |      |                  |                |                |
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<tr>
<td>Effective Rate of Return</td>
<td>2.55%</td>
<td>2.31%</td>
<td></td>
</tr>
</tbody>
</table>

---

Jimmy Poole, Finance Director

---

Reporting period 06/01/2019-06/30/2019

Run Date: 07/19/2019 - 08:53

Portfolio SCRW

AC

PM (PRF_PM) 7.3.0

Report Ver. 7.3.5
Wastewater Acronyms

NPDES - National pollutant Discharge Elimination System

WDR - Waste Discharge Requirements

WDID – Waste Discharge Identification

CWA - Clean Water Act

CWEA - California Water Environment Association

MGD - Million Gallons per Day

Gal - Gallons

Gpd - Gallons Per Day

Lbs - Pounds

Mg/L - Milligrams per Liter

ppm - Parts Per Million

BOD - Biochemical Oxygen Demand

COD - Chemical Oxygen Demand

DO - Dissolved Oxygen

MLSS - Mixed Liquor Suspended Solids

MLVSS - Mixed Liquor Volatile Suspended Solids

MPN - Most Probable Number

TDS - Total Dissolved Solids

TKN - Total Kjeldhal Nitrogen

TOC - Total Organic Carbon

TS - Total Solids

TSS - Total Suspended Solids

VS - Volatile Solids

VSS - Volatile Suspended Solids
Date: 7/26/2019

California Regional Water Quality Control Board
Central Coast Region
Attn: Monitoring and Reporting Review Section
Katie DiSimone
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401-7906

Dear Ms. DiSimone:

Facility Name: South County Regional Wastewater Authority
WDID Number: 3 430100001
WDR Order Number: R3-2017-0028
NPDES Permit Number: CA0049964

Contact Person: Chris Vasquez
Job Title: Assistant Project Manager
Phone Number: (408) 848-0480

Type of Report: Quarterly Land Discharge
Year: 2019
Address: 1500 Southside Drive
Gilroy, CA 95020
Month: April-June

Violation(s): ☒ No ☐ Yes

In accordance with the Standard Provisions and Reporting Requirements, I certify under penalty of law that this document and all attachments were prepared under my direction or supervision following a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my knowledge of the person(s) who manage the system, or those directly responsible for data gathering, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

If you have any questions or require additional information, please contact me at the number provided above.

Sincerely,

[Signature]

Name: Chris Vasquez
Title: Assistant Project Manager

CC: Gabriel A. Gonzalez, SCRWA General Manager
    Chris Ghione, Morgan Hill Director of Public Works
    Saeid Vaziry, Gilroy Environmental Program Manager
Date: 7/26/2019

California Regional Water Quality Control Board
Central Coast Region
Attn: Monitoring and Reporting Review Section
Katie DiSimone
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401-7906

Dear Ms. DiSimone:

<table>
<thead>
<tr>
<th>Facility Name</th>
<th>South County Regional Wastewater Authority</th>
</tr>
</thead>
<tbody>
<tr>
<td>WDID Number</td>
<td>3 430100001</td>
</tr>
<tr>
<td>WDR Order Number</td>
<td>R3-2017-0028</td>
</tr>
<tr>
<td>NPDES Permit Number</td>
<td>CA0049964</td>
</tr>
<tr>
<td>Contact Person</td>
<td>Chris Vasquez</td>
</tr>
<tr>
<td>Job Title</td>
<td>Assistant Project Manager</td>
</tr>
<tr>
<td>Phone Number</td>
<td>(408) 848-0480</td>
</tr>
<tr>
<td>Type of Report</td>
<td>Quarterly Groundwater</td>
</tr>
<tr>
<td>Year</td>
<td>2019</td>
</tr>
<tr>
<td>Address</td>
<td>1500 Southside Drive</td>
</tr>
<tr>
<td>Address</td>
<td>Gilroy, CA</td>
</tr>
<tr>
<td>Phone Number</td>
<td>95020</td>
</tr>
<tr>
<td>Month</td>
<td>April-June</td>
</tr>
<tr>
<td>Violation(s)</td>
<td>☒ No</td>
</tr>
<tr>
<td>☐ Yes</td>
<td></td>
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</table>

