

TRACY CITY COUNCIL

REGULAR MEETING AGENDA

Tuesday, February 5, 2013, 7:00 p.m.

City Council Chambers, 333 Civic Center Plaza

Web Site: www.ci.tracy.ca.us

Americans With Disabilities Act - The City of Tracy complies with the Americans with Disabilities Act and makes all reasonable accommodations for the disabled to participate in Council meetings. Persons requiring assistance or auxiliary aids should call City Hall (209/831-6000) 24 hours prior to the meeting.

Addressing the Council on Items on the Agenda - The Brown Act provides that every regular Council meeting shall provide an opportunity for the public to address the Council on any item within its jurisdiction before or during the Council's consideration of the item, provided no action shall be taken on any item not on the agenda. Each citizen will be allowed a maximum of five minutes for input or testimony. At the Mayor's discretion, additional time may be granted. The City Clerk shall be the timekeeper.

Consent Calendar - All items listed on the Consent Calendar are considered routine and/or consistent with previous Council direction. A motion and roll call vote may enact the entire Consent Calendar. No separate discussion of Consent Calendar items will occur unless members of the City Council, City staff or the public request discussion on a specific item at the beginning of the meeting.

Addressing the Council on Items not on the Agenda – The Brown Act prohibits discussion or action on items not on the posted agenda. Members of the public addressing the Council should state their names and addresses for the record, and for contact information. The City Council's Procedures for the Conduct of Public Meetings provide that "Items from the Audience" following the Consent Calendar will be limited to 15 minutes. "Items from the Audience" listed near the end of the agenda will not have a maximum time limit. Each member of the public will be allowed a maximum of five minutes for public input or testimony. However, a maximum time limit of less than five minutes for public input or testimony may be set for "Items from the Audience" depending upon the number of members of the public wishing to provide public input or testimony. The five minute maximum time limit for each member of the public applies to all "Items from the Audience." Any item not on the agenda, brought up by a member of the public shall automatically be referred to staff. In accordance with Council policy, if staff is not able to resolve the matter satisfactorily, the member of the public may request a Council Member to sponsor the item for discussion at a future meeting. When members of the public address the Council, they should be as specific as possible about their concerns. If several members of the public comment on the same issue an effort should be made to avoid repetition of views already expressed.

Presentations to Council - Persons who wish to make presentations which may exceed the time limits are encouraged to submit comments in writing at the earliest possible time to ensure distribution to Council and other interested parties. Requests for letters to be read into the record will be granted only upon approval of the majority of the Council. Power Point (or similar) presentations need to be provided to the City Clerk's office at least 24 hours prior to the meeting. All presentations must comply with the applicable time limits. Prior to the presentation, a hard copy of the Power Point (or similar) presentation will be provided to the City Clerk's office for inclusion in the record of the meeting and copies shall be provided to the Council. Failure to comply will result in the presentation being rejected. Any materials distributed to a majority of the Council regarding an item on the agenda shall be made available for public inspection at the City Clerk's office (address above) during regular business hours.

Notice - A 90 day limit is set by law for filing challenges in the Superior Court to certain City administrative decisions and orders when those decisions or orders require: (1) a hearing by law, (2) the receipt of evidence, and (3) the exercise of discretion. The 90 day limit begins on the date the decision is final (Code of Civil Procedure Section 1094.6). Further, if you challenge a City Council action in court, you may be limited, by California law, including but not limited to Government Code Section 65009, to raising only those issues you or someone else raised during the public hearing, or raised in written correspondence delivered to the City Council prior to or at the public hearing.

Full copies of the agenda are available at City Hall, 333 Civic Center Plaza, the Tracy Public Library, 20 East Eaton Avenue, and on the City's website www.ci.tracy.ca.us

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

ROLL CALL

PRESENTATIONS – Certificate of Appointment – Council Member Manne
Employee of the Month

1. CONSENT CALENDAR

A. Approval of Minutes

B. Approving the 2013 Calendar Year Budget For the Operation of the Tracy Material Recovery Facility and Solid Waste Transfer Station

C. Approval of the Water Supply Assessment for the Cordes Ranch Specific Plan

D. Authorization of a Supplemental Appropriation of \$190,000 from the Water Enterprise Fund for Water Purchase

E. The City Council of the City of Tracy Acting as the Governing Body of the Successor Agency for the Community Development Agency of the City of Tracy Approving the Recognized Obligation Payment Schedule (ROPS)

2. ITEMS FROM THE AUDIENCE

3. INTRODUCTION OF AN ORDINANCE AMENDING CHAPTER 11.30 “RECYCLED AND NON-POTABLE WATER” OF THE TRACY MUNICIPAL CODE

4. SECOND READING AND ADOPTION OF ORDINANCE 1182 AN ORDINANCE OF THE CITY OF TRACY APPROVING A MODIFIED AND RESTATED DEVELOPMENT AGREEMENT WITH THE SURLAND COMMUNITIES APPLICATION DA11-0002

5. ITEMS FROM THE AUDIENCE

6. COUNCIL ITEMS

A. APPOINTMENT OF CITY COUNCIL SUBCOMMITTEE TO INTERVIEW APPLICANTS FOR VACANCIES ON THE MEASURE E RESIDENTS OVERSIGHT COMMITTEE

B. APPOINTMENT OF CITY COUNCIL SUBCOMMITTEE TO INTERVIEW APPLICANTS FOR VACANCY ON THE TRACY PLANNING COMMISSION

C. CONSIDER WHETHER AN ITEM TO DISCUSS THE TRACY BALLPARK SHOULD BE PLACED ON A FUTURE CITY COUNCIL AGENDA

7. ADJOURNMENT

Tuesday, December 4, 2012, 6:00 p.m.

City Council Chamber, 333 Civic Center Plaza

Web Site: www.ci.tracy.ca.us

Mayor Ives called the meeting to order at 6:00 p.m.

Roll call found Council Member Abercrombie, Elliott, Rickman, Mayor Pro Tem Maciel and Mayor Ives present.

Items from the Audience – None.

4. It was moved by Council Member Abercrombie and seconded by Council Member Elliott to approve the Minutes of September 18, 2012, October 1, 2012, October 2, 2012, and Closed Session Minutes of November 20, 2012.
5. ADOPT A RESOLUTION DECLARING THE RESULTS OF THE NOVEMBER 6, 2012, CITY OF TRACY MUNICIPAL ELECTION

Carole Fleischmann, Assistant City Clerk, provided the staff report. Ms. Fleischmann stated that a Municipal Election was held in the City on Tuesday, November 6, 2012. Pursuant to Resolution 2012-104 (Exhibit A), adopted by Council on June 5, 2012, the Registrar of Voters for San Joaquin County has canvassed the returns of the election and is in the process of certifying the results (per Elections Code section 10264):

- The name of the person voted for at the election for Mayor was Brent H. Ives
- The names of the persons voted for at the election for Member of the City Council were, Roger Birdsall, Mike Maciel, Charles Manne, Ray Morelos, and Nancy Young.
- The name of the person voted for at the election for City Treasurer was Raymond McCray.

The number of precincts and the number of votes given in the City to each of the persons named above for the respective offices for which the persons were candidates, will be included in the certified results.

The cost for the election was budgeted in FY 2012/13 budget.

Staff recommended that the City Council, pursuant to Elections Code section 10262, adopt a resolution reciting the facts of the General Municipal Election held on November 6, 2012, declaring the results and other matters as provided by law.

Mayor Ives invited members of the audience to address Council on the item. There was no one wishing to address Council.

It was moved by Council Member Abercrombie and seconded by Council Member Elliott to adopt Resolution 2012-241 declaring the results of the November 6, 2012, City of Tracy Municipal Election.

6. PRESENTATION TO OUTGOING COUNCIL MEMBERS

Mayor Ives recognized Sandra Edwards, City Clerk with a plaque and flowers, thanking her for her 8 years of service.

Mayor Ives recognized Council Member Abercrombie with a plaque (absent the logo) and thanked him for his support, expertise, and 6 years of service as a council member.

It was moved by Council Member Abercrombie and Council Member Elliott to adjourn.

Time: 6:11 p.m.

The above agenda was posted at the Tracy City Hall on November 29, 2012. The above are summary minutes. A tape recording is available at the office of the City Clerk.

Mayor

City Clerk

December 4, 2012, 7:00 p.m.

City Council Chambers, 333 Civic Center Plaza

Web Site: www.ci.tracy.ca.us

Mayor Ives called the meeting to order at 7:00 p.m. and led the Pledge of Allegiance.

Mayor Ives asked for a moment of silence to remember those serving in the military.

The City Clerk administered the Oath of Office and presented Certificates of Appointment to Mayor Ives, Council Member Maciel, Council Member Young, and Ray McCray, Treasurer.

Council Member Nancy Young thanked those who helped her during the election and voiced her excitement for the job she is undertaking with the help of residents. Council Member Maciel also voiced his appreciation for being elected to a second term. Mayor Ives thanked everyone for their confidence in electing him as Mayor.

Roll call found Council Members Elliott, Maciel, Rickman, Young, and Mayor Ives present.

It was moved by Council Member Elliott and seconded by Mayor Ives to nominate Council Member Maciel as Mayor Pro Tem. Roll call vote found Council Members Elliott, Maciel, and Mayor Ives in favor; Council Members Young and Rickman opposed.

Steve Abercrombie provided a presentation on behalf of Brighter Christmas.

1. CONSENT CALENDAR

Following the removal of item 1-C by Council Member Young, it was moved by Council Member Rickman and seconded by Council Member Elliott to adopt the Consent Calendar. Roll call vote found all in favor; passed and so ordered.

- A. Approval of Aquifer Storage and Recovery Program and CEQA Negative Declaration – Resolution 2012-242 approved the program and Negative Declaration.
- B. Adopt Resolution Approving the Annual Report on Development Impact Fee Revenues and Expenditures, and Making Findings as to Unexpended Funds – Resolution 2012-243 approved the annual report.
- C. Authorize Amendment of the City's Classification and Compensation Plans and Position Control Roster by Approving the Establishment of a Classification Specification and Salary Range for Police Corporal - Maria Hurtado, Assistant City Manager, provided the staff report. Ms. Hurtado stated that on August 21, 2012, Council approved the Memorandum of Understanding between the City of Tracy and the Tracy Police Officers Association (TPOA). Contained within the new agreement was language that would create a Police Corporal classification, replacing the current Master Officer Program.

The Corporal classification will be a rank between the positions of Police Officer and Police Sergeant. This new rank will function similar to that of a Police Officer, but with additional duties. For example, in the absence of a Sergeant,

the Police Corporal may act as an assistant supervisor or as a Patrol, Traffic, or Investigations Supervisor. The Police Corporal will also serve as the Department's Field Training Officer (FTO) and Officer-in-Charge when a Sergeant is not on the scene.

Staff recommended that the salary range be established at \$6,068 to \$7,375 monthly. This range is 10 % above that of a Police Officer and approximately 10 % below that of a Police Sergeant.

Effective January 1, 2013, 12 Police Officer positions will be reallocated to the position of Police Corporal at an annual approximate cost of \$133,000. However this cost will be offset by the elimination of the Master Patrol Officer Program which previously had an annual cost of \$250,000. As such, establishment of the Police Corporal positions to replace the current Master Patrol Officer Program will result in net annual General Fund savings to the City of \$117,000. Additionally, implementation of the new Corporal classification will reduce overtime costs associated with the need to backfill Sergeants when absent.

Staff recommended that Council authorize the Administrative Services Director to amend the City's Classification and Compensation Plans and Position Control Roster by approving the establishment of a class specification and salary range for Police Corporal; authorize the Administrative Services Director to update the City's classification and compensations plans; and authorize the Budget Officer to update the City's position control roster in order to incorporate the proposed changes.

Council Member Young asked for clarification regarding the 12 positions. Ms. Hurtado indicated 12 Police Officers would be re-classed to Corporal.

Mayor Ives invited members of the public to address Council on the item. There was no one wishing to address Council.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Elliott to adopt Resolution 2012-244 authorizing amendment of the City's Classification and Compensation Plans and Position Control Roster by approving the establishment of a classification specification and salary range for Police Corporal. Voice vote found all in favor; passed and so ordered.

2. ITEMS FROM THE AUDIENCE – None.
3. HEAR AND ACCEPT THE FINAL REPORT ON THE CITY OF TRACY'S FOUR STRATEGIC PLANS WHICH INCLUDE PUBLIC SAFETY, ECONOMIC DEVELOPMENT, ORGANIZATIONAL EFFICIENCY, AND LIVABILITY - Leon Churchill, Jr., City Manager, provided the staff report. Mr. Churchill indicated that on February 28, 2011, a Council retreat was held where Council Members discussed several Council priorities. Three strategic priority areas were identified for the next two years. These include (1) Public Safety, (2) Economic Development, and (3) Organizational Efficiency. Additionally, given a high priority on improving the quality of life in Tracy, Council added a fourth priority area.

Overall, there were 14 goals and 46 objectives identified in the four strategic plans. Over the last two years, 89% of the objectives were either completed or are in progress towards being completed (78% completed; 11% in progress). The 11% of the objectives not completed were due to either (1) the elimination of redevelopment funding or lack of other state or federal funding, (2) program discontinuation, or (3) other strategies were implemented in lieu of the objectives identified in the plan. Mr. Churchill outlined each strategy and shared their respective highlights as follows:

Public Safety:

Goal 1: Assess community perception and issues effecting public safety;
Goal 2: Educate City employees on City services, programs and codes;
Goal 3: Empower residents with the tools needed to maintain a safe quality of life;
Goal 4: Establish methods and processes to effectively address safety, blight and quality of life issues.

Fifteen performance measures were identified for the Public Safety strategic plan and include:

- Design effective survey method;
- Utilize print and web media for dissemination of survey;
- Achieve 4% response rate;
- Implement Resource Guide Program Citywide by March, 2012;
- Educate 75% of City employees on Resource Guide and its purpose;
- Develop a minimum of 12 public safety messages for use year round;
- Expand Neighborhood and Business Watch programs by 10%;
- Conduct 12 Children Drown Without a Sound meetings;
- Reduce childhood drowning;
- Reduce Part 1 crime by 10%;
- Reduce gang related incidents by 10%;
- Sustain arrest to contact ratio of 28% in gang activity;
- Address and abate at least 10 "3 strike" properties;
- Train 75% of Fire and Police staff regarding customer response protocols for abatement, and
- Establish multiple partnerships to address blight.

Economic Development:

Goal 1: Create jobs reflective of the "Target Industry Analysis" and those that best match the skill sets of Tracy employed residents;
Goal 2: Implement downtown revitalization in accordance with the Downtown Specific Plan (DSP) and the national main street program, and
Goal 3: Focus efforts on projects that will result in an increase to the sales tax and transient occupancy tax (TOT) revenues

Nine performance measures were identified and included in the Economic Development strategy as follows:

- Increase total number of jobs citywide by 5%;
- Increase number of manufacturing jobs by 3%;

- Secure successful restaurant for the Westside Market space
- Completion of the Downtown Plaza;
- Approve 4 Grow Tracy fund loans to downtown merchants;
- Decrease downtown vacancy rate by 5%;
- Increase downtown sales/SF by 5%;
- Increase sales tax revenue citywide by 5%, and
- Increase TOT revenue citywide by 5%.

Organizational Efficiency:

Goal 1: Advance City Council's Fiscal Policies;

Goal 2: Strengthen Customer Value through ensuring quality and excellent customer service;

Goal 3: Integrate current and new processes and systems into business operations of the City of Tracy, and

Goal 4: Ensure long-term viability and enhancement of the City's workforce

Five performance measures were identified for the Organizational Efficiency in the strategic plan and include:

- Establish and maintain a General Fund reserve of at least 20%;
- Obtain a balanced budget by Fiscal Year 2014-15 without dependence on Measure E;
- Receive ratings equivalent to "Good" or "Excellent" on existing and future customer satisfaction surveys;
- Meet implementation deadlines for GIS, City website and Citywide electronic customer information, and
- Complete implementation of Workforce Readiness Initiative.

Livability:

Goal 1: A more beautiful city;

Goal 2: A city with enticing arts, entertainment, and recreation, and

Goal 3: A city balanced with sustainability.

Ten performance measures were identified in the Livability strategic plan and include:

- Begin construction of east Eleventh St. bridge in 2013;
- Improved property maintenance along freeway and Eleventh Street corridors;
- Five civic art education sessions conducted with City staff;
- Complete construction of the Downtown Plaza by spring 2012;
- Twenty events Downtown each year;
- Concept plans for a trailhead at the California Aqueduct;
- Twenty measures of the Sustainability Action Plan implemented by July 2013;
- Two "green" presentations to the community a year;
- One community care day in 2012;
- "Green" office policies at City Hall in effect beginning 2012

Mr. Churchill added that Council would have a strategic planning session at their upcoming retreat on January 17 and 18, 2013. The retreat will provide Council the opportunity to discuss and set strategic priorities for the upcoming two years.

Staff recommended that Council accept the final report on the City of Tracy's four strategic plans which include Public Safety, Economic Development, Organizational Efficiency, and Livability.

Mayor Pro Tem Maciel asked if there was indeed a 12% increase in sales tax revenue with a goal of 5%. Mr. Malik stated that was correct.

Mayor Ives invited members of the public to address Council on the item.

Council Member Rickman asked what the City was doing regarding recruiting retail. Mr. Churchill stated the City was proactive with outreach through trade shows, as well as follow up on industry inquiries or leads received.

Council Member Rickman asked if there were targeted businesses that the City pursues. Mr. Malik stated many times the City partners with a particular developer which was the case with Macy's.

Council Member Rickman asked if staff, when recruiting specific retailers/restaurants asked what it would take to bring their business to Tracy. Mr. Malik stated staff kept close contact with those who have voiced interest in Tracy.

Mayor Pro Tem Maciel thanked staff for their efforts and the residents for their support of local businesses.

Council Member Elliott complimented staff for their hard work in bringing a new large business to Tracy. Council Member Elliott indicated now was the time to take the offense and bring businesses to the City. Council Member Elliott stated staff presented an excellent set of strategic priorities and thanked staff for helping Council achieve those goals and objectives.

Mayor Ives stated the four strategic priorities were important and would be discussed in depth at the upcoming Council Retreat.

It was moved by Council Member Rickman and seconded by Council Member Elliott to adopt Resolution 2012-245 accepting the final report on the City of Tracy's four Strategic Plans which include Public Safety, Economic Development, Organizational Efficiency, and Livability. Voice vote found all in favor; passed and so ordered.

4. ADOPT A RESOLUTION APPROVING A PROPERTY TAX SHARING AGREEMENT BETWEEN THE COUNTY OF SAN JOAQUIN AND THE CITY OF TRACY - Andrew Malik, Development Services Director, provided the staff report. Mr. Malik stated that before land can be annexed to a city, there must be a tax sharing agreement in place between the City and the County. Such agreement concerns the sharing of approximately 35 cents of every property tax dollar. The 35 cents is known as the "local portion" of property tax as the remaining 65 cents goes to schools and the State of California. Historically, all of the cities in San Joaquin County have had the same

agreement with the County. Following is a history of the previous tax sharing agreements.

Prior to 1995

County 65% (of the 35 cents) and City 35%

1996 to 6/15/2003

County 90% City 10% if any relevant Fire District also detaches

County 100% City 0% if any relevant Fire District does not detach (This applies to Tracy since Tracy Rural Fire did not detach). The Gateway annexation fell under the 100% / 0%

10/1/03 – 9/30/10

County 80% City 20% for detached Fire Districts

County 85% City 15% for Fire Districts that do not detach. In this agreement the County increased the percentage going to a City from the previous agreement (1995 to 2003) if the City would adopt a County facilities fee. All cities in San Joaquin County have adopted and collect a development impact fee for County facilities and remit these fees to the County.

The County's proposed tax sharing agreement was a continuation of the most recent tax sharing agreement:

- County 80% City 20% for detached Fire Districts
- County 85% City 15% for Fire Districts that do not detach

This formula would be for all new annexations. Previous formulas would remain in place as described above with the exception of the 2003 Gateway annexation which will now conform to the new tax sharing split proposed. Staff requested that the Gateway development area not be subject to the current (95%/5%) tax sharing formula, but instead be consistent with the current 85% County, 15% City since the Fire District was not detached. The County agreed with this request based on Gateway's land use designation and that provision is included in the new tax sharing agreement.

It should be noted that other cities in San Joaquin County are also negotiating for new tax sharing agreements with the County. The City of Tracy will likely be the first city to adopt a new tax sharing agreement with the County. There are a number of proposed annexations being contemplated for the City of Tracy, which is why there has been a push to complete this tax sharing agreement as quickly as possible.

In order to have consistent tax sharing agreements throughout the County, staff has requested that a clause be inserted within the agreement stating that should uniform terms be established for the other cities in the County, that this agreement would be amended to conform to those standards. San Joaquin County has agreed with the request and has included language in the agreement addressing this point.

If an annexation of land to the City of Tracy were to be approved during the term of this agreement, the property tax split (of the 35 cent local portion) would be County 85% and City 15%. This means the City would receive just 5.25 cents of every property tax dollar paid by land owners in the annexed area (15% x 35 cents). There would be additional

property tax dollars collected as part of the Gateway project with the proposed new tax formula.

Staff recommended that the City Council approve the 2012 Property Tax Sharing Agreement between the County of San Joaquin and the City of Tracy,

Mayor Pro Tem Maciel indicated he was surprised to learn the proportions that the City shares on property taxes and asked if there was anything that could be done to capture some of the tax revenue from Tracy Hills. Mr. Malik stated there could be an option to direct staff to continue negotiating with the County.

Council Member Young asked what the difference was between Tracy Hills and Gateway. Mr. Malik stated the physical difference was that Gateway was mostly commercial and did not include residential. Mr. Churchill stated that was how the County looks at it; commercial/industrial does not present a burden on services like residential.

Council Member Young stated it was problematic and the City should receive a percentage to be able to provide services. Council Member Young asked if there were any other properties that fall into that time period or category. Mr. Churchill stated no.

Council Member Rickman agreed with Mayor Pro Tem Maciel and Council Member Young.

Council Member Elliott asked if the different rates depended on whether the Fire District had detached. Zane Johnston, Finance and Administrative Services District, stated it was a reflection of what happens at the State of California and the burdens that have been placed on the City to pay for County services.

Mayor Ives invited members of the public to address Council on the item.

Craig Saalwaechter, 4083 Peyton Lane, commented that it appeared that the State and County grabs and if no revenue was coming in from Tracy Hills, maybe the City can apply additional fees in order to pay for those services.

Mayor Ives asked how services were planned to be paid for Tracy Hills. Mr. Johnston indicated an increase in sales tax was expected which would cover approximately half the cost of Police services.

Dave Helm indicated he was concerned about the City taking on an obligation with no plan to cover the costs of Police and Fire services.

Mr. Malik outlined how impact fees cover the expense of new facilities.

Mayor Pro Tem Maciel reminded everyone that the agreement being discussed was for properties to be annexed.

George Riddle, 1850 Harvest Landing Lane, asked why the City was not asking for a 75/25 split for the detached areas.

Marvin Rothchild asked if funds received from tax sharing would cover the expenses for those developments. Mr. Churchill stated capital facilities were funded through impact fees and that the concern was focused on the operational expenses of Police, Code Enforcement, Recreation, etc. Mr. Churchill added it could be well down the road, but that there was still a responsibility to address those concerns. Mr. Malik indicated there were options through the use of Community Facilities Districts.

Paul Miles, 1397 Mansfield Street, asked what the City gains from the annexation. Mr. Malik indicated the discussion was about an area that has already been annexed. Mr. Johnston added that before property values fell in California, the obvious answer was yes, but in the end, there was enough money to fund services and that it was more of a challenge now because of the lower values.

Council Member Elliott recused himself from further discussion of the item.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to direct staff to continue negotiations with the County on the proposed annexation agreement and incorporate the Tracy Hills 1996 agreement. Voice vote found Council Member Rickman, Young, Mayor Pro Tem Maciel and Mayor Ives in favor; Council Member Elliott abstained.

5. STAFF ITEMS

- A. Consider Naming the Administrative Services Department Area in the City Hall Building After Retiring Finance & Administrative Services Director Zane Johnston - Maria Hurtado, Assistant City Manager, provided the staff report. Ms. Hurtado stated that Zane Johnston has served as a City of Tracy employee for 27 years, beginning on February 17, 1986, and retiring on January 31, 2013. During his tenure with the City of Tracy as the Finance and Administrative Services Director, Mr. Johnston has been instrumental in ensuring the City's fiscal stability. Mr. Johnston has made significant contributions, including developing strategic financing plans, supporting the construction of various landmark projects within the City, and serving on several key community and budget committees.

During his tenure with the City of Tracy, Mr. Johnson has proactively sought out to develop and implement strategic fiscal planning approaches to ensure Tracy's financial sustainability. One of these efforts included working closely with the Mayor and Council to establish a combined \$38.7 million General Fund and Economic Uncertainty Fund Reserve in Fiscal Year 2006/07, prior to the recession. Under his leadership, the City of Tracy, for 24 consecutive years, has received the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award.

Per Council direction, Mr. Johnston developed and led several strategic financial plans which contributed to the successful completion of many significant City projects. Mr. Johnston has been responsible for issuing over \$500 million in tax exempt bonds the proceeds of which were used to finance the Wastewater Treatment Plant expansion, the City's share of the South San Joaquin Irrigation District Water Treatment and Pipeline project, the Holly sports fields, the Grand Theatre Center for the Arts, and numerous road improvement projects. Additionally, Mr. Johnston served as the project manager on the City Hall construction project.

Mr. Johnston has served on a number of committees, including the Tracy Tomorrow, Tracy Tomorrow and Beyond, Tracy Tomorrow 2000, and Measure E Advisory Committee. He was also instrumental in negotiating critical contracts, including the Materials Recovery Facility (MRF), and a Pre-Paid Services Agreement between the City and Tracy Rural Board. Mr. Johnston also developed the initiative report on the fiscal impact of Measure A.

Mr. Johnston also served as Interim City Manager between October, 2004 and April, 2005, and as President of the California Society of Municipal Finance Officers (CSMFO) in 2003, representing 1,500 local government finance professionals throughout the State of California.

Mr. Johnston is being recognized for his visionary and responsive leadership in fiscal sustainability, and his commitment to financial stewardship and responsibility. Over the last 38 years, a few public facilities and/or parks were named after City of Tracy employees in recognition of their dedicated service and contributions to the residents of Tracy. In 1974, the Boyd Service Center located on Tracy Boulevard was named after City of Tracy employee Ralph Ellis Boyd, a 27 year Public works Superintendent of Maintenance and Operations. In 1989, the Recreation Center, at the time located at the corner of 12th and Adam streets, was named after former Recreation Director Joseph (Joe) Wilson who served the community for 36 years. In 1996, the Tracy Water Treatment Plant located at 6640 S. Tracy Boulevard southwest of the Tracy Airport, was named after City of Tracy employee John W. Jones for his commitment to public service and volunteerism in the Tracy community. And most recently, in 2005, a 1.5 acre park located on 1540 Sentinel Drive was named after former Recreation Director Jim Raymond for his public service in parks and recreation.

