REQUEST FOR PROPOSALS TO PROVIDE:

LOCAL HAZARD MITIGATION PLAN

RESPONSE DUE BEFORE 3:00 P.M. ON

February 28, 2024

San Lorenzo Valley Water District 13060
Highway 9
Boulder Creek, CA 95006
(831) 338-2153

SECTION I – INTRODUCTION

A. INTRODUCTION

The San Lorenzo Valley Water District (SLVWD or District) is seeking a qualified consultant to coordinate, facilitate, and prepare a SLVWD Local Hazard Mitigation Plan (LHMP) pursuant to the Disaster Mitigation Act of 2000, implementing regulations and guidance as they apply to Special Districts. The planning area shall cover the District's Sphere of Influence (see Appendix A). The plan shall also be consistent with the State of California's guidelines (44 CFR 201.6), the Federal Emergency Management Agency's (FEMA) requirement for an approved mitigation plan, and the FEMA Local Mitigation Plan Guidance.

SLVWD has received funding from the California Office of Emergency Services (Cal OES) Hazard Mitigation Grant Program (HMGP) for the development of this LHMP. The final FEMA- approved LHMP will help identify mitigation actions that will make SLVWD more disaster resistant and allow access to future Cal OES HMGP funding opportunities.

B. BACKGROUND

General

San Lorenzo Valley Water District is a water supplier established in 1941 that serves several communities within the 136 square-mile San Lorenzo River Watershed. The District provides water to two separate drinking water systems: The San Lorenzo Valley Water District and The San Lorenzo Valley Water District-Felton. These two drinking water systems have their own separate sources of drinking water supply. The systems have an interconnection which allows for the transfer of water between the two systems on an emergency basis.

The District's legal boundaries encompass approximately 62 square miles. Land uses include timber, State and regional parks, water supply watersheds, rural residential, low-density urban residential and commercial, quarries, agriculture, and other open space. The San Lorenzo River Watershed is divided by two faults – the Zayante and the Ben Lomond Faults – forming three distinct geologic areas, each with different soil types.

The District owns one contiguous piece of land of approximately 1,620 acres on Ben Lomond Mountain, 252 acres in the Felton/Fall Creek watershed, and another 325 acres in the Zayante Creek area. The Ben Lomond watershed land is rugged, steep, forested, and therefore generally prone to landslides. On SLVWD-owned lands, there are 5 municipal buildings, 55 water tanks, 9 water intakes, 7 wells, 32 pumping stations, over 190 miles of pipeline, and a variety of miscellaneous water supply structures.

Santa Cruz County has seen flooding, fire, earthquakes, and cliff retreat in the past, along with reoccurring droughts and periodic flood conditions. Several of the communities located within the District's service areas have been identified by the California Office of the State Fire Marshall as communities at risk of wildfire. The District watershed and water system were severely impacted by the CZU Lightning Complex Wildfire in 2020. The damage to District facilities was extensive, most

significantly to raw water supply lines, storage tanks, and cross-country water transmission pipelines, but also water treatment systems, pumps, and water-quality monitoring equipment.

More background information on the District is available in Appendix A: Reference Documents and Appendix B: Additional Background Information or on the District's website: https://www.slvwd.com/

SECTION II – SCOPE OF WORK

A. PROPOSED SCOPE OF SERVICES

Preparation of the Local Hazard Mitigation Plan shall cover the planning area of the District's Sphere of Influence (see Appendix A) and involve an inclusive District-wide planning process. The plan shall be organized into the following phases in accordance with the Disaster Mitigation Act planning process:

1. Planning Process
2. Hazard Identification
3. Risk Assessment
4. Mitigation Strategy
5. Plan Preparation and Drafting
6. Public Outreach, Meetings, and Public Comment
7. Plan Approval and Adoption

1. Planning Process

Consultant will assemble a Planning Team, define the planning area, and develop a public outreach strategy that will be utilized throughout the development of the LHMP.