In accordance with the Standard Provisions and Reporting Requirements, I certify under penalty of law that this document and all attachments were prepared under my direction or supervision following a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my knowledge of the person(s) who manage the system, or those directly responsible for data gathering, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

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Sincerely,

[Signature]

Name: Chris Vasquez
Title: Assistant Project Manager

CC: Gabriel A. Gonzalez, SCRWA General Manager
Chris Ghione, Morgan Hill Director of Public Works
Saeid Vaziry, Gilroy Environmental Program Manager
Date: 7/26/2019

California Regional Water Quality Control Board
Central Coast Region
Attn: Monitoring and Reporting Review Section
Katie DiSimone
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401-7906

Dear Ms. DiSimone:

Facility Name: South County Regional Wastewater Authority
WDID Number: 3430100001
WDR Order Number: R3-2017-0028
NPDES Permit Number: CA0049964

Contact Person: Chris Vasquez
Job Title: Assistant Project Manager
Phone Number: (408) 848-0480

Type of Report: Quarterly Surface Water
Year: 2019

Address: 1500 Southside Drive
Gilroy, CA 95020

Month: April-June
Violation(s): ☐ No ☐ Yes

In accordance with the Standard Provisions and Reporting Requirements, I certify under penalty of law that this document and all attachments were prepared under my direction or supervision following a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my knowledge of the person(s) who manage the system, or those directly responsible for data gathering, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

If you have any questions or require additional information, please contact me at the number provided above.

Sincerely,

[Signature]

Name: Chris Vasquez
Title: Assistant Project Manager

CC: Gabriel A. Gonzalez, SCRWA General Manager
Chris Ghione, Morgan Hill Director of Public Works
Saeid Vaziry, Gilroy Environmental Program Manager
Date: 7/17/2019

California Regional Water Quality Control Board
Central Coast Region
Attn: Monitoring and Reporting Review Section
Katie DiSimone
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401-7906

Dear Ms. DiSimone:

Facility Name: South County Regional Wastewater Authority
WDID Number: 3430100001
WDR Order Number: R3-2017-0028
NPDES Permit Number: CA0049964

Contact Person: Chris Vasquez
Job Title: Assistant Project Manager
Phone Number: (408) 848-0480

Address: 1500 Southside Drive
Gilroy, CA
95020

Type of Report: Monthly Land Discharge
Month: June
Year: 2019

Violation(s): ☒ No ☐ Yes

The BOD Standard (GGA) did not meet QC requirements. The results of the GGA was 233 mg/L. The Blank was 0.14 mg/L and the dilution blanks were at 0.96 mg/L. The Secondary Effluent averaged 4.04mg/L.

In accordance with the Standard Provisions and Reporting Requirements, I certify under penalty of law that this document and all attachments were prepared under my direction or supervision following a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my knowledge of the person(s) who manage the system, or those directly responsible for data gathering, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

If you have any questions or require additional information, please contact me at the number provided above.

Sincerely,

[Signature]

Name: Chris Vasquez
Title: Assistant Project Manager
Date: 7/17/2019

California Regional Water Quality Control Board  
Central Coast Region  
Attn: Monitoring and Reporting Review Section  
Katie DiSimone  
895 Aerovista Place, Suite 101  
San Luis Obispo, CA 93401-7906

Dear Ms. DiSimone:

Facility Name: South County Regional Wastewater Authority  
WDID Number: 3 430100001  
WDR Order Number: R3-2017-0028  
NPDES Permit Number: CA0049964

Contact Person: Chris Vasquez  
Job Title: Assistant Project Manager  
Phone Number: (408) 848-0480

Type of Report: Monthly Effluent, Influent, WET  
Month: June  
Year: 2019  
Address: 1500 Southside Drive  
Gilroy, CA  
95020

Violation(s): ☒ No ☐ Yes

The BOD Standard (GGA) did not meet QC requirements. The results of the GGA was 233 mg/L. The Blank was 0.14 mg/L and the dilution blanks were at 0.96 mg/L. The Influent BOD averaged to 412 mg/L.