The area proposed to be named the Zane Johnston Wing is the Administrative Services Department located on the first floor of City Hall to the North West from the City Hall main lobby and main entrance. This area is approximately 5,850 square feet across the Development Services Department and commonly referred to as the Finance Department, which is also accessible from the City Hall north entrance.

The City Council previously adopted a policy for naming public buildings and parks and recreation facilities. The policy for public buildings allows the Council to review and evaluate requests. For parks and recreation facilities, a process exists that allows for consideration and a recommendation by the Parks and Community Services Commission. The request to name the Administrative Services Department the "Zane Johnston Wing" falls under the policy for public buildings, therefore the Council has the discretion of responding to this naming request.

Staff recommended that the City Council name the Administrative Services Department area on the first floor of the City Hall building, after retiring Finance and Administrative Services Director Zane Johnston.

Mayor Ives invited members of the public.

Craig Saalwaechter spoke in support of the proposed naming of the Finance wing.

Mayor Pro Tem Maciel stated he was in favor of the proposed naming of the Administrative Services Department area.

Mayor Ives stated that Mr. Johnston's fiscal leadership and advice to the Council and City Manager has been incredible and was also in support of naming the Finance wing.

It was moved by Council Member Rickman and seconded by Council Member Elliott to adopt Resolution 2012-246 approving the naming the Administrative Services Department area in the first floor of the City Hall building, the Zane Johnston Wing. Voice vote found all in favor; passed and so ordered.

- B. Receive Update Regarding Holiday Shop Local Campaign - Amie Mendes, Economic Development Analyst, provided the staff report. Ms. Mendes stated that in September of this year, Economic Development staff was contacted by West Valley Mall representatives to find out if the City had planned a 'shop local' campaign for the holiday season. The representatives expressed concern about retail competition from both surrounding cities and online shopping during the holiday season. After some discussion, it was determined that a communitywide 'shop local' campaign could be an effective way to raise awareness in the community regarding the importance of spending tax dollars locally.

Although a 'shop local' campaign was not specifically budgeted as part of the FY12-13 budget, staff offered to research the idea and determine if an effective, yet inexpensive campaign could be initiated. 'Shop Local' or 'Buy Local' campaigns normally engage local businesses and citizens with the objective of highlighting the importance of the community, economic and environmental benefits of choosing to spend money locally. Studies show that a well-run campaign can be a powerful tool to help sustain businesses in a local area.

After conducting research, staff identified a 'shop local' campaign that appeared to be a good fit for Tracy. The campaign, labeled *'iShop Tracy'* aims to reward Tracy residents for spending their money at local retailers this holiday season with the ultimate goal of educating residents of the importance of keeping their dollars in the community. *'iShop Tracy'* is essentially a play on words stemming from the popularity of the iPad and iPhone products. The competition is based on residents collecting receipts for local purchases for the chance to win an iPad or an iPad Mini.

The idea of the *'iShop Tracy'* campaign was presented to representatives of the Tracy Chamber of Commerce, West Valley Mall, Tracy City Center Association and the Tracy Outlets – and ultimately each of the groups agreed to contribute \$1,000 to the campaign. In addition, the City was able to utilize approximately \$1,500 from the Economic Development FY12-13 budget towards the campaign.

Most of the money collected from our partners has been spent on local advertising in an effort to create excitement about the campaign. The advertising material emphasizes that sales tax from purchases made at Tracy retailers provides funding for our schools, parks, community activities, emergency services, and more. The goal with the advertising is two-fold, to create buzz about the campaign but also to educate residents about the importance of spending their money locally.

An *'iShop Tracy'* logo and tagline were created which appear in all of the marketing material – *"iShop Tracy! Shop Local, Spend Local, Enjoy Local!"* In addition a commercial has been produced which is airing on targeted Comcast channels in Tracy households. A banner ad was created to run on the Tracy Press website throughout the campaign and postcards have been delivered to retail establishments throughout the City, which are being handed out to customers. The campaign is being advertised on the City and Chamber of Commerce webpages and social media outlets as well as our partners.

In addition to a financial contribution, the Tracy Chamber of Commerce has agreed to assist with oversight of the campaign. The Chamber will be the main contact throughout the campaign - fielding questions from the public as well as collecting and tabulating receipts. At conclusion of the campaign staff will be conducting a survey of the merchants to determine the success of the campaign. A sales tax analysis will be completed, but results are likely to be inconclusive – as an increase in sales tax could be the result of an improving economy or a number of other factors. If merchants and the community find the campaign to be effective, staff will evaluate the coordination a similar program next year.

While a 'Shop Local' campaign was not specifically budgeted as part of the FY12-13 budget, funding of \$1,500 was available in the Economic Development budget to direct towards the program. The total campaign cost is \$5,500, with \$4,000 being contributed by local partners.

Council accepted the report.

6. ITEMS FROM THE AUDIENCE – None.

7. COUNCIL ITEMS

- A. Discuss Procedure and Options to Fill Anticipated Vacant Council Seat and Provide Direction to Staff on Council's Preferred Process to Fill the Vacancy - Council Member recused himself from consideration of the item. Leon Churchill Jr., City Manager, provided the staff report. Mr. Churchill stated that a vacancy will likely be created on the City Council due to the election of Council Member Elliott to the San Joaquin County Board of Supervisors. Government Code section 36512 (b) states "...the council shall, within 30 days from the commencement of the vacancy, either fill the vacancy by appointment or call a special election to fill the vacancy. A person appointed or elected to fill a vacancy holds office for the unexpired term of the former incumbent." The successful candidate would serve the remainder of Council Member Elliott's term which expires in November of 2014.

Mr. Churchill outlined the options for Council consideration

OPTION 1: FILL THE VACANT COUNCIL SEAT THROUGH A SPECIAL ELECTION:

Should the City Council decide to fill the vacancy by special election, Government Code Section 36512(b) states that the Council must call for a special election to be held on the "next regularly established election date" not less than 114 days from the call of the special election.

Elections Code section 1000 establishes the 2013 election dates to include March 5, June 4, and November 5. However, March 5 is less than 114 days from the date the special election is called (December 4, 2012), therefore the earliest a special election can be held is June 4, 2013. Consequently, the City Council would operate with four Council Members during the interim period between Council Member Elliott's last day on the Tracy City Council and the June 4, 2013 special election day.

The Registrar of Voters Office for San Joaquin County estimates the cost of a special election at approximately \$7.50 per registered voter. As of the November 6, 2012 election, 33,654 citizens were registered to vote in the City of Tracy, therefore the estimated cost to hold a special election in 2013 is \$252,405.

OPTION 2: FILL THE VACANT COUNCIL SEAT BY APPOINTMENT:

Should the City Council decide to fill the vacant Council seat by appointment, the Council can do so by a majority vote of the Council and the appointment must be done at a public meeting. The Council, however, cannot make the actual appointment of the new Council Member until the Council seat is officially vacant either via the submittal of a resignation or due to the official seating of the Board of Supervisor seat, which will occur on January 7, 2013. Assuming that the Council seat is officially vacant, two options are presented if Council decides to fill the vacant Council seat by appointment.

Appointment Option 1: Fill the Vacant Council Seat via an Application Process:

The Council's recent past practice has been to fill vacancies via an application process. The last four City Council vacancies, one City Treasurer vacancy, and one City Clerk vacancy have been filled by appointment through an application process. If Council chooses to use an application process, the Council can request that applications from interested persons be submitted by a certain date; review the applications, and appoint the successful candidate by a majority vote of the City Council at a public meeting. If the Council wishes to interview the applicants:

1. The full Council may interview the applicants in a public meeting, or
2. The Council may appoint a Council subcommittee to interview applicants and report back to the full Council with their recommendations.

Appointment Option 2: Fill the Vacant Council Seat with no Application Process:

In lieu of holding a special election, the Council may choose to fill the vacant Council seat by nominating candidates and recommending appointment of the preferred candidate via a Council majority vote and forego an application process. The Council may use any criteria it determines suitable for nominations. The appointment of the successful nominee could occur at an identified Council meeting where the successful candidate could take office immediately.

If the City Council decides to pursue a special election, an appropriation from the General Fund in the amount of \$252,405 would be required. The cost to fill the

vacancy by appointment will be minimal and would include staff time and some resources, and no appropriation of funds would be necessary.

Staff recommended that the City Council discuss the procedure and options to fill anticipated vacant council seat and provide direction to staff on the Council's preferred process to fill the likely Council vacancy.

Mayor Ives invited members of the public to address Council on the item.

George Riddle, Linda Jiminez, Marvin Rothchild, Pat Howell, Marlene Jones, and Craig Saalwaechter all spoke in favor of the Council appointing the person with the third largest votes – Ray Morales.

Steve Nicolau, 445 W. Eleventh Street, indicated he previously advocated that Ray Morales be appointed, but upon further reflection and as a democratic society, indicated the City should have a special election to elect the next Council Member.

Dave Helm suggested that whatever process the Council selected, he hoped they would explain the thinking process.

Marsha McCray, 560 W. Schulte, stated that it would have been great to look at both Council seats and reminded Council that they were in the position they are because they are elected. Ms. McCray added that she believed the Council would make a decision that would be in the best interests of the citizens of Tracy.

Jim Howell, 340 Hunter Trail, suggested that it was not up to the Council to make the decision.

Kathleen Junqueiro 8865 Velma Lane, stated that if the appointment was about what the public has to say then the Council was taking that right out of the public's hands by appointing an individual.

Steve Abercrombie stated he was disappointed with the nasty e-mails and phone calls he received on the subject and suggested that in the future residents respect the process and our leaders.

Mayor Pro Tem Maciel responded voicing his respect for Mr. Morales, indicating his letter to the editor was about the process and not about who ran. Mayor Pro Tem Maciel stated he would not support anyone short of an application and interview process.

Mayor Ives asked the City Attorney for clarification regarding Mayor Pro Tem Maciel's letter to the editor, and if it disqualified him from this process. Dan Sodergren, City Attorney, indicated Council Members have first amendment rights with one exception, when the Council is acting in a quasi-judicial role when asked to act as unbiased decision makers. Mr. Sodergren stated in a policy mode, Council Members can express their views on the decision.

Mayor Ives also asked for clarification on how the Council has a right to go through the appointment process. Mr. Sodergren stated the entire election process is governed by state law. Mr. Sodergren indicated government code and election code

limits the process whereby the Council is required to fill the vacancy within 60 days either by appointment or election.

Council Member Rickman stated he believed there were three options: 1) A special election, which would be democracy at its best, was expensive and would mean a six month lapse; 2) Application process, but the question is what are we trying to gain from the process when we already have three qualified candidates; 3) Appointment process which ensures the greatest transparency. Council Member Rickman stated he was in support of appointing one of the candidates that ran for Council.

Council Member Young stated each option had its own merit and each a part of the democratic process. Council Member Young stated a special election was costly and meant delays. Council Member Young added that the Council already had a pool of applicants that can be pulled from and indicated many people voted with anticipation that there would be another vacant seat. Council Member Young stated she was in support of an appointment.

Mayor Ives stated that if Council decided to go through with an application process, one could presume that certain individuals would apply and that you would have to open it up for others. Mayor Ives stated the path of least political exposure was to have a special election, but what is best for the City may not be waiting six months and incurring the additional expense.

It was Council consensus to not pursue a special election.

Council Member Rickman asked what would be the criteria for nominating an individual for council.

Mayor Ives indicated an application and interview process was the best way to go.

Mayor Pro Tem Maciel asked how Council had an opportunity to vet out those who were interested in serving as a Council member.

Mayor Ives indicated he was in favor of the application process and not the nomination process.

Council Member Rickman indicated he was in favor of limiting the interview process to the three candidates that ran for Council.

Council Member Young suggested a process of establishing criteria and nominating.

Mayor Pro Tem Maciel indicated he would be biased with those who ran for Council. However, the challenge was for the Council to decide how to fill the vacant seat.

Mr. Churchill clarified that Council should discuss the process but that the process could not take place before the seat was vacant.

It was moved by Mayor Pro Tem Maciel that Council establish a process to be applied when a vacancy occurs that would entail soliciting applications from the community, establishing questions and interviewing applicants in open session.

Mayor Ives asked if the Council was establishing this as an on-going process, or just a process for this situation. Mayor Pro Tem Maciel stated the motion was for this process at this time.

Mayor Pro Tem Maciel clarified that the Council would solicit applications, develop questions to be asked and interview applicants in open session.

The motion was seconded by Mayor Ives, Council Member Rickman and Council Member Young opposed. The motion failed due to a majority vote.

Council Member Rickman stated he did not understand what the Council was trying to gain by obtaining more applicants.

Mayor Pro Tem Maciel explained that this was a separate process and that it should be opened.

Mayor Ives indicated it was his belief that those who ran in November 2012, would rise to the top of the list.

Council Member Rickman stated he was opposed to opening up the application process to anyone who did not run during the election.

Council Member Young suggested that staff look at other city's procedures or criteria for nominations.

Mr. Sodergren indicated it could be by nomination, motion or appointment and the decision was up to the Council.

Mr. Churchill suggested that Council not raise their expectation for receiving additional input from staff, but that staff would certainly conduct research with other cities.

Mayor Ives asked for clarification on the nomination process and if it included a set of questions. Mayor Ives suggested Council consider a set of questions that could be used for the process.

It was Council consensus to have a discussion item at the December 18, 2012 Council meeting regarding this item.

- B. Cancel the Regular City Council Meeting Scheduled for Tuesday, January 1, 2013, and Provide Direction to Staff - Maria Hurtado provided the staff report. Ms. Hurtado stated that the City's first regularly scheduled Council meeting of 2013 falls on January 1, a national holiday and that Council needs to determine whether to reschedule the January 1 meeting to a later date. Ms. Hurtado further stated that should a situation arise prior to January 15, 2013, which required Council action, a special Council meeting could be scheduled.

Staff recommended that Council cancel the City Council meeting scheduled for Tuesday, January 1, 2013.

Mayor Ives invited members of the public to address Council on the item.

Steve Abercrombie suggested moving the meeting to January 4, 2013.

Robert Tanner suggested a special meeting in January would be appropriate based on current situations.

It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to cancel the January 1, 2013, Council meeting. Voice vote found all in favor; passed and so ordered.

Council Member Rickman asked when an agenda item would return to Council regarding the Tracy Ball Park.

Council Member Rickman announced various high school recipient awards and congratulated the recipients. Council Member Rickman also indicated the new Parks & Recreation activity guide was available and urged residents to take advantage of the classes offered.

Council Member Young indicated her son was playing on the West High Wolfpack team.

Mayor Pro Tem Maciel urged residents to support the local non-profits during the holiday season.

Mayor Ives thanked Sandra Edwards, City Clerk, for her eight years of service.

8. ADJOURNMENT - It was moved by Council Member Rickman and seconded by Mayor Pro Tem Maciel to adjourn. Time 10:44 p.m.

The above agenda was posted at the Tracy City Hall on November 29, 2012. The above are summary minutes. A recording is available at the office of the City Clerk.

ATTEST:

Mayor

City Clerk

TRACY CITY COUNCIL - SPECIAL MEETING MINUTES

January 22, 2013, 5:30 p.m.

Council Chambers, 333 Civic Center Plaza, Tracy

1. CALL TO ORDER – Mayor Ives called the meeting to order at 5:30 p.m. for the purpose of a closed session to discuss the items outlined below.
2. ROLL CALL – Roll call found Council Members Manne, Rickman, Young, Mayor Pro Tem Maciel and Mayor Ives present.
3. ITEMS FROM THE AUDIENCE – Sue Rainey asked Council when Lammers Road would be finished.
4. CLOSED SESSION -
 - A. Pending Litigation (Gov. Code, section 54956.9(b))
 - Sandra Haun, Retired Police Officer (Workers' Compensation Claim)
(Case Nos.: (1) FR070187, (2) FR070430, (3) FR110539)
 - Ronald Rhea, Retired Community Services Officer (Workers' Compensation Claim)
(Case Nos.: (1) FR080094, (2) FR120651)
 - B. Real Property Negotiations (Gov. Code Section 54956.8)

• Property Location:	Assessor's Parcel Number 212-290-48 (2452 Naglee Road)
Negotiators for the City:	Amie Mendes, Economic Development Analyst, Andrew Malik, Director of Development and Engineering Services, and Kul Sharma, Assistant Director of Development and Engineering Services
Negotiating Parties:	Jon Becker, Principal, Becker Commercial Properties
Under Negotiation:	Price and terms of payment for the sale or lease of the property
5. MOTION TO RECESS TO CLOSED SESSION – Mayor Pro Tem Maciel motioned to recess the meeting to closed session at 5:31p.m. Council Member Rickman seconded the motion. Voice vote found all in favor; passed and so ordered.

6. RECONVENE TO OPEN SESSION – Mayor Ives reconvened the meeting into open session at 5:49 p.m.
7. REPORT OF FINAL ACTION – In the matter of Sandra Haun, Workers' Compensation Case Nos.: (1) FR070187, (2) FR070430, (3) FR110539 Council Member Rickman moved to authorize the City to make a settlement offer in an amount disclosed in closed session. Mayor Pro Tem Maciel seconded the motion. Voice vote found all in favor; passed and so ordered.

In the matter of Ronald Rhea, Workers' Compensation Case Nos.: (1) FR080094, (2) FR120651 Council Member Young moved to authorize the City to make a settlement offer in an amount disclosed in closed session. Mayor Pro Tem Maciel seconded the motion. Voice vote found all in favor; passed and so ordered.
8. ADJOURNMENT – It was moved by Mayor Pro Tem Maciel and seconded by Council Member Rickman to adjourn. Voice vote found all in favor; passed and so ordered. Time: 5:51 p.m.

The agenda was posted at City Hall on January 17, 2013. The above are action minutes.

Mayor Ives

ATTEST:

City Clerk

AGENDA ITEM 1.B

REQUEST

APPROVING THE 2013 CALENDAR YEAR BUDGET FOR THE OPERATION OF THE TRACY MATERIAL RECOVERY FACILITY AND SOLID WASTE TRANSFER STATION

EXECUTIVE SUMMARY

Approve the 2013 calendar year budget for the operation of the Tracy Material Recovery Facility and Solid Waste Transfer Station in the amount of \$10,240,100.

DISCUSSION

The Service Agreement between the City of Tracy and Tracy Material Recovery and Solid Waste Transfer, Inc., for the operation of the Material Recovery Facility (MRF), requires the budget for the MRF be approved annually by the City of Tracy. The MRF has been in operation since May 1, 1995. The attached budget submitted by Tracy Material Recovery and Solid Waste Transfer, Inc. for City Council approval is for calendar year 2013.

The total MRF budget is forecasted to be \$10,240,100 for calendar year 2013. This amount is lower than the 2012 MRF budget by \$317,500. Key factors for the proposed calendar year 2013 budget requirements include:

- Foothill Sanitary Landfill, the ultimate repository for the residual waste coming from the MRF, increased its tipping fee by \$1.00 a ton January 1, 2011, \$1.00 a ton January 1, 2012, and \$.80 a ton January 1, 2013. The MRF has increased its tipping fees accordingly.
- The MRF processed 110,038 tons for 2011, revised forecast of 110,000 tons for 2012, and estimated 112,000 tons for 2013.
- San Joaquin County road improvement requirements for the MRF have changed, therefore the estimated project cost decreased. Accordingly, the equipment fund deposit was reduced by \$300,000.

A summary of the Tracy Material Recovery and Solid Waste Transfer Station expenditures for the 2013 MRF budget:

**Tracy Material Recovery and
Solid Waste Transfer Station 2013 Budget**

Debt Service Requirements	\$ 846,358
Operating and Maintenance	6,110,050
Landfill disposal	2,847,000
Property taxes	154,000
Operators fee	282,692
	\$10,240,100

STRATEGIC PLAN

This agenda item supports the Environmental Sustainability Strategic Plan through a budget that provides programs that help meet sustainability goals by waste reduction, increased recycling, and composting.

FISCAL IMPACT

There is no fiscal impact to the General Fund.

RECOMMENDATION

That the City Council, by resolution, approve the Tracy MRF budget of \$10,240,100 submitted by Tracy Material Recovery and Solid Waste Transfer, Inc. for the operation of the Tracy Material Recovery Facility and Solid Waste Transfer Station for calendar year 2013.

Prepared by Jennifer Cariglio, Management Analyst I, Public Works Department

Reviewed by Rod Buchanan, Interim Director of Public Works

Approved by Leon J. Churchill Sr., City Manager

Exhibit A: Tracy Material Recovery and Solid Waste Transfer, Inc. Forecasted Service Fee Budget

RESOLUTION _____

APPROVING THE 2013 CALENDAR YEAR BUDGET FOR THE OPERATION OF THE TRACY MATERIAL RECOVERY FACILITY AND SOLID WASTE TRANSFER STATION IN THE AMOUNT OF \$10,240,100

WHEREAS, The "Service Agreement" between the City of Tracy and Tracy Material Recovery and Solid Waste Transfer, Inc. (MRF) for the operation of the MRF requires that the budget for the MRF be approved annually by the City of Tracy, and

WHEREAS, The total MRF budget is forecasted to be \$10,240,100 for January 1, 2013 to December 31, 2013, and

WHEREAS, There is no fiscal impact to the General Fund;

NOW, THEREFORE, BE IT RESOLVED, That the City Council hereby approves the Tracy MRF budget of \$10,240,100 submitted by Tracy Material Recovery and Solid Waste Transfer, Inc. for the operation of the Tracy Material Recovery Facility and Solid Waste Transfer Station for calendar year 2013.

* * * * *

The foregoing Resolution _____ was passed and adopted by the City Council of the City of Tracy on the 5th day of February 2013, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

Mayor

ATTEST:

City Clerk

EXHIBIT A
Tracy Material Recovery and Solid Waste Transfer, Inc.

Forecasted Service Fee Calculation (Budget)

For the year ending December 31, 2013

(See Independent Accountants' Compilation Report and Summary of Significant Forecast Assumptions)

Debt Service		
Bond Principal	\$ 798,750	
Bond Interest	72,961	
Interest Earned-Trustee funds	(25,369)	
Rounding	<u>16</u>	\$ 846,358
Coverage Requirements - Covenant Requirements		
Additional Funding - City of Tracy Enterprise Fund		
Deposit from the City of Tracy		<u>-</u>
Operating and Maintenance		
Salaries	2,340,000	
Employee Benefits		
Payroll Taxes	205,000	
Health Insurance	422,270	
Dental Insurance	43,480	
Life Insurance	2,250	
Workers' Compensation	178,000	
401K Employers Match	18,500	
Hauling Expenses		
Fuel (Hauling and onsite)	710,000	
Repairs and Maintenance		
Transfer Trucks	80,000	
Transfer Trailers	42,000	
Secondary Haul	60,000	
Maintenance		
Shop Equipment	5,200	
MRF Equipment	310,000	
Buildings	70,000	
Janitorial	1,000	
Landscape	37,500	
Utilities		
Gas, Electric, and Propane	181,000	
Water	-	
Sewer	2,100	
Telephone	23,000	
Insurance - Liability/Pollution/Property	185,000	
Plant Generated Waste Hauling/Disposal	17,500	
Plant Supplies - MRF and Shop	130,000	
Office Supplies		
Printed Materials	6,000	
Other (Software, Shop, MRF, Visitor Center)	9,700	
Accounting Services	113,000	
Payroll/Human Resources	14,300	
Audit	13,000	
Legal	15,000	
Engineer	4,000	
Computer and Software Support (Network Admin.)	24,500	
Security	79,000	
Education and Training	1,350	
Public Awareness	5,400	
Equipment Rental - Tractor	-	
Equipment Rental - Shop/MRF	5,000	
Equipment Rental - Copier	6,000	
License Renewals	26,000	
Compliance, Permits, Bit Program	52,000	
Bank Fees-BNY	25,000	
Travel/Meetings/Conventions	1,000	
Arbitrage Services	1,500	
Interest Expense - Finance Ins. (Pollution/general liab policy)	-	
Interest Expense - Loan	42,000	
Property taxes - non pass through	-	
Dues and subscriptions	6,500	
Disposal Fees - non pass through		
CRT Disposal - E-waste	5,000	
Freon	7,500	
Tires	7,500	
Concrete	13,000	
Wood	5,000	
Compost Testing/Issues	28,000	
Equipment Replacement Reserve	500,000	
Solid Waste Permit Related Costs	<u>30,000</u>	6,110,050

Tracy Material Recovery and Solid Waste Transfer, Inc.

Forecasted Service Fee Calculation (Budget)

For the year ending December 31, 2013

(See Independent Accountants' Compilation Report and Summary of Significant Forecast Assumptions)

Continued

Pass Through Costs

Landfill Disposal Costs	2,847,000	
Property Taxes	154,000	3,001,000

Operators Fee	282,692	282,692
----------------------	---------	---------

Revenue from Recycled Materials	(1,100,000)	(1,100,000)
--	-------------	-------------

Other Revenues

Public Revenue - Self-haul - Weighed - refuse	(742,500)	
Public Revenue - Self-haul - Weighed - greenwaste	(228,000)	
Public Revenue - Self-haul - Minimum Fee	(322,500)	
San Joaquin County - Service Area F	(1,096,500)	
Mountain House	(295,100)	
Interest Revenue		
Bond Reserve Fund - applied to debt service	-	
Equipment Replacement Reserve/Operating Account	(7,500)	
Miscellaneous (sale of equipment)	-	
Rental income	(108,000)	
		<u>(2,800,100)</u>

Service Fee		<u>\$ 6,340,000</u>
--------------------	--	---------------------

Allocate revenue requirements based on tonnage

Tonnage Forecasted

Municipal	69,600
County Service Area F	17,200
Mountain House	5,300
Self-haul - refuse	9,900
Self-haul - greenwaste	3,800
Self-haul - minimum fee	4,300
Self-haul - noncharge wood, public works, other	1,900
	<u>112,000</u>

Operating and maintenance costs	<u>\$ 6,110,050</u>
--	---------------------

Forecasted tonnage	<u>112,000</u>
---------------------------	----------------

Forecasted operating and maintenance costs per ton	<u>\$ 54.55</u>
---	-----------------

Debt Service Coverage Ratio

Total Revenues	10,240,100	
Operating and maintenance costs	(6,110,050)	
Pass through costs	(3,001,000)	
Debt Service coverage requirement - City of Tracy Dep.	(39,411)	
Net divided by debt service	<u>1,089,639</u>	/ 871,711 = <u>\$ 1.25</u>

Debt Service

Principal Bonds	\$ 798,750
Interest Bonds	72,961
	<u>\$ 871,711</u>

Revenue from Current Rates

Municipal	
Forecasted revenue-current rates	\$ 7,600,852
Forecasted revenue required	6,340,000
Revenue excess	<u>\$ 1,260,852</u>

AGENDA ITEM 1.C C

REQUEST

APPROVAL OF THE WATER SUPPLY ASSESSMENT FOR THE CORDES RANCH SPECIFIC PLAN

EXECUTIVE SUMMARY

A water supply assessment has been prepared for the proposed Cordes Ranch Specific Plan. The water supply assessment indicates the City has adequate existing and future planned water supply to serve this proposed development.

DISCUSSION

The WSA was prepared in accordance with the California Water Code, including SB 610. The purpose of the WSA is to demonstrate the sufficiency of the City's water supplies to satisfy the water demands of the proposed project, while still meeting the current and projected water demands of the community. The WSA was prepared by West Yost Associates for the City.