- Identify a San Lorenzo Valley Water District (SLVWD) Planning Team consisting of key management staff from departments within the SLVWD.
- Prepare, organize, and maintain documentation that memorializes the entire planning process, informs the public and stakeholders of the overall approach, and serves as permanent record as to the plans development, public involvement, and decisions made.
- Develop and implement a public outreach strategy which conforms to the statutory requirements of the Code of Federal Regulations 44 CFR 201.6, the requirements of FEMA Local Mitigation Plan Guidelines, and the Community Rating System (CRS) program.
- Document, evaluate and incorporate input received from outreach efforts.
- Organize, assist in noticing, and facilitate a minimum of two (2) public outreach workshops.
    - The workshops should provide the public with an opportunity to interact with the LHMP Planning Team, introduce the public to the progress and outcomes of the LHMP planning process, review the outcomes of the hazard identification and risk assessment, and act as a public commenting tool for the Public Review Draft LHMP.
- Present at a minimum of two (2) Board of Directors meetings (which may coincide with public outreach workshops)
- Ensure neighboring communities, local and regional agencies involved in hazard mitigation

activities, agencies that have the authority to regulate development, as well as other to be determined interests are involved in the planning process as required by 44 CFR 201.6 (b)(2).
- This phase also includes administrative tasks, such as establishing project timeline tracking and accounting procedures.

2. Hazard Identification

The Hazard Identification phase will include a description and prioritization of the hazards that have occurred within the San Lorenzo Valley Water District's jurisdiction. The hazard categories may include all the following:

- Flood-related hazards
- Wildfire hazards
- Debris flows
- Earthquake hazards
- Severe weather-related hazards (extreme temperatures, drought, fog, heavy rains/thunderstorms, wind/lightning, etc.)
- Nuclear hazards
- Climate change hazards
- Other man-made hazards
- Other geologic and soil hazards
- Other hazards as identified by the consulting firm, District staff, neighboring Local Hazard Mitigation Plans, and other data sources

3. Risk Assessment

Risk assessment will include hazard mapping, a vulnerability assessment, and a capability assessment. Risk assessment results will form the foundation for the subsequent identification of the appropriate mitigation actions for reducing damages and losses.

a. Hazard Mapping

Hazard mapping will use the best available data that delineates areas affected by hazards as well as identify locations of local assets. The geographic information data will include an inventory for use in developing map data layers (to the extent data is available), of the following items relative to the multiple hazard area:

- Operational & Public buildings
- Critical facilities and infrastructure
- Maps of the location of parcels, structures, land use, and populations

b. Vulnerability Assessment

The vulnerability assessment will develop an overview of the District's vulnerability to specific hazards. Digital maps and GIS data will be developed that identify local assets that are located within known hazard areas. HAZUS will be used to model losses as appropriate. This vulnerability assessment will include:

- Types and numbers of buildings, infrastructure, and critical facilities located within the planning area and within identified hazard areas.
- Potential economic losses from identified hazards will be estimated through a process that utilizes HAZUS-MH or GIS analysis of County assessor's data with hazard locations.

- Description of land uses and development trends to advise future land use decisions.

c. Capability Assessment

The capability assessment will consist of an inventory of existing plans, policies, and procedures that the SLVWD has in place to reduce the effect of hazards. This will include protective measures under the National Flood Insurance Program (NFIP), building codes, zoning ordinances, completed or ongoing mitigation projects, and mitigation polices established in the general or comprehensive plans of other local jurisdictions.

- Identify and evaluate vulnerable assets and estimate loss potential of those assets.
- Describe natural, technological, and/or human caused hazards that have potential to affect the SLVWD's assets.
- For each hazard affecting the planning area, prepare a description of geographic location, extent, previous occurrences, and probability of future events.
- Prepare and provide an overall summary of each hazard profile and its impact on the community in accordance with 44 CFR 201.6 (c)(2)(ii).
- Identify addresses of NFIP insured structures that have been repetitively damaged by floods.
- Review existing studies, reports and plans related to historical disasters, and document disaster declaration history.
- Utilize FEMA's Hazus, RiskMAP products (and/or other appropriate software) to generate level 2 vulnerability assessments for earthquake and fire hazards.
- Develop a parcel-level inventory of vulnerable structures.
- Document the analysis and findings from this task element in a manner and format that planners, policy makers and community members can easily decipher. Technical data and output relevant to the risk assessment may be included in appendices.
- Include graphics and generate Geographic Information System (GIS) based maps that will illustrate the extent and location of each hazard, as well as other available information, within the defined planning area. All GIS based data and mapping shall be tied to the District's network.
- Develop strategies to expand upon and/or improve existing policies and programs.