In accordance with the Standard Provisions and Reporting Requirements, I certify under penalty of law that this document and all attachments were prepared under my direction or supervision following a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my knowledge of the person(s) who manage the system, or those directly responsible for data gathering, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

If you have any questions or require additional information, please contact me at the number provided above.

Sincerely,

[Signature]

Name: Chris Vasquez  
Title: Assistant Project Manager
Date: 8/28/2019

California Regional Water Quality Control Board  
Central Coast Region  
Attn: Monitoring and Reporting Review Section  
Katie DiSimone  
895 Aerovista Place, Suite 101  
San Luis Obispo, CA 93401-7906

Dear Ms. DiSimone:

Facility Name: South County Regional Wastewater Authority  
WDID Number: 3430100001  
WDR Order Number: R3-2017-0028  
NPDES Permit Number: CA0049964

Contact Person: Chris Vasquez  
Job Title: Assistant Project Manager  
Phone Number: (408) 848-0480

Type of Report: Monthly Land Discharge  
Month: July  
Year: 2019  
Violation(s): ☑ No ☐ Yes

On July 22, 2019 the lab read the secondary effluent BOD for the sample collected on July 16, 2019. The duplicate value on the secondary effluent result was 29.89%. The first sample depleted more than the second. All Effluent BOD samples collected in July were split between the SCRWA lab and Alpha Analytical and the averages were reported.

In accordance with the Standard Provisions and Reporting Requirements, I certify under penalty of law that this document and all attachments were prepared under my direction or supervision following a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my knowledge of the person(s) who manage the system, or those directly responsible for data gathering, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

If you have any questions or require additional information, please contact me at the number provided above.

Sincerely,

Name: Chris Vasquez  
Title: Assistant Project Manager
Date: 8/28/2019

California Regional Water Quality Control Board
Central Coast Region
Attn: Monitoring and Reporting Review Section
      Katie DiSimone
      895 Aerovista Place, Suite 101
      San Luis Obispo, CA 93401-7906

Dear Ms. DiSimone:

Facility Name: South County Regional Wastewater Authority
WDID Number: 3 430100001
WDR Order Number: R3-2017-0028
NPDES Permit Number: CA0049964

Contact Person: Chris Vasquez
Job Title: Assistant Project Manager
Phone Number: (408) 848-0480

Type of Report: Monthly Effluent, Influent, WET
Month: July
Year: 2019

Violation(s): ☒ No ☐ Yes

All Influent BOD samples collected in July were split between the SCRWA lab and Alpha Analytical and the averages were reported.

In accordance with the Standard Provisions and Reporting Requirements, I certify under penalty of law that this document and all attachments were prepared under my direction or supervision following a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my knowledge of the person(s) who manage the system, or those directly responsible for data gathering, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment.

If you have any questions or require additional information, please contact me at the number provided above.

Sincerely,

Name: Chris Vasquez
Title: Assistant Project Manager
July 17, 2019

Mr. Gabriel A. Gonzalez
South County Regional Wastewater Authority
7351 Rosanna Street Gilroy, CA 95020

Subject: Monthly Recap of Expenses Project-to-Date June 2019

Dear Gabe,

The project-to-date financial information for June is portrayed in the Operations, Electricity and Solids Disposal Categories for the Municipal Facility.

Through June, total operating expenses, amount to $613,833.

Repair costs in June amount to $41,318. Year to date, this represents 64% of the $596,776 repair budget.

Should there be any questions, please do not hesitate to contact me.