The proposed Cordes Ranch Specific Plan is located adjacent to the western portion of the City, and is not currently located within the City limits. The Cordes Ranch Specific Plan is also located on agricultural land previously served by the Plain View Water District, which has merged into the Byron Bethany Irrigation District. The Cordes Ranch Specific Plan includes a mix of commercial, office and business park development covering approximately 1,720 acres. The Cordes Ranch Specific Plan includes 592,000 square feet of commercial space, 2.5 million square feet of office development, and 28 million square feet of business park industrial development.

The projected water demand has been calculated based on proposed land uses within the Cordes Ranch Specific Plan using standard unit water use factors. It should be noted that although actual water demands for the Cordes Ranch Specific Plan will develop incrementally over time as various phases of the Cordes Ranch Specific Plan are implemented; this WSA provides analysis of the estimated demands for build out of the Cordes Ranch Specific Plan. The determination of sufficiency is based on the City's currently available supplies as well as planned future supplies. The estimated potable water demand for the Cordes Ranch Specific Plan has been conservatively calculated to be 2,233 acre-feet per year and the recycled water demand has been estimated to be 1,127 acre-feet per year.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's four strategic plans.

FISCAL IMPACT

There is no fiscal impact associated with the acceptance of the WSA. The costs of preparing the WSA were borne by the developer.

RECOMMENDATION

That the City Council, by resolution, approve the Water Supply Assessment for the Cordes Ranch Specific Plan.

Prepared by: Steve Bayley, Deputy Director of Public Works

Approved by: Kevin Tobeck, Director of Public Works

Approved by: Leon Churchill, Jr., City Manager

Attachment: Water Supply Assessment for the Cordes Ranch Specific Plan, dated January 2013

RESOLUTION _____

APPROVING THE WATER SUPPLY ASSESSMENT FOR
THE CORDES RANCH SPECIFIC PLAN

WHEREAS, The WSA was prepared in accordance with the California Water Code, including SB 610; and

WHEREAS, The purpose of the WSA is to demonstrate the sufficiency of the City's water supplies to satisfy the water demands of the proposed project, while still meeting the current and projected water demands of the community; and

WHEREAS, The WSA was prepared by West Yost Associates for the City; and

WHEREAS, There is no fiscal impact associated with the acceptance of the WSA. The costs of preparing the WSA were borne by the developer.

NOW, THEREFORE, BE IT RESOLVED That the City Council approves the Water Supply Assessment for the Cordes Ranch Specific Plan.

The foregoing Resolution _____ was passed and adopted by the Tracy City Council on the 5th day of February, 2013, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK



CITY OF TRACY

WATER SUPPLY ASSESSMENT FOR THE CORDES RANCH SPECIFIC PLAN FINAL REPORT

Prepared for

City of Tracy

January 2013



404-02-11-90

WEST YOST ASSOCIATES

consulting engineers

CITY OF TRACY

CORDES RANCH SPECIFIC PLAN

SB 610 WATER SUPPLY ASSESSMENT

Prepared for

City of Tracy

January 2013



404-02-11-90



Elizabeth Drayer



Table of Contents

Executive Summary.....	1
1.0 Introduction.....	2
1.1 Legal Requirement for Water Supply Assessment.....	2
1.2 Need For and Purpose of Water Supply Assessment.....	2
1.3 Water Supply Assessment Preparation, Format and Organization.....	2
1.4 Acronyms and Abbreviations Used in this Water Supply Assessment.....	3
2.0 Description of Proposed Project.....	5
2.1 Proposed Project Location.....	5
2.2 Proposed Land Uses and Acreages.....	5
2.3 Projected Water Demand.....	6
2.3.1 Water Use Factors and Assumptions.....	6
2.3.2 Water Demand Calculations.....	7
2.3.3 Comparison with Water Demand Calculations of the Cordes Ranch Specific Plan and the Citywide Water System Master Plan (based on the City's 2010 Urban Water Management Plan).....	8
2.4 Projected Water Supply.....	9
3.0 Required Determinations.....	10
3.1 Does SB 610 apply to the Proposed Project?.....	10
3.2 Who is the identified public water system?.....	11
3.3 Does the City have an adopted Urban Water Management Plan (UWMP) and does the UWMP include the projected water demand for the Proposed Project?.....	11
4.0 City of Tracy Water Service Area.....	13
4.1 Water Service Area.....	13
4.2 Population.....	13
4.3 Climate.....	14
5.0 City of Tracy Water Demands.....	15
5.1 Historical and Existing Water Demand.....	15
5.2 Future Water Demand.....	15
5.3 Dry Year Water Demand.....	18
6.0 City of Tracy Water Supplies.....	19
6.1 Existing Potable Water Supplies.....	20
6.1.1 Central Valley Project Water via the Delta-Mendota Canal.....	20
6.1.1.1 M&I-Reliability Supplies from the CVP.....	20
6.1.1.2 Ag-Reliability Supplies from the CVP.....	21
6.1.1.3 Treatment of CVP Supplies.....	21
6.1.2 Stanislaus River Water.....	22
6.1.3 Groundwater.....	24
6.1.3.1 Groundwater Overview.....	24
6.1.3.2 Basin Description.....	25
6.1.3.3 Groundwater Level Trends.....	26
6.1.3.4 Groundwater Storage.....	26
6.1.3.5 Groundwater Yield.....	27
6.1.3.6 Groundwater Quality.....	27
6.1.3.7 Groundwater Management.....	28
6.1.3.7.1 Groundwater Management Plan for the Northern Agencies in the Delta-Mendota Canal Service Area and a Portion of San Joaquin County.....	28
6.1.3.7.2 San Joaquin County Groundwater Export Ordinance.....	28
6.1.3.7.3 City Groundwater Management Policy and Mitigated Negative Declaration for City Groundwater Production of 9,000 af/yr.....	29
6.1.3.7.4 Tracy Regional Groundwater Management Plan (Regional City GMP).....	30



Table of Contents

6.1.3.8 Historical Groundwater Use	30
6.1.3.9 Projected Future Groundwater Use	31
6.1.3.10 Groundwater Sufficiency	32
6.1.4 Out-of-Basin Water Banking	33
6.1.4.1 Pilot Agreement	34
6.1.4.2 Permanent Agreement	34
6.2 Additional Planned Future Potable Water Supplies	35
6.2.1 Additional Central Valley Project Water via the Delta-Mendota Canal	35
6.2.1.1 Additional CVP Supplies from WSID	35
6.2.1.2 Additional CVP Supplies from BBID	35
6.2.2 Surface Water from BBID Pre-1914 Water Rights	36
6.2.3 Additional Supplies from the SCWSP	36
6.2.4 Aquifer Storage and Recovery	37
6.3 Existing Non-Potable Water Supplies	38
6.3.1 Diversion of Non-Potable Surface Water from Sugar Cut	38
6.4 Additional Planned Future Non-Potable Water Supplies	38
6.4.1 Recycled Water	38
6.4.2 Shallow Non-Potable Groundwater	39
6.5 Summary of Existing and Additional Planned Future Water Supplies	41
6.6 Dry Year Water Supply Availability and Reliability	43
6.6.1 Normal Years	44
6.6.2 Single Dry Years	46
6.6.3 Multiple Dry Years	49
7.0 Determination of Water Supply Sufficiency	52
7.1 Findings	52
7.1.1 Existing Conditions with Development Projects with Approved Water Supply and the Proposed Project	52
7.1.2 2035 Conditions	55
8.0 Water Supply Assessment Approval Process	57
9.0 References	58



Table of Contents

List of Appendices

Appendix A: Existing City of Tracy Water Supply Agreements

- Contract Between the City of Tracy and USBR for Central Valley Project (CVP) Water Supplies
- Agreement for Assignment of Central Valley Project (CVP) Water Supplies Between City of Tracy and Banta Carbona Irrigation District (BCID)
- Agreement for Assignment of Central Valley Project (CVP) Water Supplies Between City of Tracy and West Side Irrigation District (WSID)
- Agreement Between City of Tracy and Plain View Water District (PVWD) for Central Valley Project (CVP) Supplies for Patterson Pass Business Park
- Agreement Between City of Tracy and South San Joaquin Irrigation District (SSJID) for Water Supply
- Pilot Agreement Between City of Tracy and Semitropic Water Storage District
- Permanent Agreement Between City of Tracy and Semitropic Water Storage District
- Agreement Between City of Tracy and Semitropic Water Storage District and Its Improvement Districts for Participation in the Stored Water Recovery Unit of the Semitropic Water Banking and Exchange Program

Appendix B: City of Tracy Adopted Budget for Fiscal Year 2012-13

Appendix C: Groundwater Documentation

- DWR Bulletin 118 Description of San Joaquin Valley Groundwater Basin-Tracy Subbasin
- City of Tracy Groundwater Management Policy Mitigated Negative Declaration (including 2001 Estimated Groundwater Yield Study)
- Groundwater Management Plan for the Northern Agencies in the Delta-Mendota Canal Service Area
- Excerpts of Summary of Groundwater Conditions Report (November 2007 through November 2008)
- Excerpts of Tracy Regional Groundwater Management Plan

Appendix D: City of Tracy Recycled Water Ordinance

- City of Tracy Municipal Code Chapter 11.30—Recycled and Non-Potable Water



Table of Contents

List of Tables

Table 1. Proposed Land Uses for the Cordes Ranch Specific Plan.....	5
Table 2. City of Tracy Adopted Water Use Factors.....	7
Table 3. Projected Water Demand for Proposed Project Site (as calculated in the Citywide Water System Master Plan)	8
Table 4. City of Tracy Historical and Projected Population	14
Table 5. City of Tracy Climate Data.....	14
Table 6. Historical Potable Water Demand	15
Table 7. Projected Future Water Demand, af/yr.....	16
Table 8. Projected Future Potable Water Demand by Development Stage.....	17
Table 9. Projected Future Dry Year Potable Water Demand, af/yr	18
Table 10. SCWSP Deliveries to City of Tracy and Other Project Participants	23
Table 11. City of Tracy Historical Groundwater Production	30
Table 12. City of Tracy Projected Future Groundwater Production in Normal Years	32
Table 13. Summary of Existing and Additional Planned Future Water Supplies	41
Table 14. Quantity of Historical Water Deliveries and Existing and Additional Planned Future Water Supplies in Normal Years	42
Table 15. Water Supply Reliability in Normal, Single Dry, Multiple Dry Years.....	43
Table 16. Projected Existing and Additional Planned Future Water Supplies Available in Normal Years	45
Table 17. Projected Existing and Additional Planned Future Water Supplies Available in Single Dry Years.....	48
Table 18. Projected Existing and Additional Planned Future Water Supplies Available in Multiple Dry Years.....	51
Table 19. Water Supply vs. Demand (Under Existing Conditions + Proposed Project + Other Development Projects with Approved Water Supply)	53
Table 20. Water Supply vs. Demand (2035 Conditions)	56

List of Figures

Figure 1. Proposed Project Location	60
Figure 2. Proposed Land Ownership and Irrigation District Service Areas	61
Figure 3. City of Tracy Historical Potable Water Demand.....	62
Figure 4. City of Tracy Historical and Projected Future Water Demand	63
Figure 5. City of Tracy Projected Future Potable Water Demand by Development Stage	64
Figure 6. City of Tracy Historical Potable Water Supplies.....	65
Figure 7. Groundwater Basin and Well Locations	66
Figure 8. City of Tracy Future Potable Water Supply vs. Demand in Normal Years	67
Figure 9. City of Tracy Future Potable Water Supply vs. Demand in a Single Dry Year	68
Figure 10. City of Tracy Future Potable Water Supply vs. Demand in Multiple Dry Years	69
Figure 11. City of Tracy Existing Potable Water Supplies vs. Demand with Proposed Project	70
Figure 12. City of Tracy Existing and Additional Potable Water Supplies at Year 2035 vs. Demand	71



EXECUTIVE SUMMARY

The Cordes Ranch Specific Plan Project (Proposed Project) is one of the City of Tracy's (City) future service areas as defined in the City's General Plan Sphere of Influence (SOI). The Proposed Project consists of 1,774 acres on the western side of the City's SOI, just outside of the City's current City limits. The Proposed Project meets the definition of a "Project" per California Water Code sections 10910 through 10915, as established by SB 610 in 2001, thus requiring the preparation of this Water Supply Assessment (WSA).

The Proposed Project is generally bounded on the north by Interstate 205, on the south by West Schulte Road, on the west by Mountain House Parkway and the Delta Mendota Canal, and on the east by the current City limits. Per the Cordes Ranch Specific Plan, currently being prepared by others, land uses for the Proposed Project consist of a mix of General Commercial (GC), General Office (GO), Business Park Industrial (BPI) and Park/Open Space (P/OS) land uses. No residential land uses are proposed within the Proposed Project.

Development of the Proposed Project will occur over approximately 30 years with buildout by approximately the year 2040. The Cordes Ranch Specific Plan includes approximately 592,000 square feet of General Commercial development, 2.5 million square feet of General Office development, and 28 million square feet of Business Park Industrial development.

As explained more fully herein, the Cordes Ranch Specific Plan and the Citywide Water System Master Plan (based on the City's 2010 Urban Water Management Plan) used slightly different land use assumptions and acreages as they relate to the Proposed Project site. Accordingly, the water demand estimates are slightly different as well. For purposes of ensuring a conservative analysis, this WSA uses the higher of the estimates as follows: the potable water demand for the Proposed Project has been estimated to be 2,233 af/yr (based on the Citywide Water System Master Plan and the City's 2010 Urban Water Management Plan) and the recycled water demand has been estimated to be 1,127 af/yr (based on the Cordes Ranch Specific Plan). The water demands for the Proposed Project will be served using the City's existing and future portfolio of water supplies. Proponents of the Proposed Project will provide their proportionate share of required funding to the City for the acquisition and delivery of treated potable and recycled water supplies to the Proposed Project area.

Pursuant to Water Code section 10910(c)(4), and based on the technical analyses described in this Water Supply Assessment, this Water Supply Assessment demonstrates that the City's existing and additional planned future water supplies are sufficient to meet the City's existing and projected future water demands, including those future water demands associated with the Proposed Project, to the year 2035 under all hydrologic conditions (including Normal Years, Single Dry Years, and Multiple Dry Years).



1.0 INTRODUCTION

1.1 Legal Requirement for Water Supply Assessment

California Senate Bill 610 (SB 610) was approved by Governor Gray Davis on October 9, 2001 and made effective on January 1, 2002. SB 610 amended California state law to improve the link between information on water supply availability and certain land use decisions made by cities and counties. Specifically, certain sections of the California Water Code were amended to require coordination between land use lead agencies and public water purveyors. The purpose of this coordination is to ensure that prudent water supply planning has been conducted, and that planned water supplies are adequate to meet existing demands, anticipated demands from approved projects and tentative maps, and the demands of proposed projects.

The amended Water Code sections 10910 through 10915 (inclusive) require land use lead agencies to:

- Identify any public water purveyor that may supply water for a proposed development project; and
- Request from the identified purveyor a Water Supply Assessment (WSA).

The purpose of the WSA is to demonstrate the sufficiency of the purveyor's water supplies to satisfy the water demands of the proposed project, while still meeting the water purveyor's existing and planned future uses. Water Code sections 10910 through 10915 delineate the specific information that must be included in the WSA.

1.2 Need For and Purpose of Water Supply Assessment

The purpose of this WSA is to perform the evaluation required by Water Code sections 10910 through 10915 in connection with the City of Tracy's (City) proposed Cordes Ranch Specific Plan Project (Proposed Project). It is not to reserve water, or to function as a "will serve" letter or any other form of commitment to supply water (see Water Code section 10914). The provision of water service will continue to be undertaken in a manner consistent with applicable City policies and procedures, consistent with existing law.

1.3 Water Supply Assessment Preparation, Format and Organization

This WSA for the Proposed Project has been prepared by West Yost Associates (West Yost), as requested by the City, the identified water purveyor for the Proposed Project.

The format of this WSA is intended to follow Water Code sections 10910 through 10915 to clearly delineate compliance with the specific requirements for a WSA. The WSA includes the following sections:

- Section 1: Introduction
- Section 2: Description of Proposed Project
- Section 3: Required Determinations



- Section 4: City of Tracy Water Service Area
- Section 5: City of Tracy Water Demands
- Section 6: City of Tracy Water Supplies
- Section 7: Determination of Water Supply Sufficiency
- Section 8: Water Supply Assessment Approval Process
- Section 9: References

Relevant citations of Water Code sections 10910 through 10915 are included throughout this WSA in *italics* to demonstrate compliance with the specific requirements of SB 610.

1.4 Acronyms and Abbreviations Used in this Water Supply Assessment

The following acronyms and abbreviations have been used throughout this WSA.

af	acre-feet
af/ac/yr	acre-feet per acre per year
af/yr	acre-feet per year
ASR	Aquifer Storage and Recovery
BBID	Byron Bethany Irrigation District
BCID	Banta Carbona Irrigation District
BiOps	Biological Opinions
Bookman	Bookman-Edmonston (a.k.a. GEI Consultants and Navigator)
bgs	below ground surface
BMO	Basin Management Objectives
CEQA	California Environmental Quality Act
City	City of Tracy
CVP	Central Valley Project
DMC	Delta-Mendota Canal
DPH	California Department of Public Health
DWR	California Department of Water Resources
EIR	Environmental Impact Report
ET _o	Evapotranspiration
FONSI	Finding of No Significant Impact
GMO	Growth Management Ordinance
GMP	Groundwater Management Plan
gpm	gallons per minute
JJWTP	John Jones Water Treatment Plant
K/J/C	Kennedy/Jenks/Chilton
LAFCo	Local Area Formation Commission
M&I	Municipal and industrial
mgd	million gallons per day

City of Tracy: Cordes Ranch Specific Plan

SB 610 Water Supply Assessment



mg/L	milligrams per liter
msl	mean sea level
NEPA	National Environmental Policy Act
Proposed Project	City of Tracy Cordes Ranch Project
PVWD	Plain View Water District
RGA	Residential Growth Allotment
RWQCB	Regional Water Quality Control Board
SB 610	California State Senate Bill 610 of 2001
SCWSP	South County Water Supply Project
Semitropic	Semitropic Water Storage District Groundwater Storage Bank
Sf	square feet
SOI	Sphere of Influence
SSJID	South San Joaquin Irrigation District
TBD	To be determined
TDS	Total Dissolved Solids
USBR	United States Bureau of Reclamation
UWMP	Urban Water Management Plan
WSA	Water Supply Assessment
WSID	West Side Irrigation District
West Yost	West Yost Associates
WWTP	Wastewater Treatment Plant



2.0 DESCRIPTION OF PROPOSED PROJECT

2.1 Proposed Project Location

The Proposed Project is located in the City of Tracy’s (City) General Plan Sphere of Influence (SOI), and consists of 1,774 acres on the western side of the City’s SOI, just outside the City’s existing City limits. The Proposed Project is generally bounded on the north by Interstate 205, on the south by West Schulte Road, on the west by Mountain House Parkway and the Delta Mendota Canal, and on the east by the current City limits. Figure 1 illustrates the location of the Proposed Project in relation to the current City Limits and the City’s General Plan SOI.

The Proposed Project area is currently owned by a number of different property owners and portions of the Proposed Project overlie the Byron Bethany Irrigation District (BBID) and the West Side Irrigation District (WSID) service areas (see Figure 2).

2.2 Proposed Land Uses and Acreages

Per the Cordes Ranch Specific Plan, currently being prepared by others, land uses for the Proposed Project consist of a mix of General Commercial (GC), General Office (GO), Business Park Industrial (BPI) and Park/Open Space (P/OS) land uses. No residential land uses are proposed within the Proposed Project. Proposed land uses for the Proposed Project based on the Cordes Ranch Specific Plan are summarized in Table 1.

Proposed Land Use and Developed Square Footage ^(a)	Cordes Ranch Specific Plan Acres ^(a)
General Commercial (GC) (approximately 592,000 square feet (sf))	45.3
General Office (GO) (approximately 2.5 million sf)	125.8
Business Park Industrial (BPI) (approximately 28 million sf)	1,291.4
Park/Open Space (P/OS)	73.0
Street Landscaping	148.8
Other Miscellaneous Land Uses within Proposed Project area:	
Detention Basins	21.7
Drainage Ditch	20.6
Total Area (Net)^(b)	1,726.6

^(a) Based on Cordes Ranch Specific Plan land use data provided by Kier & Wright on May 1, 2012.
^(b) Total net area does not include portions of the Delta Mendota Canal and the WSID Canal and a PG&E parcel that are located within the Proposed Project area. Gross acreage including these areas equals 1,774 acres.



The land uses designated in the Specific Plan for the Proposed Project are somewhat different than those assumed for the Proposed Project site in the City's Citywide Water System Master Plan¹, which was based on the projected future water demands included in the City's 2010 Urban Water Management Plan (2010 UWMP)². However, the total area for the Proposed Project is essentially the same under both plans (1,723 gross acres in the Citywide Water System Master Plan versus 1,774 gross acres based on the Cordes Ranch Specific Plan; the difference in acreage reflects the inclusion of the rights of way for the Delta Mendota Canal and WSID Canal) and the land uses, while slightly different, are consistent with the Citywide Water System Master Plan.

Development of the Proposed Project is anticipated to occur over approximately 30 years and will likely occur in several development phases. Phase 1 of the Proposed Project is anticipated to be developed in the next 10 to 12 years. Buildout of the Proposed Project is anticipated to occur around the year 2040.

It should be noted that this WSA evaluates the availability and reliability of the City's water supplies to serve buildout of the Proposed Project; no evaluation of individual development phases is provided.

2.3 Projected Water Demand

2.3.1 Water Use Factors and Assumptions

The projected water demand for the Proposed Project site was calculated as part of the development of the City's Citywide Water System Master Plan. The City adopted unit water use factors for use in projecting potable and recycled water demand based on the proposed future land uses within the City's General Plan SOI³.

Potable water use factors for various land uses were established based on historical metered water use data for various land use types, taking into consideration reduced water use as a result of new building codes, improved water use efficiency and water conservation measures. The potable water use factor for Commercial land uses was established to be 2.0 acre-feet per acre per year (af/ac/yr), and the potable water use factor for Office and Industrial land uses was established to be 1.5 af/ac/yr. Both of these factors were applied to the gross acres to estimate the total potable water demand.

¹ For the Citywide Water System Master Plan (December 2012) the following land uses were assumed for the Proposed Project site: Industrial: 1,488 acres; Office: 150 acres; Commercial (Retail): 85 acres; Total Gross Acres: 1,723 acres.

² City of Tracy 2010 Urban Water Management Plan, adopted by the City of Tracy in May 2011, prepared by Erler & Kalinowski, Inc., May 2011.

³ As established in the City of Tracy Citywide Water System Master Plan, prepared by West Yost Associates, Final Report dated December 2012, and included in the City's 2010 UWMP.



Exterior recycled water use was assumed to be 4.0 af/ac/yr for irrigated landscape areas, including roadway medians and other landscape areas. Since irrigated landscape areas were not specifically defined for each parcel within the Proposed Project site, it was assumed that 15 percent of the gross acreage for each land use designation within the Proposed Project site would be landscaped and irrigated with recycled water, and would not receive potable water.

Table 2 summarizes the City’s adopted unit water use factors for the land use designations applicable to the Proposed Project site.

Table 2. City of Tracy Adopted Water Use Factors	
Land Use Designation	Water Use Factor, af/ac/yr^(a,b)
Commercial	2.0
Business Park	1.5
Industrial	1.5
Landscape Irrigation (using Recycled Water)	4.0
<small>(a) As established in the Citywide Water System Master Plan, prepared by West Yost Associates, Final Report dated December 2012, and included in the City’s 2010 UWMP. (b) Water use factor to be applied based on gross acres. This WSA assumes that 85 percent of the gross acres of the Proposed Project would use potable water and the remaining 15 percent would use recycled water to serve the Proposed Project’s non-potable water demand.</small>	

2.3.2 Water Demand Calculations

As explained above, the land uses and acreages assumed in the Cordes Ranch Specific Plan and the Citywide Water System Master Plan (based on the 2010 UWMP) are slightly different. The total projected water demand for the Proposed Project site at buildout, as calculated as part of the development of the Citywide Water System Master Plan (based on the City’s 2010 UWMP), is presented in Table 3, and is compared to the total projected water demand as calculated in the Cordes Ranch Specific Plan. As shown in Table 3, the Citywide Water System Master Plan (based on the 2010 UMWP) estimates the projected potable water demand for the Proposed Project site to be 2,233 acre-feet per year (af/yr) and the projected recycled water demand to be 1,034 af/yr. This is compared to the Cordes Ranch Specific Plan estimates, which calculate the projected potable water demand for the Proposed Project site to be 1,874 af/yr and the projected recycled water demand to be 1,127 af/yr.



**Table 3. Projected Water Demand for Proposed Project Site
(as calculated in the Citywide Water System Master Plan)^(a)**

Land Use Designation	Gross Acres ^(b)	Water Use Factor, af/ac/yr	Potable Water		Recycled Water	
			Acres ^(c)	Potable Water Demand, af/yr	Acres ^(d)	Recycled Water Demand, af/yr
Commercial	85	2.0	72	145		
Business Park	150	1.5	128	191		
Manufacturing/ Distribution (Industrial)	1,488	1.5	1,265	1,897		
Landscape Irrigation		4.0			259	1,034
Total Demand as calculated in the Citywide Water System Master Plan ^(e)				2,233		1,034
Total Demand as calculated in the Cordes Ranch Specific Plan ^(f)				1,874		1,127

(a) For buildout of the Proposed Project site, as established in the Citywide Water System Master Plan, prepared by West Yost Associates, Final Report dated December 2012.
 (b) Gross acres for the Proposed Project site as assumed in the Citywide Water System Master Plan.
 (c) Potable water use acres based on 85% of gross acres for each land use designation.
 (d) Recycled water use acres based on 15% of total gross acres for the Proposed Project.
 (e) Water demands calculated for the Citywide Water System Master Plan were also used in the City's 2010 UWMP.
 (f) Cordes Ranch Specific Plan demand as calculated by Kier & Wright, May 1, 2012.

2.3.3 Comparison with Water Demand Calculations of the Cordes Ranch Specific Plan and the Citywide Water System Master Plan (based on the City's 2010 Urban Water Management Plan)

As shown in Table 3 above, the potable water demand calculated for the Proposed Project in the Cordes Ranch Specific Plan (1,874 af/yr) is lower than the 2,233 af/yr demand calculated in the Citywide Water System Master Plan (based on the City's 2010 UWMP).

However, also as shown in Table 3 above, the recycled water demand calculated for the Proposed Project in the Cordes Ranch Specific Plan (1,127 af/yr) is higher than the 1,034 af/yr demand calculated in the Citywide Water System Master Plan (based on the City's 2010 UWMP). However, this increase in recycled water demand (increase of 93 af/yr) is considered to be nominal. Recycled water facilities recommended in the Citywide Water System Master Plan have been sized to accommodate additional recycled water demands beyond those included in the City's 2010 UWMP and adequate recycled water supplies are anticipated to be available in the future to accommodate the additional recycled water demand associated with the Proposed Project (see Section 6.4.1).