4. Mitigation Strategy Development

The Mitigation Strategy development phase will develop mitigation actions to address identified hazards with the goal of reducing or avoiding long-term vulnerabilities. This phase will include identifying mitigation goals, mitigation actions, developing a mitigation action plan, and evaluating and prioritizing mitigation actions based on a planning level Benefit-Cost assessment. Consultant will complete the following tasks:

- Develop a comprehensive range of mitigation actions to reduce the effects of each hazard type identified in the risk assessment.
    - Mitigation strategy should address mitigating losses for new and existing buildings and infrastructure and for future infrastructure development areas.
    - This section will include a list of prioritized hazard mitigation action items that best meet the District's needs for hazard damage reduction.
    - Prioritization factors will include an analysis of proposed mitigation projects focused on several key areas, including but not limited to economic (including benefits and cost), engineering, technical, legal, environmental, social, and political feasibility.
- Define mitigation goal statements focused on reducing risk from identified hazards.
- Prepare a cost estimate on a defined comparative cost scale as a basis to compare and

prioritize mitigation actions.

- Identify how each mitigation action will be implemented, including who is responsible for various actions, funding mechanisms, timeframe for implementation, and implementation priority.
- Identify those mitigation actions for which there is no current or planned funding mechanism.
- Prepare a matrix that summarizes mitigation actions, priority, responsible party(ies), funding mechanisms, benefit/cost, and technical feasibility (similar to the example given on Page 6-14 of the FEMA Local Mitigation Planning Handbook).

5. Plan Preparation and Drafting

The plan preparation and drafting phases will have four primary objectives.

- Compile all data into a draft Local Hazard Mitigation Plan (LHMP) that meets all of FEMA's criteria.
- Submit an administrative draft to the District for review and incorporate feedback into the draft to prepare for public review and comment.
- Incorporate public review comments and submit a draft LHMP to Cal OES State Hazard Mitigation Officer (SHMO) for review and comment.
- Incorporate comments from Cal OES/SHMO and submit a final draft LHMP through Cal OES to FEMA for review and comment.

6. Public Outreach, Meetings, and Public Comment

The public will be engaged at all stages of the planning process - from plan review through adoption of the LHMP. Initial public engagement will utilize online outreach and direct public outreach to assess community perspectives of local hazards and concerns. SLVWD and Consultant will provide public notice and opportunity for comment for all planning phases requiring such notice, including review of the proposed draft update prior to adoption of the LHMP. Consultant will be responsible for the following tasks to meet the public outreach, meetings, and public comment objectives through development of a public outreach strategy:

- Conform to the statutory requirements of the Code of Federal Regulations 44 CFR 201.6, the requirements of FEMA Local Mitigation Planning Handbook, and the Community Rating System (CRS) program.
- Document, evaluate and incorporate input received from outreach efforts.
- Organize, assist in noticing and facilitate a minimum of two (2) public outreach workshops.
    - The workshops should provide the public with an opportunity to interact with the LHMP Planning Team, introduce the public to the progress and outcomes of the LHMP planning process, review the outcomes of the hazard identification and risk assessment, and act as a public commenting tool for the Public Review Draft LHMP.
- Present at a minimum of two (2) Board of Directors or Environmental and Engineering Committee meetings (which may coincide with public outreach workshops).
- Ensure neighboring communities, local and regional agencies involved in hazard mitigation activities, agencies that have the authority to regulate development, and other relevant interests are involved in the planning process as required by 44 CFR 201.6 (b)(2).