Regards,

Chris Vasquez
Jacobs Assistant Project Manager
via email

cc: Chris Vasquez, Jacobs (email)
    Joe Hall, City of Gilroy (email)
    Cary Li, Jacobs (email)
    File 7.05-31
# South County Regional Wastewater Authority

## Recap of Expenditures Through June, 2019

<table>
<thead>
<tr>
<th>Municipal</th>
<th>Actual</th>
<th>Budget</th>
<th>Actual</th>
<th>Budget</th>
<th>Project to Date</th>
<th>Total Annual Budget</th>
<th>% Expended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Costs (Not Including Repairs &amp; Solids)</td>
<td>282,988</td>
<td>283,792</td>
<td>2,853,200</td>
<td>3,405,498</td>
<td>3,405,498</td>
<td>84%</td>
<td></td>
</tr>
<tr>
<td>Indirect Costs (Overhead &amp; Mgt Fee)</td>
<td>75,798</td>
<td>75,798</td>
<td>909,575</td>
<td>909,575</td>
<td>909,575</td>
<td>100%</td>
<td></td>
</tr>
<tr>
<td>Prevailing Wage</td>
<td>12,771</td>
<td>25,000</td>
<td>182,683</td>
<td>300,000</td>
<td>300,000</td>
<td>61%</td>
<td></td>
</tr>
<tr>
<td>Repairs</td>
<td>41,318</td>
<td>49,731</td>
<td>381,552</td>
<td>596,776</td>
<td>596,776</td>
<td>64%</td>
<td></td>
</tr>
<tr>
<td>Solids Disposal</td>
<td>64,220</td>
<td>72,483</td>
<td>738,151</td>
<td>869,801</td>
<td>869,801</td>
<td>85%</td>
<td></td>
</tr>
<tr>
<td>Electricity</td>
<td>138,738</td>
<td>143,594</td>
<td>939,459</td>
<td>1,723,124</td>
<td>1,723,124</td>
<td>55%</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>613,833</td>
<td>650,398</td>
<td>6,004,822</td>
<td>7,804,775</td>
<td>7,804,775</td>
<td>77%</td>
<td></td>
</tr>
</tbody>
</table>
August 21, 2019

Mr. Gabriel A. Gonzalez
South County Regional Wastewater Authority
7351 Rosanna Street Gilroy, CA 95020

Subject: Monthly Recap of Expenses Project-to-Date July 2019

Dear Gabe,

The project-to-date financial information for July is portrayed in the Operations, Electricity and Solids Disposal Categories for the Municipal Facility.

Through July, total operating expenses, amount to $787,558.

Repair costs in July amount to $31,488. Year to date, this represents 5% of the $618,260 repair budget.

Should there be any questions, please do not hesitate to contact me.

Regards,

Chris Vasquez
Jacobs Assistant Project Manager

via email

cc: Brenda Miles, Jacobs (email)
Joe Hall, City of Gilroy (email)
Cary Li, Jacobs (email)
File 7.05-31
SOUTH COUNTY REGIONAL WASTEWATER AUTHORITY

Recap of Expenditures Through
JULY, 2019

<table>
<thead>
<tr>
<th>MUNICIPAL</th>
<th>ACTUAL</th>
<th>BUDGET</th>
<th>ACTUAL</th>
<th>BUDGET</th>
<th>TOTAL ANNUAL</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>DIRECT COSTS (Not Including Repairs &amp; Solids)</td>
<td>221,023</td>
<td>268,108</td>
<td>221,023</td>
<td>268,108</td>
<td>3,217,297</td>
<td>7%</td>
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<tr>
<td>INDIRECT COSTS (Overhead &amp; Mgt Fee)</td>
<td>78,072</td>
<td>78,072</td>
<td>78,072</td>
<td>78,072</td>
<td>936,862</td>
<td>8%</td>
</tr>
<tr>
<td>PREVAILING WAGE</td>
<td>21,156</td>
<td>25,900</td>
<td>21,156</td>
<td>25,900</td>
<td>310,800</td>
<td>7%</td>
</tr>
<tr>
<td>REPAIRS</td>
<td>31,488</td>
<td>51,522</td>
<td>31,488</td>
<td>51,522</td>
<td>618,260</td>
<td>5%</td>
</tr>
<tr>
<td>SOLIDS DISPOSAL</td>
<td>70,142</td>
<td>72,483</td>
<td>70,142</td>
<td>72,483</td>
<td>869,801</td>
<td>8%</td>
</tr>
<tr>
<td>ELECTRICITY</td>
<td>365,578</td>
<td>143,594</td>
<td>365,578</td>
<td>143,594</td>
<td>1,723,124</td>
<td>21%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>787,558</td>
<td>639,679</td>
<td>787,558</td>
<td>639,679</td>
<td>7,576,144</td>
<td>10%</td>
</tr>
</tbody>
</table>
July 15, 2019