For purposes of ensuring a conservative analysis, this WSA uses the higher of the estimates, as follows: the potable water demand for the Proposed Project has been estimated to be 2,233 af/yr (based on the Citywide Water System Master Plan/2010 UWMP) and the recycled water demand has been estimated to be 1,127 af/yr (based on the Cordes Ranch Specific Plan).



2.4 Projected Water Supply

The water demands for the Proposed Project will be served using the City's existing and future portfolio of water supplies. Proponents of the Proposed Project will provide their proportionate share of required funding to the City for the acquisition and delivery of treated potable and recycled water supplies to the Proposed Project area.



3.0 REQUIRED DETERMINATIONS

3.1 Does SB 610 apply to the Proposed Project?

10910 (a) Any city or county that determines that a project, as defined in Section 10912, is subject to the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) under Section 21080 of the Public Resources Code shall comply with this part.

10912 (a) "Project" means any of the following:

- (1) A proposed residential development of more than 500 dwelling units.*
- (2) A proposed shopping center or business establishment employing more than 1,000 persons or having more than 500,000 square feet of floor space.*
- (3) A proposed commercial office building employing more than 1,000 persons or having more than 250,000 square feet of floor space.*
- (4) A proposed hotel or motel, or both, having more than 500 rooms.*
- (5) A proposed industrial, manufacturing, or processing plant, or industrial park planned to house more than 1,000 persons, occupying more than 40 acres of land, or having more than 650,000 square feet of floor area.*
- (6) A mixed-use project that includes one or more of the projects specified in this subdivision.*
- (7) A project that would demand an amount of water equivalent to, or greater than, the amount of water required by a 500-dwelling unit project.*

Based on the following facts, SB 610 does apply to the Proposed Project.

- The City of Tracy has determined that the Proposed Project is subject to the California Environmental Quality Act (CEQA) and that an Environmental Impact Report (EIR) is required.
- The Proposed Project, with its proposed 592,000 square feet of General Commercial development, 2.5 million square feet of General Office development, and 28 million square feet of Business Park Industrial development, meets the definition of a "Project" as specified in Water Code section 10912(a) paragraph (3) as defined for commercial office buildings and paragraph (5) as defined for industrial, manufacturing, processing plants, or industrial parks.

Also, the Proposed Project has not been the subject of a previously adopted WSA and has not been included in an adopted WSA for a larger project. Therefore, according to Water Code section 10910(a), a WSA is required for the Proposed Project.



3.2 Who is the identified public water system?

10910(b) The city or county, at the time that it determines whether an environmental impact report, a negative declaration, or a mitigated negative declaration is required for any project subject to the California Environmental Quality Act pursuant to Section 21080.1 of the Public Resources Code, shall identify any water system that is, or may become as a result of supplying water to the project identified pursuant to this subdivision, a public water system, as defined by Section 10912, that may supply water for the project

10912 (c) "Public water system" means a system for the provision of piped water to the public for human consumption that has 3,000 or more service connections...

As shown on Figure 1, the Proposed Project is located within the City's General Plan SOI. The Proposed Project is located outside the current City limits; however, it is anticipated that proponents for the Proposed Project area will seek to have the Proposed Project site annexed to the City in 2013.

The City's water system service area includes all areas within the City limits and the General Plan SOI area as they are annexed into the City. As of December 2010, the City had 23,449 water service connections. Therefore, the City is the identified public water system for the Proposed Project.

3.3 Does the City have an adopted Urban Water Management Plan (UWMP) and does the UWMP include the projected water demand for the Proposed Project?

10910(c)(1) The city or county, at the time it makes the determination required under Section 21080.1 of the Public Resources Code, shall request each public water system identified pursuant to subdivision (b) to determine whether the projected water demand associated with a proposed project was included as part of the most recently adopted urban water management plan adopted pursuant to Part 2.6 (commencing with Section 10610).

The City's most recently adopted UWMP (the City's 2010 UWMP) was adopted by the City Council in May 2011 and is incorporated by reference into this WSA⁴. The City's 2010 UWMP included existing and projected water demands for existing and projected future land uses to be developed within the City's General Plan SOI through buildout (estimated to occur in 2040). The water demand projections in the City's 2010 UWMP included existing City water demands (based on 2007 demands⁵), future water demands for developments with approved water supplies (e.g., those projects which have already been approved by the City but have not yet begun construction or have not yet built out), and future water demands for future service areas (including water demands for the Proposed Project site).

⁴ City of Tracy 2010 Urban Water Management Plan, prepared by Erler & Kalinowski, Inc., May 2011.

⁵ The 2007 water demands were used because they may be more representative of actual existing demands than the currently observed lower demands due to recent drought conditions and economic conditions.



Potable water demands for the Proposed Project site (2,233 af/yr) and recycled water demands for the Proposed Project site (1,034 af/yr) were included in the estimated water demands for development of the project site in the City's 2010 UWMP water demand estimates for future service areas⁶.

Recycled water demands calculated for the Proposed Project shown in Table 3 (1,127 af/yr) are higher than the 1,034 af/yr demand included for the Proposed Project site in the City's 2010 UWMP; however, this increase in recycled water demand is considered to be nominal. Recycled water facilities recommended in the Citywide Water System Master Plan have been sized to accommodate additional recycled water demands beyond those included in the City's 2010 UWMP and adequate recycled water supplies are anticipated to be available in the future to accommodate the additional recycled water demand associated with the Proposed Project.

⁶ See City of Tracy 2010 Urban Water Management Plan, Table 7. The Proposed Project is included in the Future Service (Planning) Areas as Cordes Ranch (UR 6).



4.0 CITY OF TRACY WATER SERVICE AREA

4.1 Water Service Area

The City is located in San Joaquin County, California, about 70 miles south of Sacramento and 60 miles east of San Francisco. The existing incorporated area of the City encompasses approximately 22 square miles. The SOI is the area outside of the City limits that the City expects to annex and urbanize in the future. It is the expected physical limit of the City based on the most current information. During the City's recent General Plan update process and in response to Local Agency Formation Commission (LAFCo) policies established in 2007, revisions to the City's SOI were made to more accurately reflect locations where the City may grow in the future and locations where no urban growth is expected. The recently adopted revised SOI encompasses an area of approximately 42 square miles and is 20 square miles larger than the current City limits.

The City's water service area is coterminous with the City limits. As future developments within the SOI, but outside the City Limits, are approved, they will be annexed into the City and served by the City water system. Figure 1 illustrates the current City limits and the SOI. The Proposed Project is located outside the City's existing City limits, however, it is anticipated that proponents for the Proposed Project area will seek to have the Proposed Project site annexed to the City in 2013 prior to development.

4.2 Population

The State of California Department of Finance population estimate for the City as of January 1, 2012 was 83,900 people⁷. Population growth has been rapid in the City, with the City growing by 142 percent between 1988 and 2003, a compounded rate of approximately 6 percent per year. The City's population growth, at least in the near-term, is not anticipated to be as rapid as it has been historically. The City adopted a residential Growth Management Ordinance (GMO) in 1987, which was amended in 2000 by Measure A. The objective of the GMO and Measure A was to achieve a steady and orderly growth rate that allows for the adequate provision of services and community facilities, and includes a balance of housing opportunities. Under the GMO, builders must obtain a Residential Growth Allotment (RGA) in order to secure a residential building permit. The GMO Guidelines were adopted by resolution of the City Council.

The City's projected population increase for 2010 through 2025 is based on the City's General Plan, and for 2025 through 2035 is based on assumed buildout of the City's SOI by 2040 (as assumed in the Citywide Water System Master Plan and the City's 2010 UWMP). However, due to the on-going economic conditions in the State and in the Tracy area, it is currently unclear if actual development will occur within this assumed time frame and if populations will increase as assumed. It is more likely that development within the General Plan SOI will occur over a longer period of time with buildout occurring sometime after the year 2040.

⁷ State of California, Department of Finance, E-1 Population Estimates for Cities, Counties, and the State with Annual Percent Change—January 1, 2011 and 2012, Sacramento, California, May 2012.



Table 4 shows the City’s projected population in five-year increments to the year 2035.

	Year	Population
Historical Population ^(a)	1990	32,827
	1995	44,923
	2000	56,447
	2005	78,546
	2010	82,484
Projected Population ^(a)	2015	89,503
	2020	99,440
	2025	109,377
	2030	117,744
	2035	126,110

^(a) Source: City of Tracy 2010 UWMP, Table 2 Historical and Projected Service Area Population, May 2011; includes 377 residents served by the City in the Larch Clover County Services District.

4.3 Climate

Spring, summer, and fall are generally hot in the City, with temperatures often climbing to over 100 degrees Fahrenheit on summer days. The City’s winters are usually mild, although the dense “Tule fog” can last for weeks. Mean winter temperatures range from 40 to 50 degrees Fahrenheit, with an average of 16 days per year having frost. Most precipitation occurs during the winter. The average annual precipitation from the years 1949 to 2012 is recorded by the Western Regional Climate Center as 9.86 inches.

Table 5 summarizes the City’s average temperature and rainfall data.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Total
Average E _o , inches ^(a)	0.95	1.75	3.48	5.37	6.88	7.79	8.29	7.24	5.33	3.63	1.76	1.01	53.48
Average Max Temperature, °F ^(b)	54.1	61.0	66.7	73.1	80.7	88.0	93.6	92.1	87.9	78.5	64.9	54.7	74.6
Average Min Temperature, °F ^(b)	36.7	40.0	42.6	45.5	50.4	55.2	57.1	55.7	53.9	48.7	42.1	36.6	47.0
Average Rainfall, inches ^(b)	1.90	1.72	1.37	0.84	0.45	0.09	0.03	0.09	0.22	0.52	1.10	1.55	9.86

^(a) Source: CIMIS Website: www.cimis.water.ca.gov, Station 167 Tracy, Monthly Average Evapotranspiration (E_o) Report, downloaded November 2012.
^(b) Source: Western Regional Climate Center website: www.wrcc.dri.edu, Tracy Carbona Weather Station (No. 048999), Period of Record 10/1/1949 to 7/31/2012.



5.0 CITY OF TRACY WATER DEMANDS

10910(c)(2) If the projected water demand associated with the proposed project was accounted for in the most recently adopted urban water management plan, the public water system may incorporate the requested information from the urban water management plan in preparing the elements of the assessment required to comply with subdivisions (d), (e), (f), and (g).

As described previously, the water demands for the Proposed Project are included in the City’s 2010 UWMP. Therefore, the descriptions provided below for the City’s water demands have been taken, for the most part, from the City’s 2010 UWMP, which was adopted by City Council in May 2011. Supplemental information from other available reports has been included to provide the most recent data available and to meet the specific requirements of SB 610.

5.1 Historical and Existing Water Demand

The City’s water demand has increased by over 100 percent in the last twenty years. In 1986, the City’s water demand was 8,104 af/yr and, in 2011, the City’s water demand was 16,868 af/yr. Figure 3 shows the City’s historical annual water demand (based on water production) from 1986 through 2011. Table 6 shows the City’s water demand (based on water production) for 2006 through 2011.

	2006	2007	2008	2009	2010	2011
Total UWMP Water Demand, af/yr ^(a)	18,000	19,176	17,118	16,693	16,603	16,868
^(a) Source: Table 6 Current and Historical Potable Water Demand by Water Demand Sector, City of Tracy 2010 Urban Water Management Plan, May 2011. 2011 data from City water production data.						

As shown in Table 6 and Figure 3, the City’s 2009 to 2011 potable water demands (based on water production) were about 2,300 to 2,500 af/yr lower than 2007 demands. This reduction in potable water demand is partially due to additional water conservation measures which were implemented during the recent drought and relatively wet conditions in 2010 and 2011. The reduction in 2010 and 2011 demands may also be due to a large number of unoccupied homes and closed businesses due to recent poor economic conditions.

5.2 Future Water Demand

The City’s water demand is anticipated to continue to increase as approved projects build out and new developments are approved and constructed within the City’s water service area. However, as discussed above, the rate of growth within the City service area has slowed as a result of the Growth Management Ordinance and the current economic downturn. Hence, water demands are not anticipated to increase as rapidly as they have in past years.



The City’s projected future water demand was determined based on potable water use factors for various land uses based on historical metered water use data for various land use types, and taking into consideration reduced future water use as a result of new building codes, improved water use efficiency and water conservation measures. Table 7 shows the projected potable and recycled water demand through 2035 as presented in the City’s 2010 UWMP.

	2015	2020	2025	2030	2035
Total Potable Water Demand ^(a)	23,000	25,000	28,300	31,000	33,600
Total Recycled Water Demand ^(b,c)	1,200	2,410	3,620	4,830	6,040

^(a) Table 8 Projected Potable Water Demand by Water Demand Sector, City of Tracy 2010 Urban Water Management Plan, May 2011. Includes potable water demands for the Proposed Project.
^(b) Table 17 Projected Timing of Recycled Water Demand, City of Tracy 2010 Urban Water Management Plan, May 2011.
^(c) As discussed in Section 2.3.3, the recycled water demand calculated for the Proposed Project shown in Table 3 (1,127 af/yr) is higher than the 1,034 af/yr demand included for the Proposed Project in the City’s 2010 UWMP. However, recycled water facilities recommended in the Citywide Water System Master Plan have been sized to accommodate additional recycled water demands beyond those included in the City’s 2010 UWMP and adequate recycled water supplies are anticipated to be available in the future to accommodate the additional recycled water demand associated with the Proposed Project.

Figure 4 illustrates the City’s projected water demand through 2035 as presented in the City’s 2010 UWMP. As noted previously, buildout of the City’s General Plan SOI has been assumed to occur in the year 2040. However, due to the on-going poor economic conditions in the State and in the Tracy area, it is currently unclear if actual development will occur within this assumed time frame and if populations will also increase as assumed. It is likely that development within the General Plan SOI will occur over a longer period of time with buildout occurring sometime after the year 2040.

Table 8 summarizes the City’s projected water demand based on existing users, on-going development projects with approved water supply and future service areas. The Proposed Project is considered to be one of the City’s future service areas.



Table 8. Projected Future Potable Water Demand by Development Stage

	Existing Water Demand, af/yr	Future Water Demand, af/yr ^(a)	Total Future Water Demand, af/yr ^(b)
2007 Existing Users ^(c)	17,820 ^(c)		19,176 ^(d)
Development Projects with Approved Water Supply		3,839 ^(e)	4,150 ^(f)
<i>Residential Areas Specific Plan</i>		45	
<i>Industrial Areas Specific Plan</i>		574	
<i>I-205 Corridor Specific Plan</i>		271	
<i>Plan "C"</i>		74	
<i>Northeast Industrial</i>		702	
<i>South MacArthur</i>		59	
<i>Downtown Specific Plan</i>		185	
<i>Infill</i>		806	
<i>Ellis Specific Plan</i>		1,076	
<i>Gateway Phase 1</i>		-- ^(g)	
<i>Holly Sugar Sports Park</i>		47	
Subtotal	17,820	3,839	23,326
Cordes Ranch Specific Plan Project (Proposed Project)		2,233^(g)	2,414^(g)
Subtotal (with Proposed Project)			25,740
Other Future Service Areas		9,772 ^(g)	10,564
<i>Westside Residential (URs 5, 7, 8, 9)</i>		1,169	
<i>UR 1</i>		1,237	
<i>South Linne (UR 11)</i>		153	
<i>Tracy Hills</i>		2,985	
<i>Gateway PUD (excluding Phase 1)</i>		-- ^(h)	
<i>Bright (UR 4)</i>		411	
<i>Catellus (UR 3)</i>		839	
<i>Filios (UR 2)</i>		70	
<i>I-205 Expansion</i>		292	
<i>Westside Industrial</i>		618	
<i>Eastside Industrial</i>		469	
<i>Larch Clover County Services District</i>		847	
<i>Chrisman Road</i>		150	
<i>Rocha</i>		248	
<i>Berg/Byron</i>		164	
<i>Kagehiro</i>		120	
Total Potable Water Demand at Buildout	17,820	15,844	36,304
<p>^(a) Does not include unaccounted for water. ^(b) Represents projected water demands at buildout. Includes 7.5% unaccounted for water (based on City's historical unaccounted for water). ^(c) Based on actual water sales data for 2007 (not including unaccounted for water) (reference: City of Tracy Water Inventory Report, February 5, 2008). As noted above, 2007 water demands are used for the evaluation in this WSA, as 2007 water demands more closely represent normal year conditions. ^(d) Based on actual water production in 2007 (includes actual water sales and calculated unaccounted for water in 2007 of 7.1%). ^(e) See Development Projects with Approved Water Supply in Table 7 Projected Potable Water Demand Itemized by Future Development, City of Tracy 2010 UWMP, May 2011. ^(f) Includes 7.5% unaccounted for water (3,839 af/yr divided by 92.5%). ^(g) See Future Service (Planning) Areas in Table 7 Projected Potable Water Demand Itemized by Future Development Area, City of Tracy 2010 UWMP, May 2011. Includes the Cordes Ranch Project with a projected potable water demand at buildout of 2,233 af/yr (with 7.5% unaccounted for water equals 2,414 af/yr (2,233 af/yr divided by 92.5%)). ^(h) Based on Gateway's participation in the Water Exchange Program.</p>			



As shown in Table 8, based on existing users and the development projects with approved water supply, the projected potable water demand is 23,326 af/yr; this projected potable water demand increases to 25,740 af/yr if the Proposed Project is included (includes unaccounted-for water). With the inclusion of other future projects to be developed within the SOI, the projected potable water demand increases to 36,304 af/yr at buildout (assumed to occur in about 2040).

Figure 5 shows the City’s projected future potable water demand by development stage based on the currently available water demand estimates.

5.3 Dry Year Water Demand

The City currently has an extensive water conservation program in place, as described in Chapter 6 of the City’s 2010 UWMP. The projected future water demand presented in Table 8 includes continued implementation of the City’s existing water conservation program, and is based on future normal hydrologic years. In single dry or multiple dry years, the projected future water demand presented in Table 8 does not assume any additional water conservation beyond that assumed in normal years. This is because, as water demands begin to increase in the spring due to the warmer weather conditions, due to the lack of rainfall during the previous winter/spring period, and the subsequent public notification of dry conditions, some water conservation will occur, and summer water demands will likely decrease, essentially balancing out the demands within that year. This is a conservative assumption as additional water conservation may indeed occur in subsequent years as a result of the City’s implementation of additional water conservation measures as outlined in the City’s Water Shortage Contingency Plan in response to multiple dry years⁸. However, this additional water conservation is not relied upon for purposes of this WSA.

Table 9 presents the projected future dry year potable water demand.

Hydrologic Condition	Demand Reduction	2015	2020	2025	2030	2035
Single Dry Year	0%	23,000	25,000	28,300	31,000	33,600
Multiple Dry Years ^(b)	0%	23,000	25,000	28,300	31,000	33,600

^(a) See Table 8 Projected Potable Water Demand by Water Demand Sector of the City’s 2010 UWMP. Includes unaccounted for water of 7.5% based on the City’s historical unaccounted for water.
^(b) Represents demands for each year of the 3-year multiple dry year period.

⁸ The City’s Water Shortage Contingency Plan is included as an appendix to the City’s 2010 Urban Water Management Plan.



6.0 CITY OF TRACY WATER SUPPLIES

10910(c)(2) If the projected water demand associated with the proposed project was accounted for in the most recently adopted urban water management plan, the public water system may incorporate the requested information from the urban water management plan in preparing the elements of the assessment required to comply with subdivisions (d), (e), (f) and (g).

10910(d)(1) The assessment required by this section shall include an identification of any existing water supply entitlements, water rights, or water service contracts relevant to the identified water supply for the proposed project, and a description of the quantities of water received in prior years by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), under the existing water supply entitlements, water rights, or water service contracts

10910(d)(2) An identification of existing water supply entitlements, water rights, or water service contracts held by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), shall be demonstrated by providing information related to all of the following:

- (A) Written contracts or other proof of entitlement to an identified water supply.*
- (B) Copies of a capital outlay program for financing the delivery of a water supply that has been adopted by the public water system.*
- (C) Federal, state, and local permits for construction of necessary infrastructure associated with delivering the water supply.*
- (D) Any necessary regulatory approvals that are required in order to be able to convey or deliver the water supply.*

10910(e) If no water has been received in prior years by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), under the existing water supply entitlements, water rights, or water service contracts, the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), shall also include in its water supply assessment pursuant to subdivision (c), an identification of the other public water systems or water service contract-holders that receive a water supply or have existing water supply entitlements, water rights, or water service contracts, to the same source of water as the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), has identified as a source of water supply within its water supply assessments..

It is anticipated that the Proposed Project, if approved by the City, would be served from City's existing and future portfolio of water supplies. The water supply for the Proposed Project will have the same water supply reliability and high water quality as the water supply available to all of the City's other existing and future water customers. Proponents of the Proposed Project will provide their proportionate share of required funding to the City for the acquisition and delivery of treated potable and recycled water supplies to the Proposed Project area.

The water demands for the Proposed Project (together with existing water demands and planned future uses) are included in the City's 2010 UWMP. Therefore, the descriptions provided below for the City's water supplies have been taken, for the most part, from the City's 2010 UWMP, which was adopted in May 2011. Supplemental information from other available reports has also been included to provide the most recent data available and to meet the specific requirements of SB 610.

The City's existing water supplies and some of the additional planned future water supplies have undergone previous environmental review. These reviews are referenced in the following descriptions and are incorporated by reference as applicable.



6.1 Existing Potable Water Supplies

The City currently receives water supplies from three sources:

- Surface water from the Delta-Mendota Canal (Central Valley Project),
- Surface water from the Stanislaus River via the South County Water Supply Project (delivered by the South San Joaquin Irrigation District (SSJID)), and
- Groundwater pumped from nine groundwater wells located within the City.

Each of these existing supplies is described below and documentation regarding these supplies (e.g., contracts and agreements) is provided in Appendix A of this WSA. Summary tables listing the City's existing and additional water supplies, and historical and anticipated future quantities, are provided following the discussion of the City's additional water supplies. Figure 6 shows the City's historical use of these water supplies.

The City's Capital Improvement Plan (CIP) for the five-year period from Fiscal Year (FY) 2012/13 through FY 2016/17 for water system improvements to serve existing and future customers is provided in Appendix B.

6.1.1 Central Valley Project Water via the Delta-Mendota Canal

6.1.1.1 *M&I-Reliability Supplies from the CVP*

In 1974, the City entered into a 40-year contract with the USBR for an annual entitlement of 10,000 af/yr of surface water from the CVP via the Delta-Mendota Canal (DMC). The contract is due to expire in 2014. The City has agreed with the USBR to renew this contract prior to 2014. Contract negotiations are on-going and it is the intent to renew the contract prior to 2014. In the event the contract is not renewed prior to expiration, the City and the USBR will enter into an interim renewal contract to provide water service until the long-term renewal contract is executed. A copy of the City's contract with the USBR is included in Appendix A.

In the CVP system, in accordance with the USBR's Central Valley Project Municipal and Industrial (M&I) Draft Water Shortage Policy dated September 11, 2001, an M&I contractor is eligible for 75 percent M&I reliability applied to the contractor's historical use, with certain adjustments. This M&I reliability may be reduced when the allocation of Ag-reliability water is reduced below 25 percent of contract entitlement. Historical allocations for the M&I-reliability CVP water for the last several years are summarized below:

- | | |
|--------------------------------|--------------------------------|
| • 2005: 100 percent allocation | • 2009: 60 percent allocation |
| • 2006: 100 percent allocation | • 2010: 75 percent allocation |
| • 2007: 75 percent allocation | • 2011: 100 percent allocation |
| • 2008: 75 percent allocation | • 2012: 75 percent allocation |

The City's allocations of M&I-reliability water in the last five years (2008 to 2012) have averaged 77 percent of the City's contractual entitlement.



Litigation has created uncertainty regarding the reliability of water deliveries through the Bay-Delta. Most of this litigation addresses compliance with the federal and State endangered species acts (see NRDC v. Kempthorne, and Watershed Enforcers v. DWR). In August 2007, the federal court in the Kempthorne case ordered that, as an interim remedy, Delta pumping be curtailed from late December through June to protect the Delta smelt (this became known as the Wanger Decision). In December 2008, a Biological Opinion (BiOp) regarding the Delta smelt was issued by the U.S. Fish and Wildlife Service which applied Delta pumping restrictions that are similar to the August 2007 interim court remedy, and a revised BiOp related to three salmon species was issued in June 2009 which included additional pumping restrictions. After the BiOps were released, numerous parties filed suit. The court overturned the BiOps and remanded the BiOps to the fishery agencies. The final impacts of the BiOps on future SWP and CVP deliveries remain uncertain.

6.1.1.2 Ag-Reliability Supplies from the CVP

In 2004, the USBR approved the assignment of 5,000 af/yr of Ag-reliability CVP contract entitlement to the City from the Banta Carbona Irrigation District (BCID). Also in 2004, the USBR approved the assignment of another 2,500 af/yr of Ag-reliability CVP contract entitlement water to the City from the WSID, with the option to purchase an additional 2,500 af/yr of CVP contract entitlement from the WSID (see discussion under *Section 6.2.1.1 Additional CVP Supplies from WSID*). For both of these assignments, Negative Declarations were prepared pursuant to the provisions of the California Environmental Quality Act (CEQA) (BCID Assignment: SCH No. 2002072106; WSID Assignment: SCH No. 2002072107) and for each a Finding of No Significant Impact (FONSI) was issued.

Deliveries of Ag-reliability water can vary significantly, and during severe water shortages supply may be reduced as much as 100 percent. Allocations for the Ag-reliability CVP water for the last several years are summarized below:

- 2005: 85 percent allocation
- 2006: 100 percent allocation
- 2007: 50 percent allocation
- 2008: 40 percent allocation
- 2009: 10 percent allocation
- 2010: 45 percent allocation
- 2011: 80 percent allocation
- 2012: 40 percent allocation

Deliveries of Ag-reliability water during the last five years (2008 to 2012) have averaged 43 percent of the contractual entitlement.

6.1.1.3 Treatment of CVP Supplies

The City's CVP water supplies are treated at the City's John Jones Water Treatment Plant (JJWTP), which was originally constructed in 1979, expanded in 1988, and then expanded again in 2008. The JJWTP is located just north of the Delta-Mendota Canal in the southern portion of the City. With the recent plant expansion now complete, the current treatment capacity of the JJWTP is 30 million gallons per day (mgd). Future additional expansion of the JJWTP is planned in conjunction with buildout of the City's General Plan SOI and is described in the Citywide Water System Master Plan.



The City also treats and serves relatively small quantities of CVP/DMC water purchased by others through a “treatment and wheeling agreement” for use at the Patterson Pass Business Park only. The Patterson Pass Business Park is now built out. In 2011, 527 acre-feet of water from the Plain View Water District (PVWD) (now part of the BBID) USBR allocation was treated at the City’s JJWTP and delivered to the Patterson Pass Business Park. Deliveries to the Patterson Pass Business Park in the last several years are shown below:

- 2005: 407 af
- 2006: 354 af
- 2007: 450 af
- 2008: 378 af
- 2009: 363 af
- 2010: 419 af
- 2011: 527 af

A comparable quantity of BBID CVP/DMC water is anticipated to be available for annual delivery to the Patterson Pass Business Park in the future. A copy of the agreement between the City and BBID (PVWD) for this water supply, treatment and wheeling is included in Appendix A.