7. Plan Approval and Adoption

Following the plan preparation and drafting phases of the LHMP, Consultant will assist SLVWD staff with final adoption procedures by the San Lorenzo Valley Water District's Board of Directors and

incorporate adoption in the final LHMP. Once the LHMP plan is finalized, Consultant will secure final approval letter and plan review tool from FEMA.

During this phase, the consultant is to ensure the plan and planning process are completed to the satisfaction of, and in accordance with the criteria established by, FEMA. Should the LHMP not receive approval following CalOES and FEMA review, Consultant is responsible to review FEMA "required revision" comments provided and perform all necessary follow-on tasks to finalize the LHMP to the satisfaction of FEMA.

SECTION III – PROPOSAL REQUIREMENTS AND FORMAT

A. PROPOSAL REQUIREMENTS

Consultant is responsible for preparing an effective, clear, well-organized, and concise proposal. To be considered for selection, Consultant must submit a complete response which includes the following mandatory information in the following order.

B. PROPOSAL FORMAT

Proposals must be clear, succinct, and not to exceed 20 pages, excluding cover letter and resumes, on 8 1/2" x 11" paper of no less than 12-point font. Responses must follow the format outlined herein. SLVWD may reject as non-responsive, at its sole discretion, any proposal or part thereof that is incomplete, inadequate in its response, or departs in any substantive way from the required format. Proposal responses shall be organized in the following manner.

1. **Cover Letter/Letter of Intent (1-page max)**

2. **Project Understanding, Approach, and Schedule (6-page max)**
   - A statement concerning the ability of the firm to meet required time schedules.
   - A detailed outline describing how proposed individuals would conduct the project.
   - Detailed scope of services. This should be responsive to the requested scope of services with additional detail as necessary.
   - Detailed schedule based on the allowable construction contract working days showing all facets of work that will meet the District's objectives and goals in a timely manner

3. **Budget**
   - Proposers shall base their proposal price on the project scope of work.
   - The proposed fee shall be organized with an appropriate breakdown into subtasks.
   - The proposed fee schedule shall be provided, including the hourly rates of all staff (including sub-consultants) that will charge directly to the project for the project's duration.

The budget is anticipated to become an attachment to the contract between the Consultant and the District.

4. **Firm Qualifications, Team Organization, Experience and Certifications/Qualifications (3-page max, not including resumes)**
   - Legal name and address of the company.
   - Name, title, address and telephone number of contact person.
   - Previous experience.
   - Present workload (ability to respond).
   - Previous projects and present relationship with SLVWD.
   - Ability to perform the scope of services (all or a portion of the work as described).
   - Stability of firm.

5. **Past Project Performance (4-page max / 3 projects max)**
   - Provide a summary of the proposed Project Manager's performance in charge of similar projects. Include the following information:
     (1) Lead agency, contact name and phone number.
     (2) Project size and description.
     (3) Project budget and total dollar value of completed project.
     (4) Budgeted project schedule and total time to completion.

6. **Sub-Consultant Qualifications (3-page max)** **if relevant**
   Sub-Consultants will need to be approved by SLVWD post contract award.
   - Legal name, address, and contact information for Sub-Consultant company.
   - Ability to perform the scope of services.
   - The extent of subcontracting of work.
   - Previous experience and projects.
   - Present workload.
   - Ability to perform the scope of services.
   - The scope/extent of subcontracting of work – Firms will need to be approved by SLVWD post contract award.

7. **Insurance**

   Without limiting Consultant's indemnification of District, and prior to commencing any Services required under this Agreement, Consultant shall purchase and maintain in full force and effect, at its sole cost and expense, the following insurance policies with at least the indicated coverages, provisions and endorsements:
   - The Consultant and its subconsultants are required to name the District, its officers, agents and employees as additional insured on their liability insurance for activities undertaken pursuant to this Agreement.
   - Consultant shall file with District all certificates for required insurance policies for District's approval as to adequacy of insurance protection.
   - Commercial General Liability Policy (bodily injury and property damage): Policy limits are subject to review, but shall in no event be less than, the following:
     1) $1,000,000 Each Occurrence.
     2) $1,000,000 General Aggregate.
     3) $1,000,000 Professional Liability or Errors and Omissions
     4) $1,000,000 Workers' Compensation

Any insurance certificates are anticipated to become attachments to the Contract between the Consultant and the District.