Sally Lee  
Santa Clara Dept. of Environmental Services  
1555 Berger Drive, Bldg. 2, Suite 300  
San Jose, CA  95112-2716

Re:  Septage Disposal – June 2019  
South County Regional Wastewater Authority

Dear Ms. Lee,

Attached is the Septage Disposal Report for the SCRW A facility which shows monthly volume and fees, and haulers daily volume summary.

Sincerely,

Gina Bonnell  
Project Assistant  
Jacobs – Gilroy/Morgan Hill

via email:  
sally.lee@cep.sccgov.org  
swadmin@cep.sccgov.org  
gabe.gonzalez@cityofgilroy.org  
christopher.vasquezl@jacobs.com

cc:  File 16.12
# Monthly Septage Summary

**June 2019**

<table>
<thead>
<tr>
<th>Date</th>
<th>Ads Septic</th>
<th>Cide Septage</th>
<th>Clean Brothers</th>
<th>Cost</th>
<th>Crown Sanitation</th>
<th>Morton Septic</th>
<th>NaxtCrop</th>
<th>Nor Cal Septage</th>
<th>Raya</th>
<th>SCS Septic</th>
<th>Park Septic Services</th>
<th>City of Gilroy</th>
<th>City of Morgan Hill</th>
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<tbody>
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**Total GAL:**
- 19,800
- 10,460
- 3,200
- 4,420
- 78,400
- 2,300
- 11,300
- 350
- 1,100.00
- 8,400
- 50
- 100

**Total $:**
- 2,940.00
- 1,567.50
- 480.00
- 663.00
- 11,760.00
- 420.00
- 1,880.00
- 127.50
- 165.00
- 1,260.00
August 12, 2019

Sally Lee
Santa Clara Dept. of Environmental Services
1555 Berger Drive, Bldg. 2, Suite 300
San Jose, CA 95112-2716

Re: Septage Disposal - July 2019

Dear Ms. Lee,

Attached is the Septage Disposal Report for the SCRWA facility which shows monthly volume and fees, and haulers daily volume summary.

Sincerely,

Gina Bonnell
Project Assistant
Jacobs – Gilroy/Morgan Hill

via email: sally.Lee@cep.sccgov.org
swpadmin@cep.sccgov.org
gabe.gonzalez@cityofgilroy.org
christopher.vasquez1@jacobs.com

cc: File 16.12
## Monthly Septage Summary

*July 2019*

<table>
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<tr>
<th>Date</th>
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<th>Crown Sanitation</th>
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TREATMENT CAPACITY EXPANSION PROJECT

Project Phase: In Design Development
Project Status: On Schedule - 90% design underway

The development of final design, preparation of technical specifications and environmental CEQA documents are currently underway. Design Review Workshop with plant staff was conducted in June 2019. Loading and flow study is underway to evaluate project timing and determine plant's operating capacity, and project update is scheduled with the Board in September 2019.