6.1.2 [Stanislaus River Water](#)

The City, in partnership with the cities of Manteca, Lathrop and Escalon, and the SSJID, have constructed a surface water treatment plant near Woodward Reservoir in Stanislaus County and a transmission pipeline to deliver treated surface water to each city. The project is called the South County Water Supply Project (SCWSP). This water supply is based on SSJID’s senior pre-1914 appropriative water rights to the Stanislaus River, coupled with an agreement with the USBR to store water in New Melones Reservoir. As part of the SCWSP, the City has been allocated up to 10,000 af/yr of water⁹. A Final EIR for the SCWSP was prepared in May 2000 (SCH No. 98022018).

Treated water deliveries commenced in July 2005, and deliveries have been essentially uninterrupted since then (see Figure 6). In the first few years, SCWSP deliveries were less than the City’s full project allotment; however, during these years the City did not require its full SCWSP allotment, even though the full 10,000 acre-feet was available from SCWSP. However, as shown below, since 2009 the City has actually received more than its allotment. Historical deliveries from the SCWSP to the City are shown in Table 10.

⁹ An additional amount of SCWSP supplies may be available to the City on an annual basis and in the future; see *Section 6.2.4 Additional Supplies from the SCWSP*.



Table 10. SCWSP Deliveries to City of Tracy and Other Project Participants

Year	SCWSP Deliveries to City of Tracy, af	Total SCWSP Deliveries to All Project Participants, af ^(a)
2005	3,146	6,493
2006	8,918	16,763
2007	9,130	17,139
2008	8,017	16,816
2009	10,401	19,746
2010	10,850	17,430
2011	11,786	^(b)

^(a) Table 4.4 of the SSJID 2010 Urban Water Management Plan, August 2011.
^(b) Data not available for 2011.

The Draft and Final EIRs for the SCWSP analyzed the environmental impact of deliveries to the project participants of up to 44,000 af/yr (Draft EIR page 3-13). Total SCWSP deliveries to all project participants during 2006 to 2010 ranged from 16,763 af/yr in 2006 up to a maximum of 19,746 af/yr in 2009. The SCWSP is expected to have high reliability as a result of its senior pre-1914 rights. SSJID’s 2010 UWMP¹⁰, adopted by SSJID in September 2011, indicates that it will meet 100 percent of urban demands in normal years, 84.8 to 91.5 percent of urban demands in single dry years (the percent of urban demand met increases in the future as agricultural demands decrease), and 98 to 100 percent of urban demand in multiple dry years. The City has assumed that it will be able to receive 95 percent of its allocation, even during single dry years. This increase in supply reliability is premised upon the other project participants not using their entire project allotment and that water being available to the City.

A copy of the agreement between the City and SSJID for this water supply is included in Appendix A.

¹⁰ Provost & Pritchard Consulting Group, *South San Joaquin Irrigation District 2010 Urban Water Management Plan*, August 2011.



6.1.3 Groundwater

10910(f) If a water supply for a proposed project includes groundwater, the following additional information shall be included in the water supply assessment.

- 10910(f)(1) *A review of any information contained in the urban water management plan relevant to the identified water supply for the proposed project.*
- 10910(f)(2) *A description of any groundwater basin or basins from which the proposed project will be supplied. For those basins for which a court or the board has adjudicated the rights to pump groundwater, a copy of the order or decree adopted by the court or the board and a description of the amount of groundwater the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), has the legal right to pump under the order or decree. For basins that have not been adjudicated, information as to whether the department has identified the basin or basins as overdrafted or has projected that the basin will become overdrafted if present management conditions continue, in the most current bulletin of the department that characterizes the condition of the groundwater basin, and a detailed description by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), of the efforts being undertaken in the basin or basins to eliminate the long-term overdraft condition.*
- 10910(f)(3) *A detailed description and analysis of the amount and location of groundwater pumped by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), for the past five years from any groundwater basin from which the proposed project will be supplied. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historical use records.*
A detailed description and analysis of the amount and location of groundwater that is projected to be pumped by the public water system, or the city or county if either is required to comply with this part pursuant to subdivision (b), from any basin from which the proposed project will be supplied. The description and analysis shall be based on information that is reasonably available, including, but not limited to, historical use records.
- 10910(f)(4) *An analysis of the sufficiency of the groundwater from the basin or basins from which the proposed project will be supplied to meet the projected water demand associated with the proposed project.*
A water assessment shall not be required to include the information required by this paragraph if the public water system determines, as part of the review required by paragraph (1), that the sufficiency of groundwater necessary to meet the initial and projected water demand associated with the project was addressed in the description and analysis required by paragraph (4) of subdivision (b) of Section 10631.

6.1.3.1 Groundwater Overview

The City overlies a portion of the San Joaquin Valley Groundwater Basin-Tracy Sub-basin (Tracy Sub-basin). The City currently operates nine groundwater wells, with a total extraction capacity of about 15 mgd. Four wells (Production Wells 1, 2, 3 and 4) are located near the City's JJWTP and pump directly into the JJWTP clearwells, where the groundwater is blended with treated surface water. The other wells (Lincoln Well, Lewis Manor Well (Well 5), Park and Ride Well (Well 6), Ball Park Well (Well 7) and Well 8) are located throughout the City and pump water directly into the distribution system after disinfection. The City's newest well, Well 8, located near the intersection of Tracy Boulevard and 6th Street, was designed as an Aquifer Storage and Recovery Well (ASR Well), but has been put into service initially as an extraction well.



Figure 7 shows the locations of the City's wells and the Tracy Sub-basin.

6.1.3.2 Basin Description

The following section describes the Tracy Sub-basin, including its water-bearing formations, water levels, and water quality. Much of the following information has been incorporated from the City's 2010 UWMP. Except where noted, the description of the sub-basin is based largely on information provided in the 2003 California Department of Water Resources (DWR) Bulletin 118, in which the groundwater basin description was last updated in January 2006 (see Appendix C).

The sub-basin consists of unconsolidated to semi-consolidated sedimentary deposits that are bounded by the Diablo Range on the west, the Mokelumne and San Joaquin Rivers on the north, the San Joaquin River to the east, and the San Joaquin-Stanislaus County line on the south. Adjacent to the Tracy Sub-basin are the Eastern San Joaquin Sub-basin to the east, the Delta-Mendota Sub-basin to the south, and the Sacramento Valley Groundwater Basin to the north. The three sub-basins, not including the Sacramento Valley Groundwater Basin, are part of the San Joaquin Valley Groundwater Basin. The San Joaquin River and one of its major west side tributaries, Corral Hollow Creek, provide drainage from the Tracy Sub-basin. The San Joaquin River flows northward into the Sacramento and San Joaquin Delta and discharges into San Francisco Bay.

The Tracy Sub-basin is comprised of continental deposits of Late Tertiary to Quaternary age. These deposits include the Tulare Formation, Older Alluvium, Flood Basin Deposits, and Younger Alluvium. The cumulative thickness of these deposits increases from a few hundred feet near the Coast Range foothills on the west to about 3,000 feet along the eastern margin of the sub-basin.

Each of these formations is described below.

- The Tulare Formation is exposed in the Coast Range foothills along the western margin of the sub-basin and dips eastward toward the axis of the San Joaquin Valley. The Tulare Formation is approximately 1,400 feet thick and consists of semi-consolidated, poorly sorted, discontinuous deposits of clay, silt, and gravel. The Corcoran Clay occurs near the top of the Tulare Formation and confines the underlying fresh water deposits. The eastern limit of the Corcoran Clay is near the eastern boundary of the sub-basin. The Tulare Formation is moderately permeable, with most of the larger agricultural, municipal, and industrial wells completed below the Corcoran Clay and capable of producing up to about 3,000 gallons per minute (gpm). Smaller, domestic wells are typically completed above the Corcoran Clay, where the groundwater is often of poor quality. Specific yield values for the Tulare Formation in the San Joaquin Valley and Delta area range from 7 to 10 percent.
- The Older Alluvium is approximately 150 feet thick and consists of loosely to moderately compacted sand, silt, and gravel deposited in alluvial fans during the Pliocene and Pleistocene eras. The Older Alluvium is widely exposed between the Coast Range foothills and the Delta and is moderately to locally highly permeable.



- The Flood Basin Deposits occur in the Delta portion of the sub-basin and are the distal equivalents of the Tulare Formation and Older and Younger alluvial units. The Flood Basin Deposits consist primarily of silts and clays with occasional interbeds of gravel along the present waterways. Because of their fine-grained nature, the Flood Basin Deposits have low permeability and generally yield low quantities of water to wells. Occasional zones of fresh water are found in the Flood Basin Deposits, but they generally contain poor quality groundwater. The maximum thickness of the Flood Basin Deposits is about 1,400 feet.
- The Younger Alluvium includes those deposits that are currently accumulating, including sediments deposited in the channels of active streams, as well as overbank deposits and terraces of these active streams. The Younger Alluvium, consisting of unconsolidated silt, fine- to medium-grained sand, and gravel, is present to depths of less than 100 ft below ground surface (bgs) along the channel of Corral Hollow Creek. Sand and gravel zones in the Younger Alluvium are highly permeable and, where saturated, yield significant quantities of water to wells.

6.1.3.3 Groundwater Level Trends

The potentiometric surface in the semi-confined aquifer above the Corcoran Clay is located approximately 90 to 150 ft above mean sea level (msl). Review of hydrographs from wells throughout the sub-basin indicates that, except for seasonal variation resulting from recharge and pumping, water levels in most of these wells have remained stable over at least the last 10 years. As discussed below, as part of the City's Groundwater Management Policy, groundwater levels in the Tracy area are being monitored by the City on a semi-annual basis. These measurements indicate that groundwater levels in the City's wells have increased over the last few years, likely as a direct result of reduced groundwater pumpage by the City since 2005.

6.1.3.4 Groundwater Storage

There are no published groundwater storage values for the entire sub-basin (DWR, 2003). However, Hotchkiss and Balding (1971) estimated the groundwater storage capacity for the Tracy-Patterson Storage Unit at 4,040,000 af. The Tracy-Patterson Storage Unit includes the southern portion of the currently-defined Tracy Sub-basin, from approximately one mile north of Tracy to the San Joaquin-Stanislaus County line. Since the Tracy Sub-basin comprises roughly one-third of the Tracy-Patterson Storage Unit, it can be inferred that the approximate storage capacity of the Tracy Sub-basin is on the order of 1,300,000 af.

In an eight-year study conducted by Stoddard & Associates (1996), the average change in the entire sub-basin storage was approximately negative 13,000 af per year. Stoddard & Associates (1996) indicates a major contributor to this sub-basin storage decline was due to rainfall during the study period being well below average. Stoddard concluded that the sub-basin is in a hydrologically-balanced condition and is not overdrafted¹¹. Similarly, DWR has not identified the Tracy Sub-basin as being in an overdrafted condition (per DWR Bulletin 118-80).

¹¹ Page 23, City of Tracy 2010 Urban Water Management Plan, prepared by Erler & Kalinowski, Inc., May 2011.



6.1.3.5 Groundwater Yield

A 1990 Kennedy/Jenks/Chilton (K/J/C) study estimated a perennial groundwater yield of 6,700 af/yr in the Tracy Sub-basin within the Tracy Study Area. However, in 2001, to determine if additional groundwater resources were available in the Tracy Study Area, the City conducted an updated groundwater analysis. The Estimated Groundwater Yield Study, prepared by Bookman-Edmonston Engineering (included as an appendix to the City's Groundwater Management Policy Mitigated Negative Declaration--see Appendix C) provided an evaluation of potential groundwater yield and determined that a 2,300 af/yr increase of the average annual operational groundwater yield above the groundwater yield recommended in the 1990 K/J/C study could be provided within the estimated sustainable yield of the Tracy Sub-basin in the Tracy Study Area, without adverse impact to groundwater resources or quality in the Tracy Study Area over a 50-year timeframe. This expansion of groundwater usage to 9,000 af/yr would be within the City's estimated share of the aquifer's sustainable yield of 22,000 af/yr of the 28,000 af/yr total (which includes groundwater usage within West Side Irrigation District, Naglee-Burk Irrigation District, Plain View Water District (now part of the Byron Bethany Irrigation District), and Banta-Carbona Irrigation District). It was also estimated that this expansion of groundwater usage would result in a groundwater level drop of 10 feet, but would stabilize at this level.

6.1.3.6 Groundwater Quality

Groundwater quality in the Tracy Sub-basin varies spatially and with depth. In general, the northern part of the Tracy Sub-basin is characterized by a sodium water type, and the southern part of the Sub-basin is characterized by calcium-sodium type water. The northern part of the Tracy Sub-basin is also characterized by a wide range of anionic water types, including bicarbonate; chloride; and mixed bicarbonate-chloride. Major anions in the southern part of the Tracy Sub-basin include sulfate-chloride and bicarbonate-chloride.

There is also a difference between the water quality in the water-bearing zones above the Corcoran Clay (termed the "semi-confined aquifer") and below the Corcoran Clay (termed the "confined aquifer"). Generally, the water quality of the confined aquifer is better than that of the semi-confined aquifer. Total Dissolved Solids (TDS) concentrations in well water sampled in the semi-confined aquifer ranged between 1,000 milligrams per liter (mg/L) and 1,500 mg/L, while the measured TDS in the confined aquifer was less than 1,000 mg/L. In the vicinity of Tracy, the TDS of the confined aquifer is between 600 mg/L and 700 mg/L.

Constituents present at elevated concentrations throughout the Tracy Sub-basin in both the semi-confined and confined aquifers include chloride, nitrate, sulfate, and boron. Elevated chloride occurs in several areas near Tracy and along the San Joaquin River. Areas of elevated nitrate occur in the northwestern part of the Tracy Sub-basin and in the vicinity of Tracy. Elevated boron occurs over a large portion of the Sub-basin from south of Tracy extending to the northwest side of the Tracy Sub-basin. Sulfate concentrations of up to 500 mg/L have been detected in Tracy Sub-basin groundwater. The groundwater near Tracy is considered to be very hard.



6.1.3.7 Groundwater Management

The 1992 Groundwater Management Act, AB 3030, established provisions by which local water agencies could develop and implement groundwater management plans (GMPs). GMPs are generally designed to prevent local and regional aquifer overdrafting, which reduces available groundwater resources and which, under certain conditions, can lead to degradation of water quality and to land subsidence. The City has been, and continues to be, involved in both regional and local groundwater management efforts.

6.1.3.7.1 Groundwater Management Plan for the Northern Agencies in the Delta-Mendota Canal Service Area and a Portion of San Joaquin County

In 1996, the City Council adopted the Northern Delta-Mendota Canal Groundwater Management Plan pursuant to Water Code Sections 10750 et seq., also known as AB 3030. The plan was developed in coordination with other DMC northern agencies, including: Banta-Carbona Irrigation District, Byron-Bethany Irrigation District, Del Puerto Water District, Patterson Irrigation District, West Stanislaus Irrigation District, Westside Irrigation District, San Joaquin County, and the City of Tracy. The 1996 GMP included information on groundwater levels and quality, conjunctive management of groundwater and surface water resources, and measures to protect groundwater resources within the plan area.

In 2011, the GMP was revised to include additional information to comply with new provisions adopted by the State Legislature which included:

- The Department of Water Resources (DWR) to establish a priority schedule for monitoring groundwater basins and elevation reports as well as issuing recommendations to local entities to improve water quality;
- Permit local entities to determine best methods of groundwater monitoring to meet local demand;
- The DWR to implement groundwater monitoring if local agencies fail to do so. This will result in loss of eligibility for State grant funds.

The City of Patterson plans to become a northern agency member and the revised GMP will reflect their inclusion.

A public hearing regarding the revised GMP was held on February 7, 2012. The revised GMP was adopted by the Tracy City Council on May 1, 2012.

A copy of the revised GMP is included in Appendix C.

6.1.3.7.2 San Joaquin County Groundwater Export Ordinance

Occasional drought conditions and ongoing restrictions on Delta export pumping have reduced the imported CVP surface water supply available to entities located south of the Delta that rely on DMC/CVP water (Stoddard, 1996). Arrangements for water transfers between entities that receive DMC/CVP water were developed to allocate the reduced DMC/CVP supply to match demand, including pumping of groundwater into the DMC for conveyance and use in other areas.



This additional groundwater extraction, for the purpose of selling it to other DMC/CVP users, raised concerns amongst sub-basin groundwater users regarding groundwater overdraft and quality degradation. In response to these concerns, San Joaquin County enacted a Groundwater Export Ordinance in June 2000 that now requires an entity to secure a permit from San Joaquin County prior to exporting groundwater out of the County (such as by pumping extracted groundwater into the DMC for conveyance to other areas).

6.1.3.7.3 City Groundwater Management Policy and Mitigated Negative Declaration for City Groundwater Production of 9,000 af/yr

On a local level, in 2001, the City adopted a Groundwater Management Policy, and prepared a Groundwater Management Policy Mitigated Negative Declaration (see Appendix C). The Groundwater Management Policy and the Groundwater Management Policy Mitigated Negative Declaration are described below.

As discussed above, in 2001, the City anticipated that, to make up a projected temporary shortfall between supply and demand, groundwater extraction would have to increase from approximately 6,000 af/yr to a maximum of 9,000 af/yr over the three-year period from 2001 through 2004. Prior to 2001, it had been estimated that 6,700 af/yr was the City's sustainable groundwater extraction rate (K/J/C, 1990). However, the 2001 Estimated Groundwater Yield Study by Bookman-Edmonston, revised the estimated average annual operational groundwater yield to 9,000 af/yr. This operational yield, though larger than the earlier estimate, is still well under the City's estimated 22,000 to 28,000 af/yr share of the Tracy Sub-basin's sustainable yield.

Pursuant to the findings of the 2001 Bookman-Edmonston study, the Tracy City Council adopted a Groundwater Management Policy in 2001 that established the City's maximum annual groundwater extraction rate of 9,000 af/yr. To comply with CEQA and to evaluate the potential negative effects of increased groundwater extraction on water quality, water levels, and subsidence, the City also prepared a Groundwater Management Policy Mitigated Negative Declaration (see Appendix C). The Groundwater Management Policy Mitigated Negative Declaration specifies the frequency and type of monitoring and reporting the City must conduct to evaluate the sustainability of the increased groundwater extraction rate.

Consistent with the Groundwater Management Policy Mitigated Negative Declaration, the City has maintained groundwater production rates well below the estimated sustainable yield of 9,000 af/yr. In addition, the City hired Bookman to monitor the impacts of groundwater extraction on groundwater levels, groundwater quality, and land subsidence. Bookman's most recent Mitigation Monitoring Report dated January 23, 2009 covering the period from November 2007 through November 2008 includes well production data, water quality data, hydrographs, and groundwater contour maps for the City's production and monitoring wells (excerpts from this report are provided in Appendix C). As described in the report, there is no indication that pumping by the City is significantly or adversely affecting groundwater levels or water quality at this time. In fact, the report shows that groundwater levels in the City's wells have increased over the last couple of years, likely as a direct result of decreased groundwater pumpage by the City since 2005.



6.1.3.7.4 Tracy Regional Groundwater Management Plan (Regional City GMP)

In addition to participating in the development of the Tracy Sub-basin GMP, in 2005 the City was awarded a DWR grant for approximately \$185,000 to prepare a Tracy Regional Groundwater Management Plan (Tracy Regional GMP) for the portion of the Tracy Sub-basin that underlies the City of Tracy. The Tracy Regional GMP was completed in March 2007. A key objective of the Tracy Regional GMP was the development of Basin Management Objectives (BMOs) for groundwater levels, groundwater quality, and land subsidence in the region.

Excerpts from the Tracy Regional GMP are provided in Appendix C.

6.1.3.8 Historical Groundwater Use

As discussed previously, the City currently operates nine groundwater extraction wells (see Figure 6):

- Well 1 (at JJWTP)
- Well 2 (at JJWTP)
- Well 3 (at JJWTP)
- Well 4 (at JJWTP)
- Lincoln Well
- Well 5 (Lewis Manor Well)
- Well 6 (Ball Park Well)
- Well 7 (Park & Ride Well)
- Well 8

The City’s newest well, Well 8, was constructed in January 2004 and was permitted by the California Department of Public Health (DPH) for use as a municipal production well in September 2010. Well 8 is ultimately intended for use with the City’s future Aquifer Storage and Recovery Program (see discussion under *Section 6.2.4 Aquifer Storage and Recovery*).

Historically, groundwater has accounted for approximately 40 to 50 percent of the City’s annual water supply. Prior to 2000, groundwater extraction by the City totaled less than 6,000 af/yr. Between 2000 and 2004, to meet increased demands for water, the City began extracting additional groundwater, with annual usage up to about 7,700 af/yr. In 2005, groundwater extraction decreased to less than 6,000 af/yr primarily because: (1) the SCWSP was completed and the City began receiving Stanislaus River water; and (2) rainfall was above normal, meaning that the City received a higher percentage of its DMC/CVP contractual entitlements. The City’s groundwater production over the last seven years is provided in Table 11.

Table 11. City of Tracy Historical Groundwater Production							
	2005	2006	2007	2008	2009	2010	2011
Total Groundwater Production ^(a) , af/yr	5,826	3,034	3,672	2,598	1,327	498	292
^(a) Source: Table 11 Current and Historical Potable Water Supply, City of Tracy 2010 UWMP, May 2011 and 2011 Water Production Data.							



As noted above, other groundwater users in the Tracy area include the West Side Irrigation District, Naglee-Burk Irrigation District, Plain View Water District (now the Byron Bethany Irrigation District), Banta-Carbona Irrigation District. Although current groundwater pumpage by these users was not available for inclusion in this WSA, the 2001 Estimated Groundwater Yield Study, which established the City's estimated groundwater yield of 9,000 af/yr, considered the cumulative groundwater usage in the study area by the City and other users in the Tracy area.

6.1.3.9 Projected Future Groundwater Use

As discussed above, the 2001 Estimated Groundwater Yield Study indicated an average annual operational groundwater yield for the City of 9,000 af/yr. The study indicated that this increase in the City's groundwater yield was within the estimated sustainable yield of the groundwater sub-basin within the Tracy Study Area, and could be maintained without adverse impact to groundwater resources or quality in the Tracy Study Area over a 50-year timeframe. However, because the hard, high-TDS groundwater is of poorer quality compared with the City's surface water sources, the City is planning to scale back its future groundwater extractions during normal years. For example, at buildout of the General Plan, groundwater production in normal years is anticipated to be approximately 2,500 af/yr. However, the City will continue to rely on groundwater for peaking, drought, and emergency supplies, and may pump up to 9,000 af/yr or more during single dry or multiple dry years, as needed, to meet demands when surface water supplies may be limited.

The City's existing groundwater wells currently have the capability of pumping 9,000 af/yr. The City has replaced a number of older wells with new wells (*e.g.*, the Tidewater Well was replaced by Well 8). Well 8, which is ultimately intended for use as part of the City's future Aquifer Storage and Recovery Program (see further discussion below), was constructed in 2004, equipped in early 2010 and put into operation as an extraction well in September 2010. In the future, the City will construct new production and emergency supply wells, as needed, to replace and supplement existing, aging production wells and provide additional supply reliability in the event of a drought or other emergency situation.

The City's potential uses of groundwater during droughts are consistent with Tracy's Groundwater Management Policy (discussed above). In the event that the City is unable to secure additional high quality surface water supplies in the future, groundwater remains a sustainable water supply up to 9,000 af/yr. However, by reducing groundwater extraction on an average annual basis to approximately 2,500 af/yr, the City will:

- Increase the overall quality of its drinking water, thus increasing customer satisfaction and reducing system maintenance and repair caused by the lower-quality groundwater;
- Recharge the underlying aquifer, effectively increasing the availability of groundwater during a drought or emergency condition (*i.e.*, the City will effectively be practicing "in-lieu groundwater banking" of its groundwater); and
- Reduce salt loading to the City's wastewater treatment plant, which will help the City comply with wastewater discharge requirements.



If the City decreases future groundwater extraction during normal and wet years, current groundwater levels, groundwater flow directions and gradients, and groundwater quality would be expected to change correspondingly. Further, if the City moves ahead with its proposed future ASR Program (see discussion below), changes in groundwater flow patterns associated with the injection of treated surface water into the confined aquifer zone may occur. Groundwater quality would be expected to improve as a result of the introduction of higher quality surface water into the aquifer.

Table 12 shows the anticipated future groundwater production during a normal year.

	2015	2020	2025	2030	2035
Total Groundwater Production ^(a,b) , af/yr	2,500	2,500	2,500	2,500	2,500
<small>(a) Source: Table 18 Current and Projected Water Supply Allocations-Normal Year, City of Tracy 2010 UWMP, May 2011. (b) Although the City can sustainably extract up to 9,000 af/yr of groundwater, the City is planning to scale back its groundwater extraction in future years to increase the overall quality of its water supply. The City will continue to rely on groundwater for peaking and drought and emergency supplies, up to 9,000 af/yr, on an as-needed basis.</small>					

6.1.3.10 Groundwater Sufficiency

The City’s 2010 UWMP addressed the sufficiency of the City’s groundwater supplies, in conjunction with the City’s other existing and additional water supplies, to meet the City’s existing and planned future uses¹². Based on the information provided above and that included in the City’s 2010 UWMP, the City’s groundwater supply, together with the City’s other existing and additional planned future water supplies, is sufficient to meet the water demands of the Proposed Project, in addition to the City’s existing and planned future uses. As discussed above, the City’s use of groundwater over the last few years has significantly declined, primarily due to the availability of new high-quality surface water supplies from the SCWSP. In the future, although the City can sustainably extract up to 9,000 af/yr of groundwater, the City’s use of groundwater is anticipated to decrease even further, as additional high-quality surface water supplies become available. As shown in Table 12, in the future, assuming normal year hydrologic conditions, annual groundwater use is anticipated to be as low as 2,500 af/yr by 2015. This anticipated future groundwater pumpage is significantly below the City’s historical groundwater pumpage (see Table 11) and the average annual operational yield of 9,000 af/yr.

By reducing groundwater extraction on an average annual basis, the City will: (1) recharge the underlying aquifer, effectively increasing the availability of groundwater during a drought or emergency condition (*i.e.*, the City will effectively be “banking” its groundwater); and (2) increase the overall quality of its drinking water, thus increasing customer satisfaction and reducing system maintenance and repair caused by the lower-quality groundwater.

¹² Chapter 4, City of Tracy 2010 Urban Water Management Plan, May 2011.



6.1.4 Out-of-Basin Water Banking

The Semitropic Groundwater Storage District Groundwater Storage Bank (Semitropic) is a water storage system that began operation in the early 1990s. Located in Kern County between the California Aqueduct and the Delta-Mendota Canal, Semitropic is one of eight California groundwater banking agencies. Semitropic works by having its banking partners deliver their surplus water to Semitropic for groundwater storage. Then, when requested by the banking partner, Semitropic returns the stored water to the California Aqueduct for use by its partners either by exchanging its entitlement or by reversing the intake facility (known as “pumpback”). Through “pumpback”, Semitropic can deliver a maximum of 90,000 af/yr of water into the California Aqueduct. The State would then deliver the water to the banking partners.