C. SELECTION PROCESS

The District intends to enter into negotiations with the top ranked firm. Negotiations will cover: scope of work, contract terms and conditions, office arrangements, attendance requirements and appropriateness of the proposed fee schedule.

After negotiating a proposed agreement that is fair and reasonable the District Manager will present a contract to the District's Board for authorization to execute a contract with the responsive firm.

1. Evaluation Criteria

The evaluation criteria and the respective weights that will be given to each criterion are as follows:

EVALUATION CRITERIA	**Weight**
Understanding of Scope of Work Requested	25%
Experience with Similar Kinds of Work	20%
Quality of Staff Assigned to Project	20%
Past Performance, Including Cost and Schedule Control	20%
Proposed Fee	10%
Firm's Local Experience	5%
TOTAL:	**100%**

D. SELECTION SCHEDULE

The District anticipates that the process for selection of firms and awarding of the contract will be according to the following tentative schedule:

Proposal Due Date	**February 28, 2024**
Environmental Committee Review	**March 19, 2024**
Board of Directors Approval	**April 4, 2024**
Final Selection and Notification	**April 8, 2024**

E. SUBMITTAL REQUIREMENTS

1. Submit one electronic copy of the Proposal in PDF format by email. The proposal shall be signed by an individual, partner, officer or officers authorized to execute legal documents on behalf of the Consultant.

2. The Proposal must be received no later than **3:00 p.m.** local time, on or before **February 28, 2024** at the office **or** emailed to:

San Lorenzo Valley Water District
13060 Highway 9
Boulder Creek, CA 95006

Or

cblanchard@slvwd.com
Attn: Carly Blanchard, Environmental Programs Manager

Failure to comply with the requirements of this RFP may result in disqualification. Questions regarding this RFP shall be submitted in writing to **cblanchard@slvwd.com** by February 21, 2024, and will receive responses promptly. The District will not respond to questions submitted after February 21, 2024.

Appendix A: Reference Documents

Document Links

a) SLVWD Sphere of Influence Map
b) SLVWD Watershed Management Plan
c) County of Santa Cruz Hazard Mitigation Plan
d) SLVWD Emergency Response Plan (internal document – available upon request)

Appendix B: Additional Background Information

San Lorenzo Valley Water District (SLVWD or District) is an rural/urban water supplier to approximately 23,700 customers in Santa Cruz County, California. The District's legal boundaries encompass approximately 62 square miles within the San Lorenzo River watershed. Land uses are dominantly state and regional parks and other open space, water-supply watersheds, areas zoned rural residential and low-density urban residential and commercial (including schools), along with minor quarrying, logging and agriculture. Much of the land within the legal boundaries consists of state parks and uninhabited forest, such that the District's actual service area comprises approximately 26 square miles.

The District was established in 1941, and is a Special District organized under Section 71000 of the California Water Code. The District has grown over time by the amalgamation of small mutual water systems. It currently operates and maintains two water systems, the SLVWD system and the SLVWD-Felton system, which have different service areas and water sources. The SLVWD system service area includes the unincorporated communities of Boulder Creek, Brookdale, Ben Lomond, Quail Hollow, Glen Arbor, Zayante, and Lompico, as well as the following neighborhoods in and adjacent to the city of Scotts Valley: Hidden Glen, Lockewood Lane, Pasatiempo, Whispering Pines, Manana Woods and the Spring Lakes and Vista Del Lago mobile home parks. The SLVWD-Felton system service area includes the unincorporated community of Felton and neighborhoods along Highway 9 south of Felton to Big Trees and on the west outskirts of Felton along Felton - Empire Grade Road. The two systems are connected by interties that allow transfer of water between them on an emergency basis.

