

EXHIBIT "A"

SANTA CRUZ WATER DEPARTMENT ADMINISTRATIVE REGULATIONS FOR APPLICANT-FINANCED REPLACEMENT OF INADEQUATE WATER MAINS

Should City not be able to complete a main replacement within a time frame convenient to Applicant, and should Applicant elect to undertake the main replacement at his/her own expense, the following administrative regulations shall apply:

1. Applicant shall enter into a Main Replacement Agreement with City. Applicant may enter into such an Agreement only upon presenting evidence of a valid building permit for the project, or evidence of Planning Department approval of the project. This evidence may include one or more of the following: a valid Zoning Use Permit; proof of having filed a Final Parcel Map or Final Map; and/or approved final construction plans for off-site improvements other than water. Applicant shall also provide evidence that he/she is the owner of record of the property to be served.
2. Construction must begin within one (1) year from contract execution date or the agreement will be null and void.
3. City will, subject to staff availability and other work priorities, prepare the engineering plans for Applicant. However, should Applicant elect to prepare his/her own plans due to time constraints or other reasons, City will not reimburse Applicant for the cost of the plan preparation. The Plans and Specifications for the work must be submitted to, and be approved by, the Water Department prior to construction.
4. All work shall conform with City of Santa Cruz Water Department Standard Specifications and Details.
5. Applicant shall obtain all required encroachment permits, and shall be responsible for all encroachment permit fees.
6. If any portion of the main replacement is to be constructed through private property, Applicant must provide right-of-way and/or easement documentation acceptable to City.
7. Applicant must obtain a minimum of three (3) competitive sealed bids for the work, and the sealed bids must be presented by the bidding contractors to the Water Department office to be publicly opened at a date and time scheduled with the Water Department. Bids must reflect the City's requirement that Contractors pay a Prevailing Wage for City-funded projects.

EXHIBIT "A"- continued

8. If the low bid is less than the Engineer's Estimate, the low bid will be the amount eligible for future reimbursement, subject to the conditions of City Code Section 16.04.051A (attached). If the low bid is higher than the Engineer's Estimate, the Engineer's Estimate will be the amount eligible for reimbursement. Should this occur, City may, at its discretion, elect to amend the Engineer's Estimate. Applicant may also elect to reject the bids and re-bid the project.
9. The contractor selected to do the work must comply with State and City requirements for licensure, bonding, and insurance prior to commencing work.
10. Applicant or contractor must provide the Water Engineering division a minimum of forty-eight (48) hours notice prior to commencing work.
11. As specified in the Santa Cruz Municipal Code Section 16.04.051A, City is not obligated to reimburse the cost of privately financed main replacements when funds are not available in the fiscal year in which the replacement is constructed. The City will, however, maintain a list of such projects in the order of the date the Main Replacement Agreement was entered into, and will reimburse applicants from this list in order of project completion in subsequent years if adequate funds are available, and all applications for main replacement or reimbursement filed previous to the application under consideration have been satisfied. Any such reimbursement shall only be made after acceptance of the main replacement work by the City and receipt of the "no unpaid claims" letter referenced in Section 15 of the City's standard form Water Main Replacement Application and Agreement.
12. Should change orders arise during the course of the project due to changed conditions, the City will add or deduct funds for reimbursement based on unit prices in the contractor's bid or if these are not available, the amount of the change order will be calculated by the City.

Approved: _____


Director

Dated: _____

10/22/04