The total storage capacity at Semitropic is 2.15 million acre-feet and, as listed below, there is still a significant amount of storage capacity which is uncommitted and available. The current Semitropic banking partners and their reserved/available storage capacities are listed below¹³:

- Original Water Bank (1.0 million acre-feet)
 - Metropolitan Water District of Southern California: 350,000 acre-feet
 - Santa Clara Valley Water District: 350,000 acre-feet
 - Alameda County Water District: 150,000 acre-feet
 - Zone 7 Water Agency: 65,000 acre-feet
 - Newhall Land and Farming Company: 55,000 acre-feet
 - San Diego County Water Authority: 30,000 acre-feet
- Stored Water Recovery Unit (650,000 acre-feet)
 - Semitropic’s Contribution to Semitropic-Rosamond Water Banking Authority (SRWBA): 300,000 acre-feet (see below)
 - Semitropic Portion of Stored Water Recovery Unit (350,000 acre-feet)
 - Poso Creek Water Company: 60,000 acre-feet
 - Rampage Vineyard: 18,000 acre-feet
 - Uncommitted: 122,000 acre-feet
 - Not Available Until SRWBA is Committed: 150,000 acre-feet
- SRWBA (800,000 acre-feet)
 - Portion Contributed by Semitropic (300,000 acre-feet)
 - San Diego County Water Authority: 15,000 acre-feet
 - Available Storage: 285,000 acre-feet
 - Antelope Valley Water Bank (500,000 acre-feet)
 - San Diego County Water Authority: 25,000 acre-feet
 - Rosamond Community Services District: 30,000 acre-feet
 - Available Storage: 445,000 acre-feet

¹³ Based on information provided on Semitropic Water Storage District website: www.semitropic.com, as of September 2010.



6.1.4.1 Pilot Agreement

In June 2006, the City entered into a pilot agreement with Semitropic Water Storage District for 1,000 acre-feet of water storage at Semitropic, which allows for an annual withdrawal of up to 333 af/yr (e.g., 1,000 acre-feet divided by 3). A Negative Declaration was prepared for the pilot agreement pursuant to the provisions of CEQA (SCH No. 2006052049) and a FONSI was issued by USBR (FONSI-05-111). The pilot agreement was intended to establish the procedures for water deposits and withdrawals by the City of Tracy.

A copy of the City's pilot agreement with Semitropic is included in Appendix A. Now that the permanent agreement with Semitropic has been implemented, this pilot agreement has been terminated.

6.1.4.2 Permanent Agreement

On June 5, 2012 the Tracy City Council approved a long-term agreement with Semitropic for 3,500 units of water storage. One unit of water storage allows for a withdrawal of up to 1 af/yr for three years; hence, the agreement would allow for withdrawal of 3,500 af/yr for three years (10,500 af total). To store water in Semitropic, the City would not withdraw its share of CVP water from the DMC, but instead allow this water to continue to move through the DMC and California Aqueduct systems for delivery to and use by Semitropic. This is called "in lieu storage." Upon request by the City, in accordance with the contract, Semitropic would pump the stored water into the California Aqueduct and a like amount of water would be made available to the City directly from the DMC. Though the City could utilize this supply in any year, it would be most valuable during drought years when the City's CVP surface water supplies are reduced. If the City uses water from the Semitropic water bank in any given year, it would work to manage its supplies during subsequent years such that it could "refill" its water bank for future water use. By banking surplus CVP water at Semitropic, the City will increase the quantity of supplies available during drought and/or other emergency conditions, thereby increasing the reliability of its water supply.

The purchase price for capacity in Semitropic was \$5,206,961. A Negative Declaration was prepared for the permanent agreement pursuant to the provisions of CEQA (SCH No. 2010092012) and a FONSI (FONSI-09-164) was issued by USBR. A copy of the City's permanent agreement with Semitropic is included in Appendix A.

To date, the City has deposited 7,000 acre-feet of supplies in Semitropic and has withdrawn 200 acre-feet (100 acre-feet in November 2007 and 100 acre-feet in December 2008)¹⁴. The City's current balance is 6,100 acre-feet¹⁵; these supplies are available to the City for withdrawal

¹⁴ The City's most recent deposit to Semitropic was made in September 2012.

¹⁵ Semitropic's distribution system, evaporative and aquifer losses are collectively assumed to be 10 percent of the amount of water furnished by banking partners for storage. The City's current balance is calculated as follows per Article 4 of the agreement between Semitropic and the City (see Appendix A): Total deposited (7,000 af) – 10% Losses (700 af) – Withdrawals (200 acre-feet) = Available (6,100 af).



in dry years, if needed. Based on this current balance, it is assumed that 2,033 af will be available for withdrawal in 2015 (6,100 af over three years).

6.2 Additional Planned Future Potable Water Supplies

The City is currently anticipating the following additional planned future potable water supplies in the future:

- Additional surface water from the Delta-Mendota Canal (CVP);
- Surface water from BBID pre-1914 water rights;
- Additional supplies from the SCWSP; and
- Aquifer Storage and Recovery.

Each of these additional planned future water supplies is described below. Summary tables listing the City's existing and additional planned future water supplies, and historical and anticipated future quantities are provided at the end of this section.

6.2.1 Additional Central Valley Project Water via the Delta-Mendota Canal

6.2.1.1 *Additional CVP Supplies from WSID*

As previously mentioned, the City has an option for an additional assignment of 2,500 af/yr of Ag-reliability CVP contract entitlement water from the WSID. Per the agreement with WSID, the City can execute this assignment at any time before midnight on February 27, 2014. Environmental review and all other required reviews and approvals for this assignment have been completed (as described in Section 6.1.1.2), such that this assignment can be executed with the transfer of the required funds.

A copy of the City's agreement for assignment of this water supply from WSID is included in Appendix A. An amount of \$2.5 million has been included in the City's CIP future appropriations for FY13-14 (CIP 75061) for this water supply assignment from WSID.¹⁶ The City plans to exercise this option in late 2013 or early 2014, prior to the February 27, 2014 deadline with the additional supply of 2,500 af/yr being available thereafter.

6.2.1.2 *Additional CVP Supplies from BBID*

The area served by the former PVWD is now part of BBID. Due to on-going urbanization in portions of BBID's service area (including the Proposed Project), BBID anticipates that it may have CVP contract entitlement water (with Ag-reliability) available for municipal uses in the future. The City and BBID are negotiating a phased option agreement to assign portions of BBID's CVP/DMC contract right to the City. The estimated quantity of contract entitlement water potentially subject to such an agreement is approximately 11,000 af/yr. The exact quantity of BBID CVP water entitlement is the subject of the future agreement between the City and

¹⁶ City of Tracy Capital Improvement Program for FY12-13 through FY16-17, June 2012.



BBID. However, previous discussions have indicated that a contract entitlement quantity of water equal to 3.4 acre-feet per year per acre (af/ac/yr) of converted agricultural land may be available for M&I use.

It is estimated that an agreement between the City and BBID can be achieved within the next few years to allow for the transition of additional CVP supplies to be available to the City starting in 2015 (at 3,000 af/yr) and increasing to 11,000 af/yr by 2030. An approval will be required from the USBR and compliance with CEQA and National Environmental Policy Act (NEPA) will be required. Because the exact quantity of water available and terms of a future agreement are yet to be negotiated, the total cost and financing mechanisms for acquiring this supply have not yet been determined.

The northern and eastern portions of the Proposed Project (approximately 1,080 acres) are located within the former PVWD (now BBID) service area. Conversion of this area of agricultural land in conjunction with the development of the Proposed Project would provide approximately 3,700 af/yr (1,080 acres x 3.4 af/ac/yr) of supply to the City from BBID's CVP water entitlement.

6.2.2 Surface Water from BBID Pre-1914 Water Rights

Part of the proposed Tracy Hills Specific Plan area was annexed into the BBID and is entitled to water service from BBID, using BBID's pre-1914 appropriative water rights. The City anticipates that up to 4,500 af/yr of pre-1914 water rights water could be provided by BBID on a year-round basis (via the DMC with a proposed Exchange Agreement with the USBR) to serve the proposed Tracy Hills Project in the BBID service area.. This supply quantity has been increased from that presented in the City's 2010 UWMP as a result of recent agreements related to the proposed Tracy Hills Project. Because the water supply is based on pre-1914 appropriative rights, the supply is considered to be firm and well-established.

Current and future work to secure this water supply includes: finalizing agreements between the City and BBID; completion of a Water Supply Assessment and required environmental documentation; and execution of an Exchange Agreement with the USBR to provide for a year-round supply to be conveyed to the City's JJWTP via the DMC. The proposed supply will need to meet the City's reliability criteria.

Costs for obtaining the water supply from BBID and delivering the water supply to the City's JJWTP for treatment and use at the Tracy Hills Project will be paid in a manner consistent with the City's applicable fee program requiring fair share participation by the project developer. Required reviews and approvals will likely include the following entities: the City, Tracy Hills Project developer, BBID, and USBR. The City anticipates that the BBID pre-1914 water supply will be available by 2014.

6.2.3 Additional Supplies from the SCWSP

The City is anticipating that an additional 2 mgd of treatment and conveyance capacity, and 3,000 af/yr of treated water supplies will be available from the SCWSP in the future. This additional supply would have the same high reliability as the supply that the City is currently receiving from the SCWSP. Delivery of these additional supplies to the City would be through



the same, existing facilities currently delivering the City's existing SCWSP supplies. Delivery of these additional supplies will be subject to approval and environmental review. An amount of \$5.7 million has been included in the City's CIP future appropriations for FY13-14 (Project 75PP-104) for these additional water supplies from the SCWSP.¹⁷ The City anticipates that these additional supplies will be available starting in 2015.

6.2.4 Aquifer Storage and Recovery

The City's proposed ASR Program would allow the City to optimize conjunctive use of its water supplies through injection of surplus treated (potable) drinking water into selected aquifer zones within the groundwater Sub-basin for storage when surplus supplies are available, and recovery of that potable water from the aquifer to optimize water quality and meet seasonal peak demands during drought periods, or when emergency or disaster scenarios preclude the use of imported water supplies.

As discussed above, the City constructed a new well in January 2004 (Well 8) that was designed to allow for both injection and extraction of water supplies in conjunction with the City's proposed ASR Program. In early 2009, the City contracted to construct the above-ground well facilities (including the pump house, pump, motor, SCADA, electrical, telemetry, chemical feed systems, *etc.*) to have Well 8 operational in September 2010, initially as an extraction well, and in the future as part of the City's proposed ASR Program. In addition, the City has already installed two monitoring wells for use in the demonstration project monitoring and testing for the proposed ASR Program.

The City obtained regulatory approval from the Central Valley Regional Water Quality Control Board (RWQCB) to conduct an ASR Demonstration Testing Program. A Negative Declaration was prepared for the project in November 2010 pursuant to the provisions of CEQA (SCH No. 2010112049). The Phase 1 ASR Demonstration Testing was conducted between January 2011 and September 2011 and involved the injection of 233 acre-feet (76 million gallons) of treated SSJID potable water, storage in the confined aquifer and subsequent extraction of 340 acre-feet (111 million gallons) of water¹⁸. The Phase 2 ASR Testing was initiated in late December 2011 and was completed in September 2012 with injection of 700 acre-feet. The Tracy City Council approved and adopted a CEQA Negative Declaration (SCH No. 2012102013) for the permanent ASR Program on December 4, 2012.

The next step is to obtain approval to operate a permanent ASR Program from the RWQCB. It is estimated that as much as 685 to 915 af/yr of potable water could be injected into the aquifer, assuming a 5-month continuous injection rate of 1.5 to 2.0 mgd. Implementation of the City's ASR Program will occur incrementally (as new ASR wells are constructed) with up to 3,000 acre-feet of high-quality water ultimately (by 2025) being available in drought years to increase the reliability of the City's water supply. Approximately 1,000 af/yr of ASR supply is anticipated to be available starting in 2015 and increasing to 3,000 af/yr by 2025.

¹⁷ City of Tracy Capital Improvement Program for FY12-13 through FY16-17, June 2012.

¹⁸ Interim (Final) Status Report for Well 8 ASR Demonstration Program, Memorandum prepared for City of Tracy by Pueblo Water Resources, dated December 7, 2011.



6.3 Existing Non-Potable Water Supplies

6.3.1 Diversion of Non-Potable Surface Water from Sugar Cut

As described in the Water Supply Assessment for the Holly Sugar Sports Park¹⁹, the City's Holly Sugar property has historically (since at least 1912) been irrigated using untreated surface water diverted from Sugar Cut. Over the years, the Holly Sugar property has been farmed and planted with a variety of crops, including winter wheat, corn, tomatoes, alfalfa and, when the property was owned by Holly Sugar, sugar beets. The Holly Sugar property is currently being farmed and irrigated with untreated surface water diverted from Sugar Cut. The water rights to the untreated surface water from Sugar Cut are considered to be pre-1914 appropriative rights, and may also be classified as riparian rights. Use of the water from Sugar Cut has been continuous on the Holly Sugar property for irrigation purposes since at least 1912.

The continued use of this non-potable water supply from Sugar Cut is proposed for the irrigation of the proposed Holly Sugar Sports Park²⁰. This use is considered a continued beneficial use of the supply for essentially the same purpose of irrigation. The use of untreated surface water from Sugar Cut for non-potable water uses for the proposed Holly Sugar Sports Park would be for the interim only, until recycled water supplies become available. Therefore, future use of this non-potable supply, beyond the interim irrigation of the proposed Holly Sugar Sports Park, is not anticipated.

6.4 Additional Planned Future Non-Potable Water Supplies

6.4.1 Recycled Water

In 2002, the City adopted a Recycled and Non-Potable Water Ordinance requiring all new subdivisions, to the extent practicable, to install the required infrastructure (such as dual-distribution pipelines) to provide recycled water to meet non-potable water demands at parks, golf courses, athletic fields, schools, median island landscapes, and industrial sites. As described in Chapter 2 of the Citywide Water System Master Plan, one of the principles developed for sustainable infrastructure in the City is to promote and encourage the use of recycled water for non-potable uses in existing and future publicly landscaped areas in the City, where feasible.

At buildout of the City's General Plan, it is estimated that the recycled water demand for landscape irrigation will be approximately 7,500 af/yr²¹. Based on the City's Citywide Wastewater System Master Plan, the quantity of recycled water supply available is up to 22.4 mgd (25,000 af/yr) at buildout, based on anticipated wastewater flows and the capacity of the City's WWTP²². Recycled water will be treated to a tertiary level in accordance with Title 22

¹⁹ Water Supply Assessment for the Holly Sugar Sports Park, prepared by West Yost Associates, June 2009.

²⁰ Water Supply Assessment for the Holly Sugar Sports Park, prepared by West Yost Associates, June 2009.

²¹ City of Tracy Citywide Water System Master Plan, Final Report, prepared by West Yost Associates, December 2012.

²² Table C-1, Tracy Wastewater Master Plan, Draft Report, prepared by CH2MHill, May 2012.



requirements at the City's WWTP and will be distributed to recycled water use areas within the City's SOI. It is anticipated that adequate recycled water supplies will be available to meet the projected recycled water demands at buildout of the City's General Plan, including those associated with the Proposed Project. Approvals and permits for the production, distribution and use of recycled water will be required from the RWQCB and the California Department of Public Health (DPH).

6.4.2 Shallow Non-Potable Groundwater

As discussed above, the Tracy Sub-basin underlying the City has two aquifers: semi-confined and confined. The uppermost semi-confined aquifer is primarily comprised of alluvial and flood basin formations. The underlying confined aquifer is primarily comprised of the Tulare Formation and it is overlain by the Corcoran Clay, which separates the upper unconfined aquifer from the underlying confined aquifer. The City's production wells draw from the confined aquifer only and the average annual operational groundwater yield of 9,000 af/yr described in previous sections applies only to the confined aquifer. The City does not currently pump any groundwater from the semi-confined aquifer.

The hydraulic characteristics of the semi-confined aquifer are highly variable, based on site-specific conditions. Wells in the semi-confined aquifer produce 6 gpm to 5,300 gpm; however, pump test data are limited. The transmissivity of the semi-confined aquifer, including the recent alluvium and upper portions of the Tulare Formation, ranges between 600 to greater than 2,300 gallons per day per foot (gpd/ft). The storativity is about 0.05. Where thicker sequences of sand are present, the transmissivity may be higher.

Relatively speaking, groundwater levels in the semi-confined aquifer are significantly deeper at the southern end of the City typically measuring about 48 feet below ground surface, whereas groundwater levels at the northern end of the City are as shallow as 5 feet below ground surface. There appears to be a natural groundwater cycle where water levels rise and then lower every few years (in response to pumpage), and there is also a seasonal fluctuation due to seasonal groundwater use and in response to tidal influences. Currently groundwater levels in the semi-confined aquifer appear on the rise at the northern end of the City; however, there are insufficient data in the southern portion of the City to make any conclusions in this regard. Groundwater flow in the semi-confined aquifer is generally from the southeast towards the Old River north of the City.

Groundwater recharge in the semi-confined aquifer occurs from rainfall, applied water that percolates to the water table, and seasonal infiltration by the creeks. The recharge for the shallow semi-confined aquifer is generally from the south, from the Coast Ranges, and moves to the north and west.

The semi-confined aquifer is monitored by other entities at four locations within the City. Static water levels are measured on a quarterly basis and reported to the RWQCB. Groundwater quality is typically monitored just for specific contaminants of concern and does not coincide with the general parameters monitored by the City and others in the confined aquifer.



Current pumping from the semi-confined aquifer is thought to be widespread, via private wells, and used primarily for irrigation of agricultural areas. Current pumpage quantities are unknown; however, the stable groundwater level trends in the semi-confined aquifer indicate that existing pumpage is within the operational yield of the semi-confined aquifer.

Groundwater quality information is limited for the semi-confined aquifer. Most of the available water quality data for the semi-confined aquifer is from data from a 1968 basin-wide study. Groundwater extracted from the semi-confined aquifer is generally classified as being high in salts and not suitable for potable uses, but may be considered suitable for non-potable uses such as agricultural irrigation. The following provides an overview of key water quality constituents in the semi-confined aquifer:

- TDS varies greatly (ranging from 567 mg/L to 2,310 mg/L), but overall is poorer quality than the confined aquifer and exceeds recommended drinking water Maximum Contaminant Levels (MCLs)²³. The TDS concentrations increase toward the north and to the west.
- Sulfate concentrations in the semi-confined aquifer ranged from less than 100 to over 600 mg/L²⁴.
- Chloride concentrations in the semi-confined aquifer range from 50 to 850 mg/L, with the lowest concentrations near the Coast Ranges, south of Tracy near the airport²⁵.
- Boron concentrations in the semi-confined aquifer range from 0.7 to 6.3 mg/L²⁶. The lowest concentrations follow a similar pattern as the TDS, with low concentrations near the Coastal Range foothills (to the south).

The shallow groundwater is considered to be suitable for most agricultural irrigation purposes. However, given the relatively poor permeability of the soils in the City, there is concern for the potential accumulation of salts in the soil, leading to soil binding. This could partially be mitigated by planting salt-tolerant turf and plant materials and providing good subsurface drainage; however, this may not be a feasible long-term solution for the City.

²³ The recommended MCL for TDS is 500 mg/L, with an upper limit of 1,000 mg/L if it is not reasonable or feasible to supply water with lower concentrations. Short-term use is allowed for water between 1,000 and 1,500 mg/L.

²⁴ The recommended MCL for sulfate is 250 mg/L, with an upper limit of 500 mg/L if it is not reasonable or feasible to supply water with lower concentrations. Short-term use is allowed for water up to 600 mg/L.

²⁵ The recommended MCL for chloride is 250 mg/L, with an upper limit of 500 mg/L if it is not reasonable or feasible to supply water with lower concentrations. Short-term use is allowed for water up to 600 mg/L.

²⁶ There is no established MCL for boron. However, California DPH has established an Action Level of 1 mg/L for boron.



6.5 Summary of Existing and Additional Planned Future Water Supplies

Table 13 provides a summary of the City’s existing and additional planned future water supply entitlements. Table 14 provides a summary of historical water supply deliveries and anticipated existing and additional planned future water supplies during normal years from each of the City’s water supplies. A discussion of the future anticipated availability of these existing and additional planned future water supplies during dry years is provided in the next section.

Table 13. Summary of Existing and Additional Planned Future Water Supplies		
Supply	Water Right or Available Supply Quantity, af/yr	Supply Ever Used by City
Existing Water Supplies		
USBR CVP Contract (City Contract) (M&I Reliability)	10,000	Yes
USBR CVP (BCID assignment) (Ag Reliability)	5,000	Yes
USBR CVP (WSID assignment) (Ag Reliability)	2,500	Yes
South County Water Supply Project (pre-1914 rights)	10,000	Yes
Groundwater ^(a)	9,000	Yes
Semitropic Water Storage Bank (Permanent Agreement) ^(b,c)	3,500	Yes
Additional Planned Future Water Supplies		
USBR CVP (WSID Option) (Ag Reliability)	2,500	No
USBR CVP (BBID contract) (Ag Reliability)	11,000	No
BBID (pre-1914) ^(c)	4,500	No
Additional SCWSP (pre-1914 rights)	3,000	No
Aquifer Storage and Recovery ^(d)	3,000	No
Recycled Water ^(e)	25,000	No
<p>^(a) The City is planning to decrease groundwater use to 2,500 af/yr by the year 2015. However, studies described in this WSA have indicated that up to 9,000 af/yr of groundwater is available to the City to make up for shortfalls in the event of a severe drought or other water shortage.</p> <p>^(b) As of June 2012, the Semitropic Permanent Agreement replaced the previous Pilot Agreement.</p> <p>^(c) The future water supply anticipated from BBID (pre-1914) has been increased from 3,000 af/yr (as presented in the City’s 2010 UWMP) to 4,500 af/yr based on recent agreements related to the proposed Tracy Hills project.</p> <p>^(d) Supplies from Semitropic and ASR are assumed to be dry year supplies. As such, during normal years, supplies from these sources are assumed to be 0 af/yr.</p> <p>^(e) Based on the total projected recycled water production at buildout (22.4 mgd) (reference: Table C-1, Tracy Wastewater Master Plan, Draft Report, prepared by CH2MHill, May 2012).</p>		

Table 14. Quantity of Historical Water Deliveries and Existing and Additional Planned Future Water Supplies in Normal Years

Supply	Historical Water Deliveries, af/yr							Projected Future Available Supplies, af/yr				
	1980	1985	1990	1995	2000	2005	2010	2015	2020	2025	2030	2035
Existing Water Supplies^(a,b)												
USBR CVP Contract (City Contract)	5,676	5,734	4,968	8,387	7,785	8,920	5,304	7,500	7,500	7,500	7,500	7,500
USBR CVP (BCID assignment)	0	0	0	0	0	0	0	2,500	2,500	2,500	2,500	2,500
USBR CVP (WSID assignment)	0	0	0	0	0	0	0	1,250	1,250	1,250	1,250	1,250
Total CVP Supplies	5,676	5,734	4,968	8,387	7,785	8,920	5,304	11,250	11,250	11,250	11,250	11,250
South County Water Supply Project (pre-1914 rights)	0	0	0	0	0	3,146	10,850	10,000	10,000	10,000	10,000	10,000
Groundwater ^(c)	1,980	2,856	5,838	4,310	6,548	5,826	498	2,500	2,500	2,500	2,500	2,500
Semitropic Water Storage Bank (Permanent Agreement) ^(d)	0	0	0	0	0	0	0	0	0	0	0	0
Total Existing Potable Supplies	7,656	8,590	10,806	12,697	14,333	17,892	16,652	23,750	23,750	23,750	23,750	23,750
Additional Planned Future Water Supplies^(b)												
Additional USBR CVP (WSID Option)								1,250	1,250	1,250	1,250	1,250
Additional USBR CVP (BBID contract)								1,500	3,000	4,500	5,500	5,500
BBID (pre-1914) ^(e)								4,500	4,500	4,500	4,500	4,500
Additional SCWSP Supplies (pre-1914)								3,000	3,000	3,000	3,000	3,000
Aquifer Storage and Recovery ^(f)								0	0	0	0	0
Recycled Water (non-potable) ^(g)								12,400	14,900	17,500	19,900	22,500
Total Additional Planned Future Potable Supplies								10,250	11,750	13,250	14,250	12,750
Total Potable Supplies	7,656	8,590	10,806	12,697	14,333	17,892	16,652	34,000	35,500	37,000	38,000	38,000
Total Additional Planned Future Non-Potable Supplies								12,400	14,900	17,500	19,900	22,500

(a) Historical supply data based on production data.
 (b) Projected additional supplies based on Table 18 Current and Projected Water Supply Allocations – Normal Year, City of Tracy 2010 Urban Water Management Plan, May 2011.
 (c) Although the City can sustainably extract up to 9,000 af/yr of groundwater, the City is planning to scale back its groundwater extraction in future years to increase the overall quality of its water supply. The City will continue to rely on groundwater for peaking and drought and emergency supplies, up to 9,000 af/yr, on an as-needed basis.
 (d) In normal years, supply from the Semitropic Water Storage Bank is assumed to be 0 af/yr, as this is considered a dry year supply.
 (e) The future water supply anticipated from BBID (pre-1914) has been increased from 3,000 af/yr (as presented in the City's 2010 UWMP) to 4,500 af/yr based on recent agreements related to the proposed Tracy Hills project.
 (f) In normal years, supply from the ASR Project is assumed to be 0 af/yr, as this is considered a dry year supply.
 (g) Table 15, City of Tracy 2010 Urban Water Management Plan, prepared by Erler & Kalinowski, Inc., May 2011.



6.6 Dry Year Water Supply Availability and Reliability

Water Code section 10910 (c)(4) requires that a WSA include a discussion with regard to “whether total projected water supplies, determined to be available by the city or county for the project during normal, single dry, and multiple dry water years during a 20-year projection, will meet the projected water demand associated with the proposed project, in addition to existing and planned future uses, including agricultural and manufacturing uses.” Accordingly, this WSA addresses these three hydrologic conditions through the year 2035.

The reliability of each of the City’s existing and additional planned water supplies and their projected availability during normal, single dry, and multiple dry years as described in Section 5 of the City’s 2010 UWMP, is described below and summarized in Table 15.

Supply Source	Anticipated Reliability (% of Entitlement)		
	Normal Years	Single Dry Years	Multiple Dry Years
Existing Water Supplies			
USBR CVP Contract (City Contract) (M&I Reliability)	75%	65%	40%
USBR CVP (BCID assignment) (Ag Reliability)	50%	15%	10%
USBR CVP (WSID assignment) (Ag Reliability)	50%	15%	10%
South County Water Supply Project (pre-1914 rights)	100%	95%	95%
Groundwater ^(a)	100%	100%	100%
Semitropic Water Storage Bank (Permanent Agreement) ^(b)	--	100%	100%
Additional Planned Future Water Supplies			
USBR CVP (WSID Option) (Ag Reliability)	50%	15%	10%
USBR CVP (BBID contract) (Ag Reliability)	50%	15%	10%
BBID (pre-1914 rights)	100%	90%	90%
Additional SCWSP (pre-1914 rights)	100%	95%	95%
Aquifer Storage and Recovery ^(b)	--	100%	100%
Recycled Water	100%	100%	100%
^(a) The City is planning to decrease groundwater use to 2,500 af/yr by the year 2015. However, studies described in this WSA have indicated that up to 9,000 af/yr of groundwater is available to the City to make up for shortfalls in the event of a severe drought or other water shortage. ^(b) Supplies from Semitropic and ASR are assumed to be dry year supplies. As such, during normal years, supplies from these sources are assumed to be 0 af/yr.			