<table>
<thead>
<tr>
<th>Status</th>
<th>2019</th>
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<tbody>
<tr>
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<th>Loading Capacity and Flow Study Update</th>
<th>Design Workshop</th>
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<th>Project Presentation</th>
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<td>Spring 2019 - Plant staff</td>
<td>Summer 2019</td>
<td>September 2019 - SCRWA Board</td>
</tr>
</tbody>
</table>

RECYCLED WATER PUMP STATION IMPROVEMENTS

Project Phase: In Construction
Project Status: On Schedule - Construction near completion

Construction activities include testing of mechanical and electrical equipment. Construction management and inspection services are near completion. Current work includes review of submittals, shop drawings, contract document clarifications, and contractor’s request for information. Project is moving into operations commissioning phase.

<table>
<thead>
<tr>
<th>Status</th>
<th>2019</th>
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<tbody>
<tr>
<td></td>
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<tr>
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<th>Board Approval</th>
<th>Construction Start</th>
<th>Construction End</th>
<th>System Commissioning</th>
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<td>June 2018</td>
<td>Summer 2019</td>
<td>Fall 2019</td>
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</table>

NEW MAINTENANCE FACILITY

Project Phase: In Design Development
Project Status: On Schedule - Plans submitted to city planning dept. for building permit

The final design and site layout to retrofit the existing facility and decommission an abandoned influent pump station is currently underway. Building design package was submitted for City of Gilroy Plan Check in June 2019. Plan Check comments are expected in summer 2019.

<table>
<thead>
<tr>
<th>Status</th>
<th>2019</th>
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<tr>
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<th>City Plan Check</th>
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<td>Forecast</td>
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<td>June 2019</td>
<td>Summer 2019</td>
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</table>
Engineering Projects Report  
September 4, 2019

VACUUM TRUCK WASTE RECEIVING STATION PROJECT

Project Phase: In Construction  
Project Status: Ahead of Schedule – Construction completion in spring 2020  
Construction commenced after kickoff meeting in May 2019. Construction management and inspection services are ongoing. Current activities include site excavation, civil pipeline, and structural slab foundation, and current work includes review of submittals, shop drawings, contract document clarifications, and contractor’s request for information.

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<thead>
<tr>
<th>Status</th>
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<td>May 2019</td>
<td>Dec 2019</td>
<td>Spring 2020</td>
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UV DISINFECTION FACILITY

Project Phase: In Operations Permit  
Project Status: On Schedule – Full operations in winter 2019  
The revision of operating requirements with incorporation of regulatory comments is complete and regulatory approval was received from State Department of Drinking Water. Application for permit exemption submitted to Air District in August 2019. The preparation of standard operating procedures and system calibration to meet permit compliance, and preparation of Record Drawings is currently underway. System is expected fully operational by winter 2019.

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<th>Status</th>
<th>2019</th>
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<th>System Operation</th>
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NPDES/WDR PERMIT RENEWAL

Project Phase: In Permit Compliance  
Project Status: On Schedule – Ongoing tasks for permit requirements  
State permit was adopted in Sept 2017. A groundwater study and report as required by the Permit was submitted in April 2018. Groundwater contour mapping for the Second Quarter Groundwater Monitoring report was completed in June 2019.

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<tr>
<th>Key Milestones</th>
<th>Receipt of Adopted Permit</th>
<th>Groundwater Contour Study</th>
<th>Permit Compliance</th>
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SOLAR ENERGY PROJECT

Project Phase: In Operations
Project Status: On Schedule – Ongoing monitoring and maintenance tasks
Solar facility for Influent Pump Station (190-kW capacity) has been in operations and the solar facility for the wastewater treatment systems (1.1-MW capacity) was restored to operations after the transformer replacement work was completed in August 2019. SCRWA counsel reviewed possible avenues of contractual remedy for utility supply guaranty as part of the Power Purchase Agreement.