The District relies on both surface water and groundwater resources, which are ultimately derived solely from rainfall within the San Lorenzo River watershed. Surface water is obtained from nine stream diversions (six of which are currently inactive due to damage sustained in the 2020 CZU wildfire). Groundwater is obtained from one spring and eight active wells. The District has limited above-ground storage capacity equal to only a few days' average use; hence, the District relies on groundwater for seasonal and year-to-year storage. The District produces and treats water based on short-term water demand. The water treatment plant for the SLVWD system is located above the community of Boulder Creek; the plant for the SLVWD-Felton system is located on Kirby Street in downtown Felton.

The scale and complexity of SLVWD's water distribution system reflect the San Lorenzo Valley's rugged topography, its low-density pattern of development, and widely distributed raw water sources. The resulting highly dispersed system results in the District maintaining 37 pressure zones. All but one zone include a booster station to pump potable water up to the tank(s) associated with a particular zone. The cost to run each booster station pump is mostly a function of the elevation gain between pump station and tank(s); age and design efficiency play a smaller part in determining energy expenditure. The District's dispersed layout requires that many zones are "pass-through" zones, meaning that potable water must be pumped from a treatment plant up to a zone, then pumped again up to a second, third, or even fourth zone. As a result, pumping costs differ from zone to zone.

a) Small Wastewater System

The District operates the Bear Creek Estates Wastewater System, which collects and treats domestic wastewater flow from 56 homes in and around the neighborhoods along Deerwood Drive, Harmon

Gulch and Timberwood Road north of the community of Boulder Creek.

From 2005 through 2013, the District completed several upgrades aimed at achieving regulatory compliance and improved efficiency of nitrogen removal. This involved modifying the existing treatment septic system to incorporate a 3-stage trickling filter system, new internal recirculation/splitter/ball valves, and new air blowers with high-capacity disc diffusers in the clarifier tanks. There are still significant improvements to the wastewater system needed to meet modern State regulatory requirements.

There are no dedicated wastewater system employees. The system is operated on a routine or as-needed basis with District staff from the Water Fund Operations & Distribution or Supply & Treatment Departments. The District is in negotiations with the County to take over operation of the wastewater system as part of a larger project in the community of Boulder Creek.

b) Impacts of the CZU Lightning Complex Wildfire of 2020

The District watershed and water system, as well as some of its ratepayers, were severely impacted by the CZU Lightning Complex Wildfire in 2020. The damage to District facilities was extensive, most significantly to raw water supply lines, storage tanks, and cross-country water transmission pipelines, but also water treatment systems, pumps, and water-quality monitoring equipment.

The District anticipates receiving partial financial assistance through the Federal Emergency San Lorenzo Valley Water District General Manager Recruitment Services 8 Management Agency (FEMA) to help cover the costs of emergency response, recovery, and permanent repairs. The District will be responsible for paying up front all of these costs (and other CZU Wildfire costs that are not reimbursable by FEMA). Once projects are complete, the District will submit eligible project costs for FEMA reimbursement.

The District implemented a Fire Recovery Surcharge through the Proposition 218 process in August 2021 to help recover an estimated $5M in CZU Wildfire costs not covered by FEMA. The surcharge added a monthly charge of about $10 per ratepayer. The surcharge will last about 5 years and will automatically terminate once $5 million is collected by the District. The $5M surcharge amount was based on the assumptions that FEMA would reimburse 75% of an estimated $20M cost for fire recovery and repair of damaged infrastructure.

Since the adoption of the Fire Recovery Surcharge, key assumptions on which the surcharge was based have changed. The FEMA cost-share percentage increased from 75% to 90%. The initial cost estimate of approximately $20M in total damages has proven to be far too low, especially in light of current estimates for the cost of replacing 7 miles of above-ground, raw-water pipeline destroyed in the CZU Wildfire.