6.6.1 Normal Years

Normal or wet water years are those water years that match or exceed median rainfall and runoff levels. The following describes the availability and reliability of the City's existing and additional planned future water supplies under normal year conditions:

- Due to recent environmental concerns in the Delta and potential future impacts due to climate change, it has been assumed that the long-term reliability of USBR's CVP supplies in normal years will be 75 percent for M&I-reliability supplies and 50 percent for Ag-reliability supplies. These reliability assumptions are reduced from those previously assumed in the City's 2005 UWMP, but are consistent with reliability reductions estimated by DWR for the State Water Project, which is subject to the same Delta environmental and climate change issues.
- During a normal water year, the City expects to receive 100 percent of its SCWSP water supply allocation, or 10,000 af/yr.
- Pursuant to the Groundwater Management Policy, the City can extract up to 9,000 af/yr of local groundwater. Because of the high TDS and hardness of the City's groundwater, the City hopes to reduce its dependency on groundwater in the future. As additional higher quality water supplies come on line, the City estimates that it may be possible to reduce the quantity of groundwater used during a typical normal or wet year. This reduction, however, is highly dependent on future water supplies and demands and should be viewed as a goal, and not a firm projection. In the event that additional supplies are needed, the City may utilize up 9,000 af of groundwater per year.
- In the future, up to 4,500 af/yr of pre-1914 appropriative water rights water is expected to be available directly or via exchange from BBID. By 2015, the City anticipates being able to receive 100 percent of this supply during normal and wet years.
- In the future, up to approximately 11,000 af/yr of Ag-reliability water from BBID DMC/CVP contract is expected to be available to the City. Therefore, in future normal water years, 5,500 af/yr (50% of 11,000 af) will be available.
- In the future, the City expects to receive 100 percent of a future SCWSP water supply allocation in normal years, or 3,000 af/yr.
- By 2015, 1,000 af/yr of banked water is assumed to be available through the City's ASR program and approximately 1,750 af/yr of banked water is assumed to be available through the City's participation in the Semitropic Water Storage Bank. However, these supplies are considered dry year supplies, and are assumed to be zero in normal years.

The reliability of each of the City's existing and additional planned future water supplies and their projected availability during normal and wet years is shown in Table 16. Figure 8 shows the City's projected future supply versus demand in normal years.

Table 16. Projected Existing and Additional Planned Future Water Supplies Available in Normal Years

Supply	Anticipated Reliability (% of Entitlement)	Projected Future Available Supply, af/yr				
	Normal Years	2015	2020	2025	2030	2035
Existing Water Supplies						
USBR CVP Contract (City Contract)	75%	7,500	7,500	7,500	7,500	7,500
USBR CVP (BCID assignment)	50%	2,500	2,500	2,500	2,500	2,500
USBR CVP (WSID assignment)	50%	1,250	1,250	1,250	1,250	1,250
Total CVP Supplies		11,250	11,250	11,250	11,250	11,250
South County Water Supply Project (pre-1914 rights)	100%	10,000	10,000	10,000	10,000	10,000
Groundwater ^(a)	100%	2,500	2,500	2,500	2,500	2,500
Semitropic Water Storage Bank (Permanent Agreement) ^(b)	--	0	0	0	0	0
Additional Planned Future Water Supplies						
USBR CVP (WSID Option)	50%	1,250	1,250	1,250	1,250	1,250
USBR CVP (BBID contract)	50%	1,500	3,000	4,500	5,500	5,500
BBID (pre-1914 rights) ^(c)	100%	4,500	4,500	4,500	4,500	4,500
Additional SCWSP (pre-1914 rights)	100%	3,000	3,000	3,000	3,000	3,000
Aquifer Storage and Recovery ^(b)	--	0	0	0	0	0
Recycled Water (non-potable) ^(d)	100%	12,400	14,900	17,500	19,900	22,500
Total Projected Potable Water Supply		34,000	35,500	37,000	38,000	38,000
% Cutback from Normal Year^(e)		--	--	--	--	--
Total Projected Recycled Water Supply^(d)		12,400	14,900	17,500	19,900	22,500
% Cutback from Normal Year^(e)		--	--	--	--	--
<p>^(a) The City is planning to decrease groundwater use to 2,500 af/yr by the year 2015. However, studies described in this WSA have indicated that up to 9,000 af/yr of groundwater is available to the City to make up for shortfalls in the event of a severe drought or other water shortage.</p> <p>^(b) Assumed to be zero in normal years, as Semitropic and ASR are considered to be dry year supplies.</p> <p>^(c) The future water supply anticipated from BBID (pre-1914) has been increased from 3,000 af/yr (as presented in the City's 2010 UWMP) to 4,500 af/yr based on recent agreements related to the proposed Tracy Hills project.</p> <p>^(d) Table 15, City of Tracy 2010 Urban Water Management Plan, prepared by Erler & Kalinowski, Inc., May 2011.</p> <p>^(e) Not applicable as Normal Year supplies are being shown.</p>						



6.6.2 Single Dry Years

During a single dry year, or when the DMC/CVP flows must be reduced due to hydrologic and/or environmental impacts, all of the City's existing surface water allotments are subject to some level of reduction. The actual reductions will vary with the severity of the regional water supply shortage and climatic conditions, and the consideration of water and contract rights. The following describes the availability and reliability of the City's existing and additional planned future water supplies under single dry year conditions:

- The City Contract for an annual entitlement of 10,000 ac-ft of USBR water from the DMC/CVP is subject to M&I Reliability. Based on the historical record, it is assumed that during a single-dry year, the City's annual allocation will be 65 percent of its entitlement, or 6,500 af/yr.
- The City currently holds the assignment contracts (BCID and WSID) for an annual entitlement of up to 7,500 af/yr, and plans to purchase an additional 2,500 af/yr of entitlement from WSID, for a total of 10,000 af/yr of entitlements. These contracts pertain to USBR water from the DMC/CVP and are subject to Ag-reliability. Based on the historical record and PROSIM modeling, it is assumed that during a single-dry year, the City's allocation will be 15 percent of its entitlement, 1,125 af/yr (based on the existing 7,500 af/yr of entitlements) and 1,500 af/yr (based on the total 10,000 af/yr of existing and future entitlements).
- During a single-dry year, it is assumed that the City will receive 95 percent of its SCWSP water supply allocation, or 9,500 af/yr.
- Pursuant to the Groundwater Management Policy, the City can extract up to 9,000 af/yr of local groundwater resources. However, as described above, the City may reduce its future groundwater use to 2,500 af/yr by 2015 (based on normal year supply conditions). In the event that groundwater is needed to supplement surface water supplies during a single-dry year, however, the City does intend to call on these supplies up to the maximum sustainable yield of 9,000 af/yr.
- In the future, up to 4,500 af/yr of pre-1914 appropriative water rights water is expected to be available either directly or via exchange from BBID. In single-dry water years by 2015, it is assumed that 4,050 af/yr of BBID Pre-1914 water right water, or 90 percent of the contractual allocation, will be available.
- In the future, up to 11,000 af/yr of Ag-reliability water from the BBID DMC/CVP contract is expected to be available to the City. In future single-dry water years, it is assumed that 1,650 af/yr, or 15 percent of the contractual entitlement, of BBID water will be available.
- In the future, the City expects to receive 95 percent of a future SCWSP water supply allocation in single dry years, or 2,850 af/yr.
- By 2015, 1,000 af/yr of banked water is assumed to be available through the City's ASR program and approximately 2,033 af/yr of banked water is assumed to be available through the City's participation in the Semitropic Water Storage Bank.



The reliability of each of the City's existing and additional planned future water supplies and their projected availability during a single dry year is shown in Table 17. Figure 9 shows the City's projected future supply versus demand in single dry years.

Table 17. Projected Existing and Additional Planned Future Water Supplies Available in Single Dry Years

Supply	Anticipated Reliability (% of Entitlement)	Projected Future Available Supply, af/yr				
	Single Dry Years	2015	2020	2025	2030	2035
Existing Water Supplies						
USBR CVP Contract (City Contract)	65%	6,500	6,500	6,500	6,500	6,500
USBR CVP (BCID assignment)	15%	750	750	750	750	750
USBR CVP (WSID assignment)	15%	375	375	375	375	375
Total CVP Supplies		7,625	7,625	7,625	7,625	7,625
South County Water Supply Project (pre-1914 rights)	95%	9,500	9,500	9,500	9,500	9,500
Groundwater ^(a)	100%	9,000	9,000	9,000	9,000	9,000
Semitropic Water Storage Bank (Permanent Agreement)	100%	2,033	3,500	3,500	3,500	3,500
Additional Planned Future Water Supplies						
USBR CVP (WSID Option)	15%	375	375	375	375	375
USBR CVP (BBID contract)	15%	450	900	1,350	1,650	1,650
BBID (pre-1914 rights) ^(b)	90%	4,050	4,050	4,050	4,050	4,050
Additional SCWSP (pre-1914 rights)	95%	2,850	2,850	2,850	2,850	2,850
Aquifer Storage and Recovery	100%	1,000	2,000	3,000	3,000	3,000
Recycled Water (non-potable) ^(c)	100%	12,400	14,900	17,500	19,900	22,500
Total Projected Potable Water Supply		36,833	39,800	41,250	41,550	41,550
% Cutback from Normal Year ^(d)		0%	0%	0%	0%	0%
Total Projected Recycled Water Supply^(c)		12,400	14,900	17,500	19,900	22,500
% Cutback from Normal Year ^(d)		0%	0%	0%	0%	0%
<p>^(a) The City is planning to decrease groundwater use to 2,500 af/yr by the year 2015. However, studies described in this WSA have indicated that up to 9,000 af/yr of groundwater is available to the City to make up for shortfalls in the event of a severe drought or other water shortage.</p> <p>^(b) The future water supply anticipated from BBID (pre-1914) has been increased from 3,000 af/yr (as presented in the City's 2010 UWMP) to 4,500 af/yr based on recent agreements related to the proposed Tracy Hills project.</p> <p>^(c) Table 15, City of Tracy 2010 Urban Water Management Plan, prepared by Erler & Kalinowski, Inc., May 2011.</p> <p>^(d) Percent cutback from normal year for potable water supplies is zero due to availability of Semitropic in single dry years. No cutback is anticipated for recycled water supplies.</p>						



6.6.3 Multiple Dry Years

If there are multiple dry years, the City's surface water allotments, especially from the DMC/CVP, may be significantly reduced. Thus, in the event of drought, the City will have to depend more heavily on conservation efforts, groundwater, SCWSP supplies and other drought contingency supplies (previously banked water). As an example, in 1991, due to prolonged drought, the USBR reduced the City's DMC/CVP surface water allotment by 50 percent, such that the City's 1991 allocation was reduced to 5,000 acre-feet. As a result, the City implemented a water conservation program consistent with its Water Shortage Contingency Plan and relied on its groundwater supply to satisfy a larger portion of the City's water demand. The City now has a broader portfolio of water supplies. However, as described above, CVP supply reliabilities may be reduced even further due to on-going Delta environmental issues and future climate change. The following describes the availability and reliability of the City's existing and additional planned future water supplies under multiple dry year conditions:

- The City Contract for an annual entitlement of 10,000 af/yr of USBR water from the DMC/CVP is subject to M&I Reliability. Based on the historical record, it is assumed that during a multiple dry year period, the City's annual allocation will be 40 percent of its entitlement, or 4,000 af/yr.
- The City currently holds the assignment contracts (BCID and WSID) for an annual entitlement of up to 7,500 af/yr, and plans to purchase an additional 2,500 af/yr of entitlement from WSID, for a total of 10,000 af/yr of entitlements. These contracts pertain to USBR water from the DMC/CVP and are subject to Ag-reliability. Based on the historical record and PROSIM modeling, it is assumed that during multiple dry years, the City's allocation will be 10 percent of its entitlement, 750 af/yr (based on the existing 7,500 af/yr of entitlements) and 1,000 af/yr (based on the total 10,000 af/yr of existing and future entitlements).
- During a multiple dry year period, the City expects to receive 95 percent of its SCWSP water supply allocation, or 9,500 af/yr.
- Pursuant to the Groundwater Management Policy, the City can extract up to 9,000 af/yr of local groundwater resources. However, as described above, the City may reduce its future groundwater use to 2,500 af/yr by 2015 (based on normal year supply conditions). In the event that groundwater is needed to supplement surface water supplies during a multiple dry year period, however, the City does intend to call on these supplies up to the maximum sustainable yield of 9,000 af/yr.
- In the future, up to 4,500 af/yr of pre-1914 appropriative water rights water is expected to be available either directly or via exchange from BBID. In multiple dry water years by 2015, it is assumed that 4,050 af/yr of BBID Pre-1914 water right water, or 90 percent of the contractual allocation, will be available.
- In the future, up to 11,000 af/yr of Ag-reliability water from BBID DMC/CVP contract is expected to be available to the City. In future multiple dry water years, it is assumed that 1,100 af/yr of BBID water, or 10 percent of the contractual entitlement, will be available.



- In the future, the City expects to receive 95 percent of a future SCWSP water supply allocation in single dry years, or 2,850 af/yr.
- By 2015, 1,000 af/yr of banked water is assumed to be available through the City's ASR program and approximately 2,033 af/yr of banked water is assumed to be available through the City's participation in the Semitropic Water Storage Bank.

The reliability of each of the City's existing and additional planned future water supplies and their projected availability during a multiple dry year period is shown in Table 18. Figure 10 shows the City's projected future supply versus demand in multiple dry years.

Table 18. Projected Existing and Additional Planned Future Water Supplies Available in Multiple Dry Years

Supply	Anticipated Reliability (% of Entitlement)	Projected Future Available Supply, af/yr				
	Multiple Dry Years	2015	2020	2025	2030	2035
Existing Water Supplies						
USBR CVP Contract (City Contract)	40%	4,000	4,000	4,000	4,000	4,000
USBR CVP (BCID assignment)	10%	500	500	500	500	500
USBR CVP (WSID assignment)	10%	250	250	250	250	250
Total CVP Supplies		4,750	4,750	4,750	4,750	4,750
South County Water Supply Project (pre-1914 rights)	95%	9,500	9,500	9,500	9,500	9,500
Groundwater ^(a)	100%	9,000	9,000	9,000	9,000	9,000
Semitropic Water Storage Bank (Permanent Agreement)	100%	2,033	3,500	3,500	3,500	3,500
Additional Planned Future Water Supplies						
USBR CVP (WSID Option)	10%	250	250	250	250	250
USBR CVP (BBID contract)	10%	300	600	900	1,100	1,100
BBID (pre-1914 rights) ^(b)	90%	4,050	4,050	4,050	4,050	4,050
Additional SCWSP (pre-1914 rights)	95%	2,850	2,850	2,850	2,850	2,850
Aquifer Storage and Recovery	100%	1,000	2,000	3,000	3,000	3,000
Recycled Water (non-potable) ^(c)	100%	12,400	14,900	17,500	19,900	22,500
Total Projected Potable Water Supply		33,733	36,500	37,800	38,000	38,000
% Cutback from Normal Year^(d)		8.5%	0%	0%	0%	0%
Total Projected Recycled Water Supply^(c)		12,400	14,900	17,500	19,900	22,500
% Cutback from Normal Year^(d)		0%	0%	0%	0%	0%
<p>^(a) The City is planning to decrease groundwater use to 2,500 af/yr by the year 2015. However, studies described in this WSA have indicated that up to 9,000 af/yr of groundwater is available to the City to make up for shortfalls in the event of a severe drought or other water shortage.</p> <p>^(b) The future water supply anticipated from BBID (pre-1914) has been increased from 3,000 af/yr (as presented in the City's 2010 UWMP) to 4,500 af/yr based on recent agreements related to the proposed Tracy Hills project.</p> <p>^(c) Table 15, City of Tracy 2010 Urban Water Management Plan, prepared by Erler & Kalinowski, Inc., May 2011.</p> <p>^(d) Percent cutback from normal year for potable water supplies is essentially zero due to availability of Semitropic in multiple dry years. No cutback is anticipated for recycled water supplies.</p>						



7.0 DETERMINATION OF WATER SUPPLY SUFFICIENCY

10910(c)(4) If the city or county is required to comply with this part pursuant to subdivision (b), the water supply assessment for the project shall include a discussion with regard to whether the total projected water supplies, determined to be available by the city or county for the project during normal, single dry, and multiple dry water years during a 20-year projection, will meet the projected water demand associated with the proposed project, in addition to existing and planned future uses, including agricultural and manufacturing uses.

7.1 Findings

Pursuant to Water Code section 10910(c)(4), and based on the technical analyses described in this Water Supply Assessment, the City finds that the total projected water supplies determined to be available for the Proposed Project during Normal, Single Dry, and Multiple Dry water years during a 20-year projection will meet the projected water demand associated with the Proposed Project, in addition to existing and planned future uses, including agricultural and manufacturing uses.

7.1.1 Existing Conditions with Development Projects with Approved Water Supply and the Proposed Project

Table 19 summarizes the projected availability of the City's existing water supplies, planned additional water supplies and the City's projected water demands in normal, single dry and multiple dry years based on existing demands plus the Proposed Project and Other Development Projects with Approved Water Supply described in Table 8 (see also Figure 11).

**Table 19. Water Supply vs. Demand
(Under Existing Conditions + Proposed Project + Other Development Projects with Approved Water Supply)**

Supply	Current Dry Year Water Supply Availability, af/yr		
	Normal Years	Single Dry Year	Multiple Dry Years
Potable Water Supplies			
Existing Water Supplies			
USBR CVP Contract (City Contract)	7,500	6,500	4,000
USBR CVP (BCID assignment)	2,500	750	500
USBR CVP (WSID assignment)	1,250	375	250
<i>Total CVP Supplies</i>	<i>11,250</i>	<i>7,625</i>	<i>4,750</i>
South County Water Supply Project (pre-1914 rights)	10,000	9,500	9,500
Groundwater ^(a)	2,500	9,000	9,000
Semitropic Water Storage Bank (Permanent Agreement) ^(b)	--	2,033	2,033
<i>Subtotal Existing Potable Water Supplies</i>	<i>23,750</i>	<i>28,158</i>	<i>25,283</i>
Additional Planned Future Water Supplies			
USBR CVP (WSID Option) ^(c)	1,250	375	250
USBR CVP (BBID contract) ^(d)	1,850	555	370
BBID (pre-1914 rights) ^(e)	0	0	0
Additional SCWSP (pre-1914 rights)	3,000	2,850	2,850
Aquifer Storage and Recovery ^(b)	--	0	0
<i>Subtotal Additional Planned Future Potable Water Supplies</i>	<i>6,100</i>	<i>3,780</i>	<i>3,470</i>
Total Potable Water Supply	29,850	31,938	28,753
Existing Potable Water Demand (2007)	19,176	19,176	19,176
Additional Potable Water Demand for Development Projects with Approved Water Supply including the Proposed Project (see Table 8)	6,564	6,564	6,564
Total Potable Water Demand	25,740	25,740	25,740
Potable Water Supply Shortfall	0	0	0
Non-Potable Water Supplies			
Additional Planned Future Water Supplies			
Recycled Water ^(d)	9,900	9,900	9,900
<i>Subtotal Additional Planned Future Non-Potable Water Supplies</i>	<i>9,900</i>	<i>9,900</i>	<i>9,900</i>
Total Recycled Water Supply^(f)	9,900	9,900	9,900
Total Recycled Water Demand^(f)	1,960	1,960	1,960
Recycled Water Supply Shortfall	0	0	0

^(a) The City is planning to decrease groundwater use to 2,500 af/yr by the year 2015. However, studies described in this WSA have indicated that up to 9,000 af/yr of groundwater is available to the City to make up for shortfalls in the event of a severe drought or other water shortage. Therefore, groundwater pumpage during a dry year conditions assumed to be up to 9,000 af/yr per average annual operational yield of 9,000 af/yr.

^(b) The Semitropic Water Storage Bank and Aquifer Storage and Recovery are considered to be dry year supplies and are therefore considered to be zero in normal years. Current available dry year supply of 2,033 af is based on the City's current available storage (6,100 af) as of January 2013.

^(c) This option will be exercised by the City by early 2014.

^(d) Additional CVP Surface Water (BBID USBR assignment) assumes annexation of 1,080 acres in conjunction with Cordes Ranch Specific Plan (Proposed Project); 1,080 acres x 3.4 af/ac/yr = 3,700 af/yr.

^(e) The future water supply anticipated from BBID (pre-1914) has been increased from 3,000 af/yr (as presented in the City's 2010 UWMP) to 4,500 af/yr based on recent agreements related to the proposed Tracy Hills project.

^(f) Recycled water supply based on 2010 wastewater flows. Recycled water demand = Gateway Phase 1 (84 af/yr) + Holly Sugar Sports Park (485 af/yr) + Ellis Specific Plan (116 af/yr) + Cordes Ranch Specific Plan (1,127 af/yr) = 1,812 af/yr + 7.5% UAFW = 1,960 af/yr.



As shown, the following additional planned future water supplies will be required to serve the water demands associated with the Proposed Project:

- USBR CVP (WSID Option): 2,500 af/yr
- USBR CVP (BBID contract in conjunction with annexation of 1,080 acres of agricultural land for the Proposed Project): 3,700 af/yr
- Additional SCWSP supplies: 3,000 af/yr

Assuming these additional water supplies are available to the City, the following summarizes the supply availability in Normal, Single Dry and Multiple Dry Years:

- In Normal Years, the City's 23,750 af/yr of existing potable water supplies plus the planned future additional supply of 1,250 af/yr from the WSID Option agreement, 1,850 af/yr from the BBID CVP contract, and 3,000 af/yr of additional supply from the SCWSP would leave a surplus of 4,110 af/yr after meeting the projected total potable demand of 25,740 af/yr.
- In Single Dry Years, the City's 28,158 af/yr of existing potable water supplies plus the planned future additional supply of 375 af/yr from the WSID Option agreement, 555 af/yr from the BBID CVP contract, and 2,850 af/yr of additional supply from the SCWSP would leave a surplus of 6,198 af/yr after meeting the projected total demand of 25,740 af/yr.
- In Multiple Dry Years, the City's 25,283 af/yr of existing potable water supplies plus the planned future additional supply of 250 af/yr from the WSID Option agreement, 370 af/yr from the BBID CVP contract and 2,850 af/yr of additional supply from the SCWSP would leave a surplus of 3,013 af/yr after meeting the projected total demand of 25,740 af/yr.

Furthermore, the surplus potable water supplies available under Normal Year, Single Dry Year and Multiple Dry Year conditions are sufficient to meet the projected recycled water demand of 1,960 af/yr in the event that recycled water infrastructure has not yet been constructed to allow for delivery of recycled water supplies to the Proposed Project and other recycled water use areas located throughout the City. However, the use of potable water supplies to meet projected recycled water demands for the Proposed Project will only be allowed in the interim period before recycled water infrastructure is constructed to provide for distribution of recycled water supplies.



7.1.2 2035 Conditions

Table 20 summarizes the projected availability of the City's existing and planned future additional water supplies and the City's projected water demands in normal, single dry and multiple dry years based on existing demands plus the Proposed Project, Other Development Projects with Approved Water Supply and potential future development described in Table 8 (see also Figure 12).

As shown, the City's existing and planned future additional sources of water supply are sufficient to meet existing demand plus the projected year 2035 demand from build-out of the Proposed Project, Other Development Projects with Approved Water Supply and additional potential future development (identified by Table 8 as "Future Service Areas").

The following summarizes the supply availability in Normal, Single Dry and Multiple Dry Years:

- In Normal Years, the City's 38,000 af/yr of existing potable water supplies and planned future additional supplies would leave a surplus of 4,400 af/yr after meeting the projected total potable demand of 33,600 af/yr.
- In Single Dry Years, the City's 41,550 af/yr of existing potable water supplies and planned future additional supplies would leave a surplus of 7,950 af/yr after meeting the projected total potable demand of 33,600 af/yr.
- In Multiple Dry Years, the City's 38,000 af/yr of existing potable water supplies would leave a surplus of 4,400 af/yr after meeting the projected total potable demand of 33,600 af/yr.

Table 20 also indicates that the future recycled water supply is sufficient to meet the projected 2035 recycled water demand.

Table 20. Water Supply vs. Demand (2035 Conditions)

Supply	Year 2035 Dry Year Water Supply Availability, af/yr		
	Normal Years	Single Dry Years	Multiple Dry Years
Potable Water Supplies			
Existing Water Supplies			
USBR CVP Contract (City Contract)	7,500	6,500	4,000
USBR CVP (BCID assignment)	2,500	750	500
USBR CVP (WSID assignment)	1,250	375	250
<i>Total CVP Supplies</i>	<i>11,250</i>	<i>7,625</i>	<i>4,750</i>
South County Water Supply Project (pre-1914 rights)	10,000	9,500	9,500
Groundwater ^(a)	2,500	9,000	9,000
Semitropic Water Storage Bank (Permanent Agreement) ^(b)	--	3,500	3,500
<i>Subtotal Existing Potable Water Supplies</i>	<i>23,750</i>	<i>29,625</i>	<i>26,750</i>
Additional Planned Future Water Supplies			
USBR CVP (WSID Option)	1,250	375	250
USBR CVP (BBID contract)	5,500	1,650	1,100
BBID (pre-1914 rights) ^(c)	4,500	4,050	4,050
Additional SCWSP (pre-1914)	3,000	2,850	2,850
Aquifer Storage and Recovery ^(b)	--	3,000	3,000
<i>Subtotal Additional Planned Future Potable Water Supplies</i>	<i>14,250</i>	<i>11,925</i>	<i>11,250</i>
Total Potable Water Supply	38,000	41,550	38,000
Projected 2035 Potable Water Demand ^(e)	33,600	33,600	33,600
Potable Water Supply Shortfall	0	0	0
Non-Potable Water Supplies			
Additional Planned Future Water Supplies			
Recycled Water ^(c)	22,500	22,500	22,500
<i>Subtotal Additional Planned Future Non-Potable Water Supplies</i>	<i>22,500</i>	<i>22,500</i>	<i>22,500</i>
Total Recycled Water Supply ^(d)	22,500	22,500	22,500
Projected 2035 Recycled Water Demand ^(d)	6,165	6,165	6,165
Recycled Water Supply Shortfall	0	0	0
<p>^(a) The City is planning to decrease groundwater use to 2,500 af/yr by the year 2015 (based on normal year supply conditions). However, studies described in this WSA have indicated that up to 9,000 af/yr of groundwater is available to the City to make up for shortfalls in the event of a severe drought or other water shortage.</p> <p>^(b) Supply from Semitropic Water Storage Bank and Aquifer Storage and Recovery (ASR) assumed to be zero during normal years.</p> <p>^(c) The future water supply anticipated from BBID (pre-1914) has been increased from 3,000 af/yr (as presented in the City's 2010 UWMP) to 4,500 af/yr based on recent agreements related to the proposed Tracy Hills project.</p> <p>^(d) Tables 15 and 17, City of Tracy 2010 Urban Water Management Plan, May 2011. Actual recycled water demands may be higher based on actual recycled water use within future projects. Recycled water demand shown is 6,040 af/yr (per Table 17 of 2010 UWMP) + additional demand for Ellis (116 af/yr) + 7.5% UAFW = 6,165 af/yr.</p> <p>^(e) Projected 2035 water demand includes projected water demand for the Proposed Project.</p>			



8.0 WATER SUPPLY ASSESSMENT APPROVAL PROCESS

10910 (g)(1) Subject to paragraph (2), the governing body of each public water system shall submit the assessment to the city or county not later than 90 days from the date on which the request was received. The governing body of each public water system, or the city or county if either is required to comply with this act pursuant to subdivision (b), shall approve the assessment prepared pursuant to this section at a regular or special meeting.