RECYCLED WATER SYSTEM SUPPORT

Project Phase: In Operations
Project Status: On Schedule – Ongoing operations, maintenance, and customer support
Ongoing review of customer permits, site inspections, and update of records for new and existing users are in progress. Annual self-inspection and Recycled Water Users Training is ongoing for summer 2019. Review comments and collaboration with SCVWD on Countywide Water Reuse Master Plan effort continues.
MEMBERS PRESENT:  STAFF PRESENT:  VALLEY WATER:

Larry Carr  Girum Awoke  Chris Ghione  Richard Santos
Marie Blankley  Gabe Gonzalez  Christina Turner  John Varela
Fred Tovar  Jimmy Forbis  Dan Repp  Saeid Vaziry
  Dat Nguyen

Chairman Tovar called the meeting to order at 8:00 A.M.

I. Certification of Posting of the Agenda

Chris Vasquez reported the agenda was posted on August 29, 2019 at 8:21 A.M.

II. Roll Call

Directors Bracco and Spring were absent

III. Consent Calendar

A. Approval of Minutes of the July 3, 2019 Meeting

  Motion to approve Consent Calendar moved by Vice Chairman Car, seconded by Director Blankley.
  Ayes: 3, Nays 0, Abstain: 0

B. Approval of Agricultural Lease Agreements

  1. Second Amendment to Agreement with B&T Farms for Assessor’s Parcel No. 841-28-001 containing 49.1 gross acres, approximately 40.0 farmable acres of land.

  2. Second Amendment to Agreement with B&T Farms for Assessor’s Parcel No. 841-29-024 containing 66.9 gross acres, approximately 37.0 farmable acres of land.

  3. Agreement with SF Farms for Assessor’s Parcel No. 841-30-004 containing 141.8 gross acres, approximately 125.1 farmable acres of land.

  4. Agreement with SF Farms for Assessor’s Parcel No. 841-30-003 containing 104.4 gross acres, approximately 60.0 farmable acres of land.
Motion to approve Agricultural Lease Agreements moved by Vice Chairman Car, seconded by Director Blankley. 
Ayes: 3, Nays 0, Abstain: 0

C. Approval to Enter into Fourth Amendment to Agreement with Berliner Cohen to Provide Legal Services for SCRWA

Motion to Enter into Fourth Amendment to Agreement with Berliner Cohen to Provide Legal Services for SCRWA moved by Vice Chairman Car, seconded by Director Blankley.
Ayes: 3, Nays 0, Abstain: 0

IV. Presentation by Members of the Public on items not on the Agenda

V. Bids and Proposals

VI. Old Business

VII. New Business

A. Mengli Shi of Stantec presented the Treatment Capacity Expansion Project Update and Jimmy Forbis discussed financing plans. Questions from Board Members were answered. Director Santos from Valley Water commented on financial options and Mr. Gonzalez from the City of Gilroy responded that P3 and Grants are not feasible. Doug Muirhead from Morgan Hill brought up concerns of plant expansion vs. redirecting water from SCRWA to process locally in Morgan Hill. Saeid Vaziry noted that a technical memo has been drafted for the project. Billy Wong of Stantec mentioned that the current expansion plan does not include a Morgan Hill scalping plant. The Board agreed to move forward with the current plant expansion timeline.

VIII. Communications


IX. Reports

A. Jacobs
1. Wastewater Acronyms
2. Plant Reports – June & July 2019
3. Recap of Expenses – June & July 2019
Chris Vasquez stated that quarterly and monthly reports were submitted on time with no violations. He clarified report numbers.

B. Valley Water – Directors Santos and Varela were in attendance. Director Varela reported that the groundbreaking ceremony was held in Morgan Hill for the Upper Llagas Creek Flood Protection project. He discussed the environmental and water supply impacts of climate change and how Valley Water is planning for that.

D. SCRWA Manager – Gabe Gonzalez thanked staff from both Gilroy and Morgan Hill for pulling together the expansion project financials.

E. SCRWA Attorney – Andy Faber recognized Chris Cain for being instrumental 30 years ago in helping develop the original EIR for Llagas Creek.

F. Board Members – No Report

X. Adjourn

Chairman Tovar adjourned the meeting at 9:00 A.M.

Gina Bonnell, Deputy Secretary of the Board
South County Regional Wastewater Authority