A constructability study completed by the engineering firm Freyer & Laureta in 2022 evaluated various replacement options, including replacing the pipelines at grade, and recommended that the destroyed pipelines be replaced with buried HDPE pipe to protect from future wildfires at an estimated cost of about $50M. A subsequent peer review of the Freyer & Laureta engineering report completed by Haro Kasunich & Associates in November 2022 concluded that Freyer & Laureta had underestimated the environmental impact and difficulty of constructing a 12’-wide bench to accommodate burial of the pipeline given the steep slopes and difficult access. The District is

currently acquiring additional cost information on various options. FEMA will reimburse 90% of eligible costs associated with constructing the pipelines above ground as they were prior to the CZU wildfire, but it is not yet known what proportion of an additional cost to bury the pipelines would be covered.

The District will have many other fire recovery expenses in addition to the cross-country pipelines. Given the escalation in the estimated costs of recovery since the implementation of the surcharge, even with the increase in FEMA reimbursement to 90%, it is clear that the $5M surcharge will not cover the District's non-reimbursed fire recovery expenses. Although difficult to estimate due to escalating costs of construction and uncertainties about FEMA reimbursement, the current estimate for total cost of recovery from the CZU Fire is about $75M. Because not all expenses are reimbursable by FEMA and some projects will be reimbursed for less than the nominal 90%, it is estimated that on average about 75% of the costs will be reimbursed. This leaves $15M, after the $5M from the CZU Fire surcharge, that the District will need to fund in recovery-related capital expenditures over the next few years.

The District is in the process of consolidating with two small water systems that were destroyed in the CZU Fire. Bracken Brae and Forest Springs are located along Big Basin Way, outside the District's current service areas but within the District's legal boundaries. The majority of the funding for infrastructure to add the approximately 150 connections to the SLVWD will be provided by grants from the California Department of Water Resources.

c) Repair of damage from Winter 2022-23 storms

Central and northern California experienced the wettest 3-week period in the last 161 years during a series of "atmospheric river" events December 27, 2022 through January 16, 2023. Surface water intakes on creeks were damaged by high, debris-laden flows. Saturated ground combined with high winds led to many landslides and fallen trees that damaged District access roads and caused earth San Lorenzo Valley Water District General Manager Recruitment Services 9 movements that broke water mains. Current cost estimates for damage exceed $4M. California has secured a Presidential Major Disaster Declaration, which will make FEMA funds available for assistance in making repairs. It is anticipated that 75% of eligible expenses will be reimbursed by FEMA.

The addition of storm-related repairs to recovery from the CZU Fire will create cash-flow concerns that need to be considered, given that reimbursement by FEMA for allowed expenses is a complicated, slow process. This disaster-related work is further stretching the capacity of our relatively small staff to undertake and coordinate repairs and may require an examination of staffing levels.

d) Ongoing Investments in Infrastructure

The District has a backlog of capital improvement projects as a consequence of decades of underinvestment in infrastructure. In 2019 the District contracted with Akel Engineering to create a Water Master Plan (WMP) and Capital Improvement Plan (CIP). This work was completed in 2021.

The CIP included recommendations for rehabilitation and/or upgrade of the majority of the District's infrastructure, as well as a preliminary prioritization of projects. The District is currently implementing portions of the CIP. Given the level of construction activity on capital projects anticipated annually, the District is considering creation of a construction crew of 4-5 individuals

dedicated to pipeline installation as a way to speed implementation of capital projects and capitalize employee costs.

e) Membership in the Santa Margarita Groundwater Agency

The District is one of three founding members of the Santa Margarita Groundwater Agency (SMGWA); the other two are Scotts Valley Water District and the County of Santa Cruz. SMGWA was formed in response to California's 2014 Sustainable Groundwater Management Act, and is charged with managing groundwater resources in the over-drafted Santa Margarita groundwater basin within the San Lorenzo Valley watershed. SMGWA submitted its mandated Groundwater Sustainability Plan in January 2022. The District is committed to annual expenditures for administrative and monitoring tasks, and will pursue capital projects described in the Plan as grant funding becomes available.