10911 (b) The city or county shall include the water supply assessment provided pursuant to Section 10910, and any information provided pursuant to subdivision (a), in any environmental document prepared for the project pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code.

The Tracy City Council must approve this WSA at a regular or special meeting. Furthermore, the City must include this WSA in the Draft Environmental Impact Report (EIR) being prepared for the Proposed Project.



9.0 REFERENCES

- AECOM, *Groundwater Management Plan for the Northern Agencies in the Delta-Mendota Canal Service Area*, prepared for the San Luis & Delta-Mendota Water Authority, July 2011, revised November 2011.
- California Department of Water Resources, *Ground Water Basins in California, Bulletin 118-80*, January 1980.
- California Department of Water Resources, *California's Groundwater Water, Bulletin 118-03*, February 2003.
- California Department of Water Resources, *California's Groundwater Water, Bulletin 118*, San Joaquin Valley Groundwater Basin-Tracy Sub-basin Description, January 20, 2006.
- California Department of Water Resources, *Guidebook for Implementation of Senate Bill 610 and Senate Bill 221 of 2001*, October 8, 2003.
- CH2MHill, *Initial Study/Environmental Assessment for the Banta-Carbona Irrigation District/City of Tracy Water Assignment Project*, SCH No. 2002072106, Draft Report dated July 2002, Final Report dated September 2002, Final Environmental Assessment dated August 2003.
- CH2MHill, *Biological Assessment for the Banta-Carbona Irrigation District/City of Tracy Water Assignment Project and the West Side Irrigation District/City of Tracy Water Assignment Project*, July 2002, Updated November 2002.
- CH2MHill, *Initial Study/Environmental Assessment for the West Side Irrigation District/City of Tracy Water Assignment Project*, SCH No. 2002072107, Draft Report dated July 2002, Final Report dated September 2002, Final Environmental Assessment dated July 2003.
- CH2MHill, *Tracy Wastewater Master Plan*, Draft Report, prepared for the City of Tracy, May 2012.
- City of Tracy, *Initial Study and Negative Declaration for the City of Tracy/Semitropic Water Storage District Pilot Water Banking Project*, SCH No. 2006052049, May 2006.
- City of Tracy, *Negative Declaration, Aquifer Storage and Recovery (ASR) Demonstration Project*, SCH No. 2010112049, November 2010.
- City of Tracy, *General Plan Amendment*, adopted by City Council on February 1, 2011.
- City of Tracy, *Participation in the Semitropic Water Storage District Banking Program, Initial Study, Environmental Checklist & Proposed Negative Declaration, prepared by City of Tracy and Provost & Pritchard Consulting Group*, SCH No. 2010092012, September 2010.
- City of Tracy, *Program Budget for Fiscal Year 2012-2013*, prepared by Finance and Administrative Services Department, June 2012.
- City of Tracy, *Water Inventory Report*, August 1, 2006.
- City of Tracy, *Water Inventory Report*, February 6, 2007.
- City of Tracy, *Water Inventory Report*, February 5, 2008.
- City of Tracy, *Water Inventory Report*, February 17, 2009.
- City of Tracy, *Water Inventory Report*, February 16, 2010.
- De Novo Planning Group, *Initial Study and Negative Declaration for the Tracy Aquifer Storage and Recovery Project*, SCH No. 2012102013, October 2012, approved by Tracy City Council December 4, 2012.
- Design, Community & Environment, *City of Tracy General Plan*, prepared for the City of Tracy, February 1, 2011.
- Environmental Science Associates, *Draft Environmental Impact Report for the South County Surface Water Supply Project*, SCH No. 98022018, July 1999.
- Environmental Science Associates, *Final Environmental Impact Report for the South County Surface Water Supply Project*, SCH No. 98022018, May 2000.
- Erler & Kalinowski, Inc., *City of Tracy 2005 Urban Water Management Plan*, prepared for the City of Tracy, December 2005.

City of Tracy: Cordes Ranch Specific Plan

SB 610 Water Supply Assessment



- Erler & Kalinowski, Inc., *City of Tracy 2010 Urban Water Management Plan*, prepared for the City of Tracy, May 2011.
- GEI Consultants, *Summary of Groundwater Conditions November 2007 through November 2008*, prepared for City of Tracy, January 23, 2009.
- GEI Consultants, *Tracy Regional Groundwater Management Plan*, prepared for the City of Tracy, March 2007.
- Hotchkiss, W.R. and Balding, G.O., *Geology, Hydrology and Water Quality of the Tracy-Dos Palos Area, San Joaquin Valley, California*, USGS Open-File Report, 1971.
- Kennedy/Jenks/Chilton, *Tracy Area Groundwater Yield Evaluation*, Appendix B, Table B-2, 1990.
- Kennedy/Jenks Consultants, *City of Tracy Water Master Plan*, 1994.
- Pacific Municipal Consultants, *Groundwater Management Policy Mitigated Negative Declaration*, prepared for the City of Tracy, April 2001.
- Pueblo Water Resources, *Interim (Final) Status Report for Well 8 ASR Demonstration Program*, Memorandum prepared for City of Tracy, dated December 7, 2011.
- Provost & Pritchard Consulting Group, *South San Joaquin Irrigation District 2010 Urban Water Management Plan*, August 2011.
- Semitropic Water Storage District website: www.semitropic.com
- Sorenson, S.K., *Chemical Quality of Groundwater in San Joaquin and Part of Contra Costa Counties, California*, Water Resources Investigation 81-26, USGS, 1981.
- Stoddard & Associates, *Groundwater Management Plan for the Northern Agencies in the Delta-Mendota Canal Service Area and a Portion of San Joaquin County*, Revised April 1996.
- United States Department of the Interior, Bureau of Reclamation, *Finding of No Significant Impact, Banta Carbona Irrigation District Partial Contract Assignment to the City of Tracy*, FONSI—01-63, October 2003.
- United States Department of the Interior, Bureau of Reclamation, *Finding of No Significant Impact, City of Tracy Long-term Central Valley Project Water Groundwater Banking with Semitropic Water Storage District*, FONSI-09-164, May 2011.
- United States Department of the Interior, Bureau of Reclamation, *Finding of No Significant Impact, Groundwater Banking Pilot Project of Central Valley Project Water from City of Tracy to Semitropic Water Storage District*, FONSI-05-111, February 2007.
- West Yost Associates, *Citywide Water System Master Plan*, Final Report, prepared for City of Tracy, December 2012.
- West Yost Associates, *Water Supply Assessment for the Downtown Specific Plan*, prepared for City of Tracy, April 2009.
- West Yost Associates, *Water Supply Assessment for the Holly Sugar Sports Park*, prepared for City of Tracy, June 2009.
- West Yost Associates, *Water Supply Assessment for the Surland Development Agreement and Ellis Specific Plan*, prepared for City of Tracy, March 2008.
- WJM Consulting Engineering, *Proposed Water Supply for the Cordes Ranch Project*, Draft, prepared for Kier & Wright, June 2011.

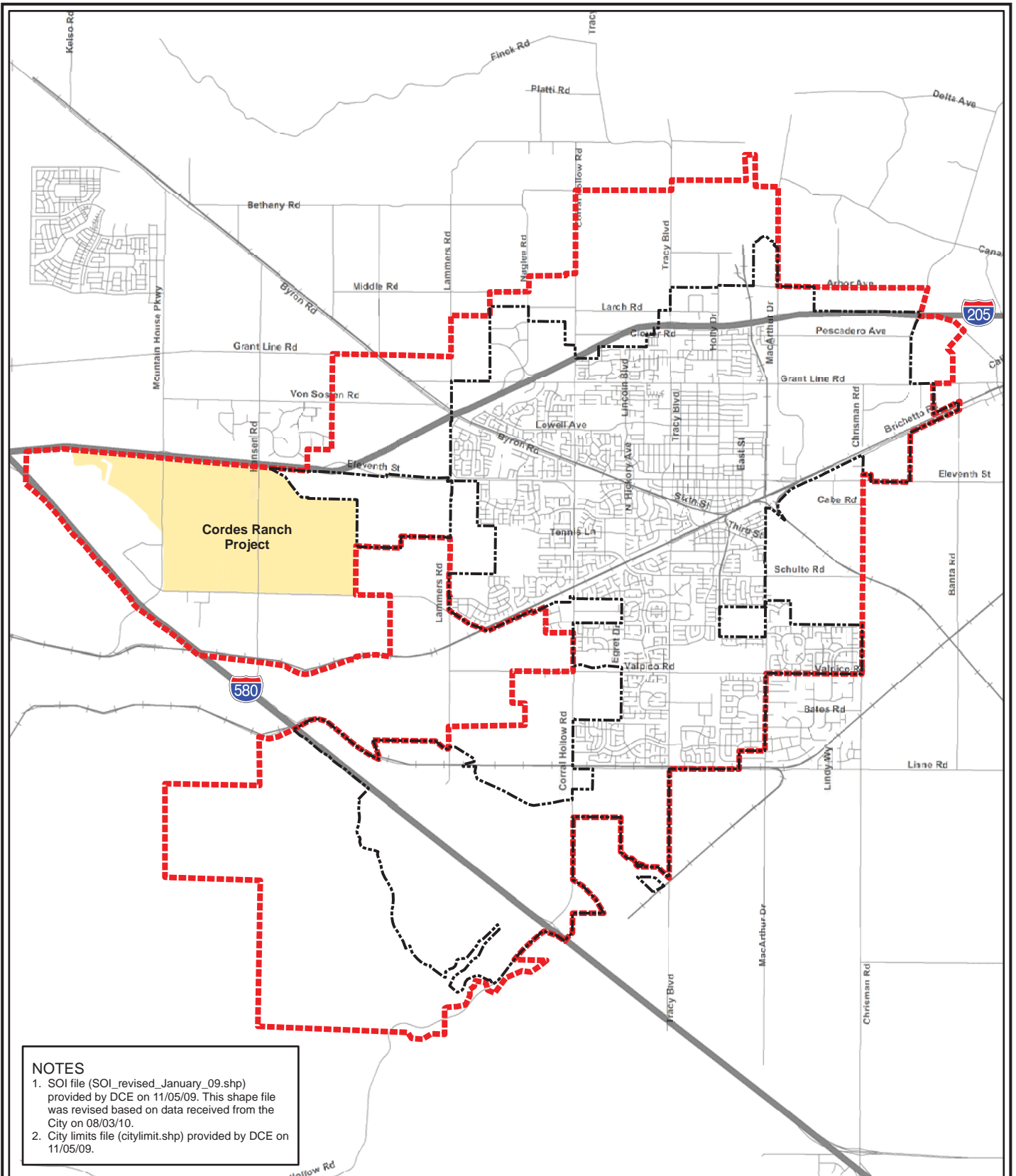
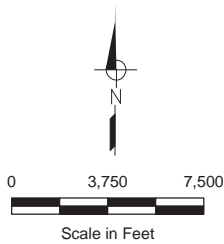


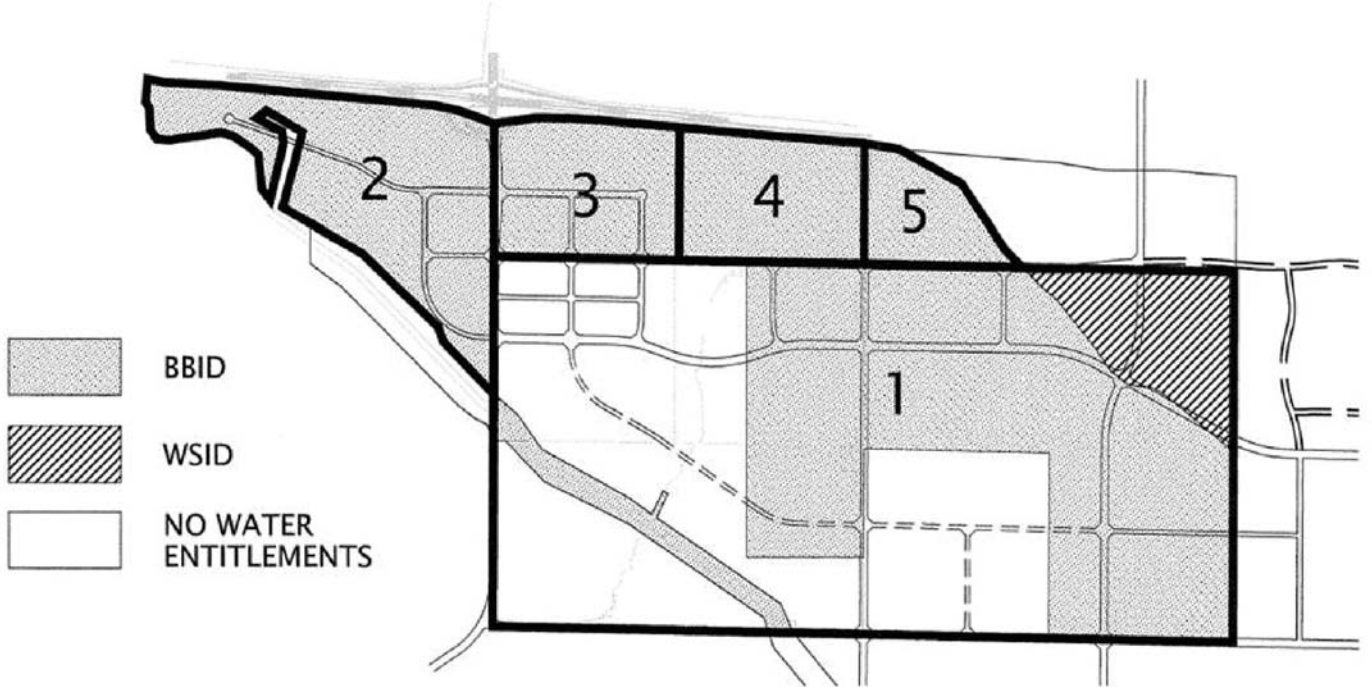
FIGURE 1

**City of Tracy
Water Supply Assessment
for the Cordes Ranch Project**

**PROPOSED PROJECT
LOCATION**



- | | | | |
|---|---|---|--|
| 1 | CROSSROADS BUSINESS CENTER
AT CORDES RANCH | 4 | TWL INVESTORS LLC |
| 2 | GBC GLOBAL INVESTMENT | 5 | LOPEZ / ADAMS / GILLON
GOUVAIA / VIERRA |
| 3 | DELTA PROPERTIES | | |



NOTES

1. Source: DRAFT Proposed Water Supply for the Cordes Ranch Project, June 2011, WJM Consulting Engineering.

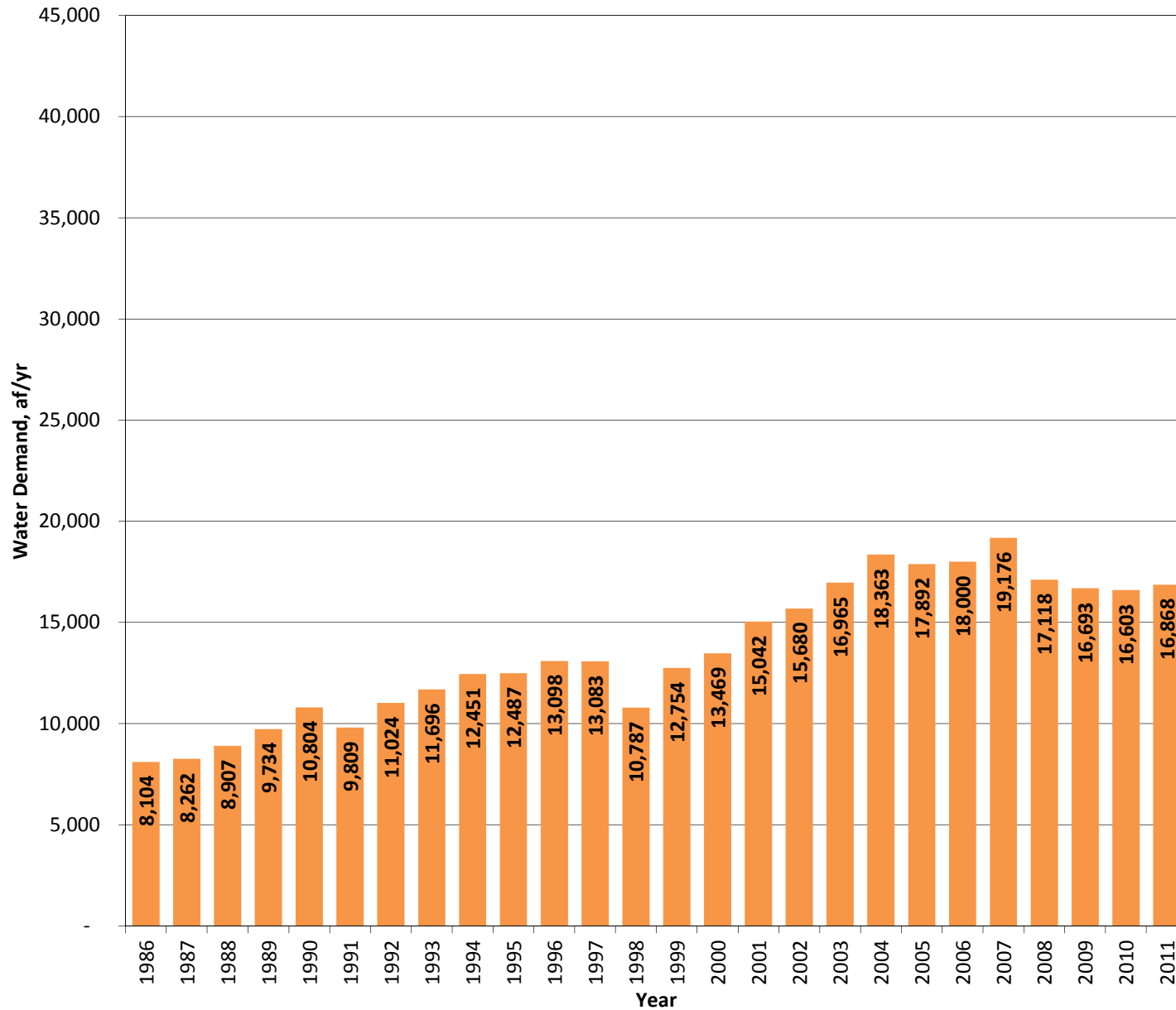
FIGURE 2

**City of Tracy
Water Supply Assessment
for the Cordes Ranch Project**



**PROPOSED LAND OWNERSHIP
AND IRRIGATION DISTRICT SERVICE AREAS**

Figure 3. City of Tracy Historical Potable Water Demand



Legend:

■ Historical Potable Water Demand

Notes:

(1) Source: City of Tracy Water Inventory Reports, Annual Production Reports, and Table 6 Current and Historical Potable Water Demand by Water Demand Sector of the City of Tracy 2010 UWMP, May 2011.

Figure 4. City of Tracy Historical and Projected Future Water Demand

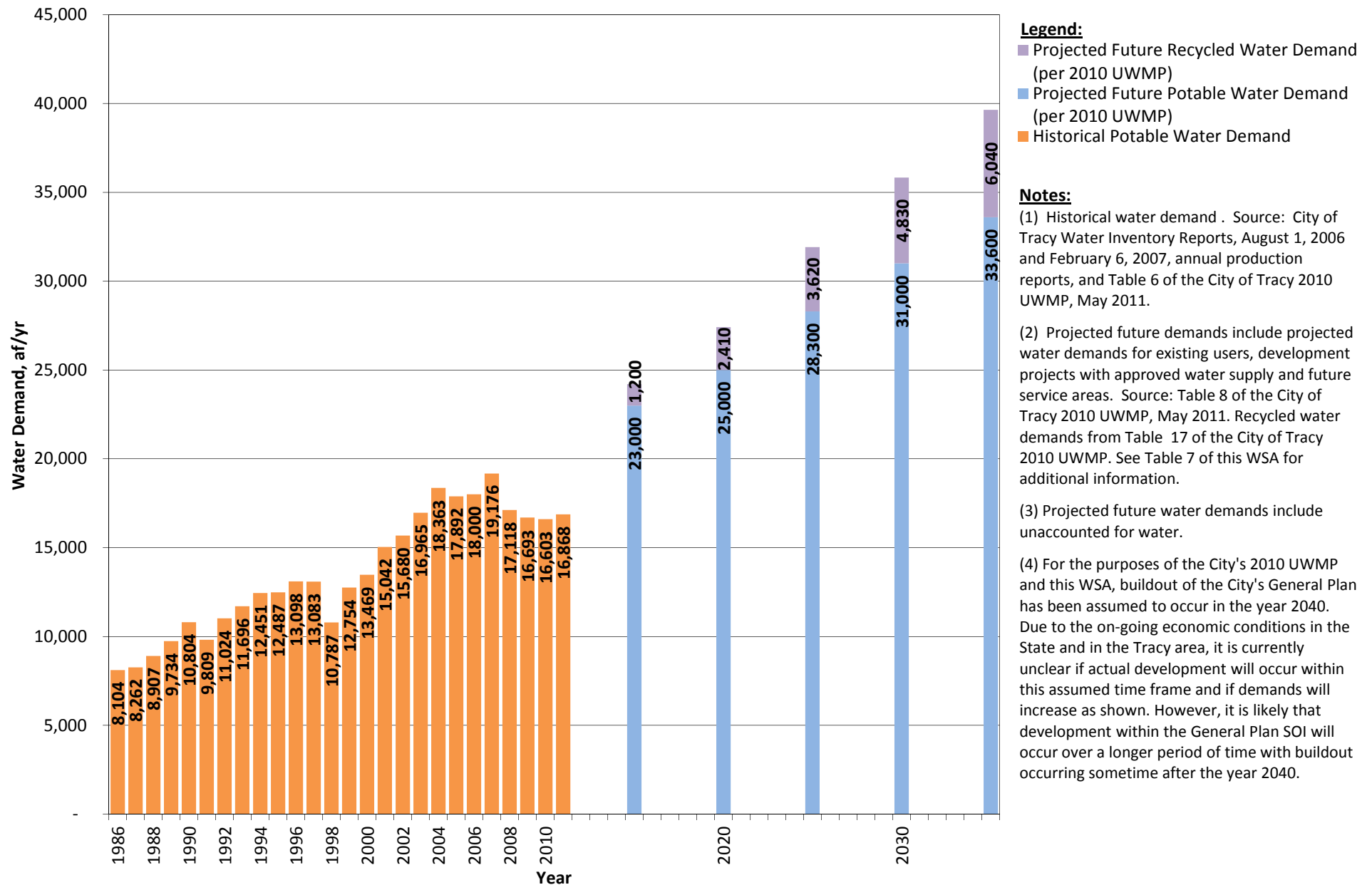
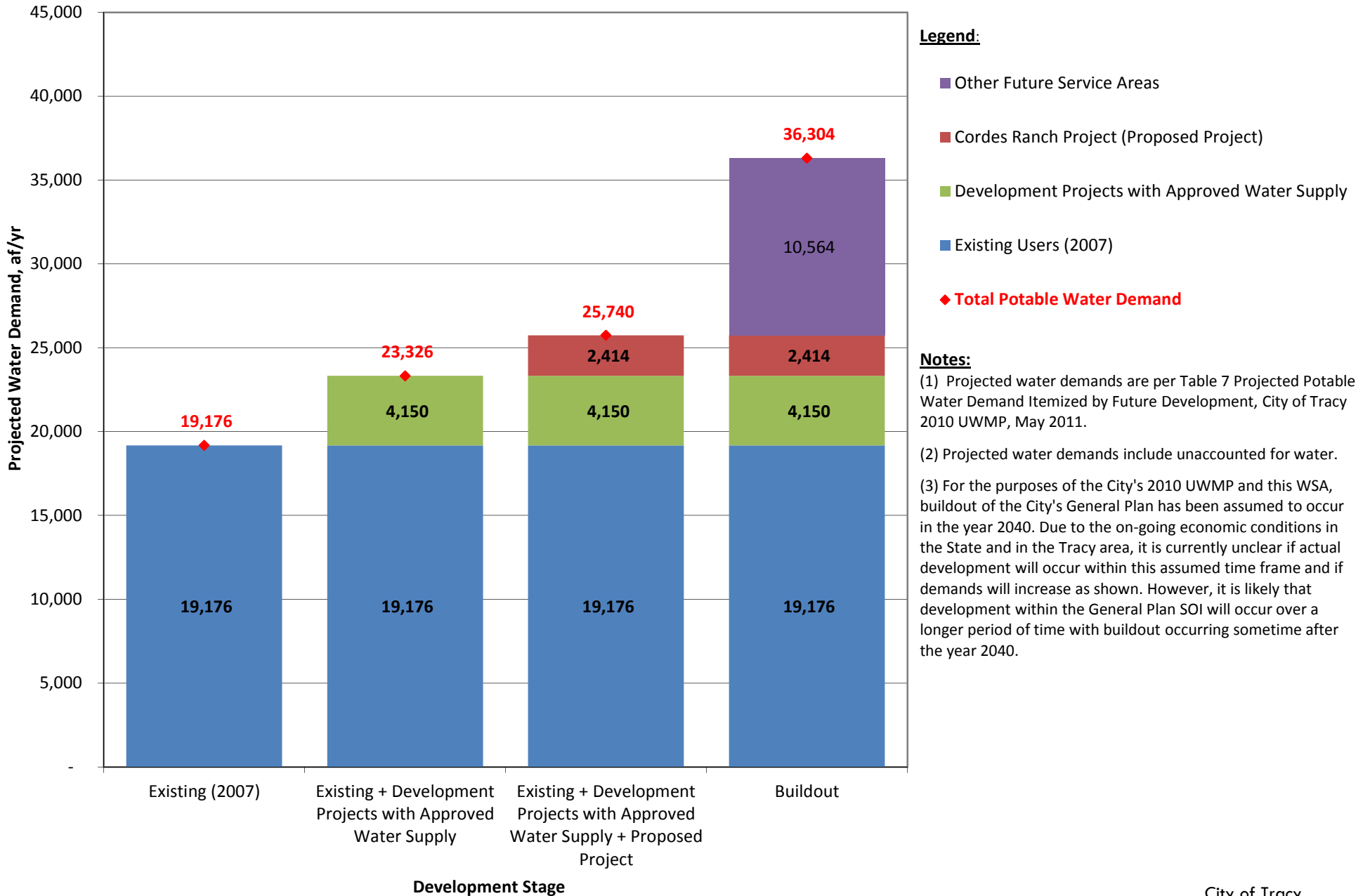


Figure 5. City of Tracy Projected Future Potable Water Demand by Development Stage



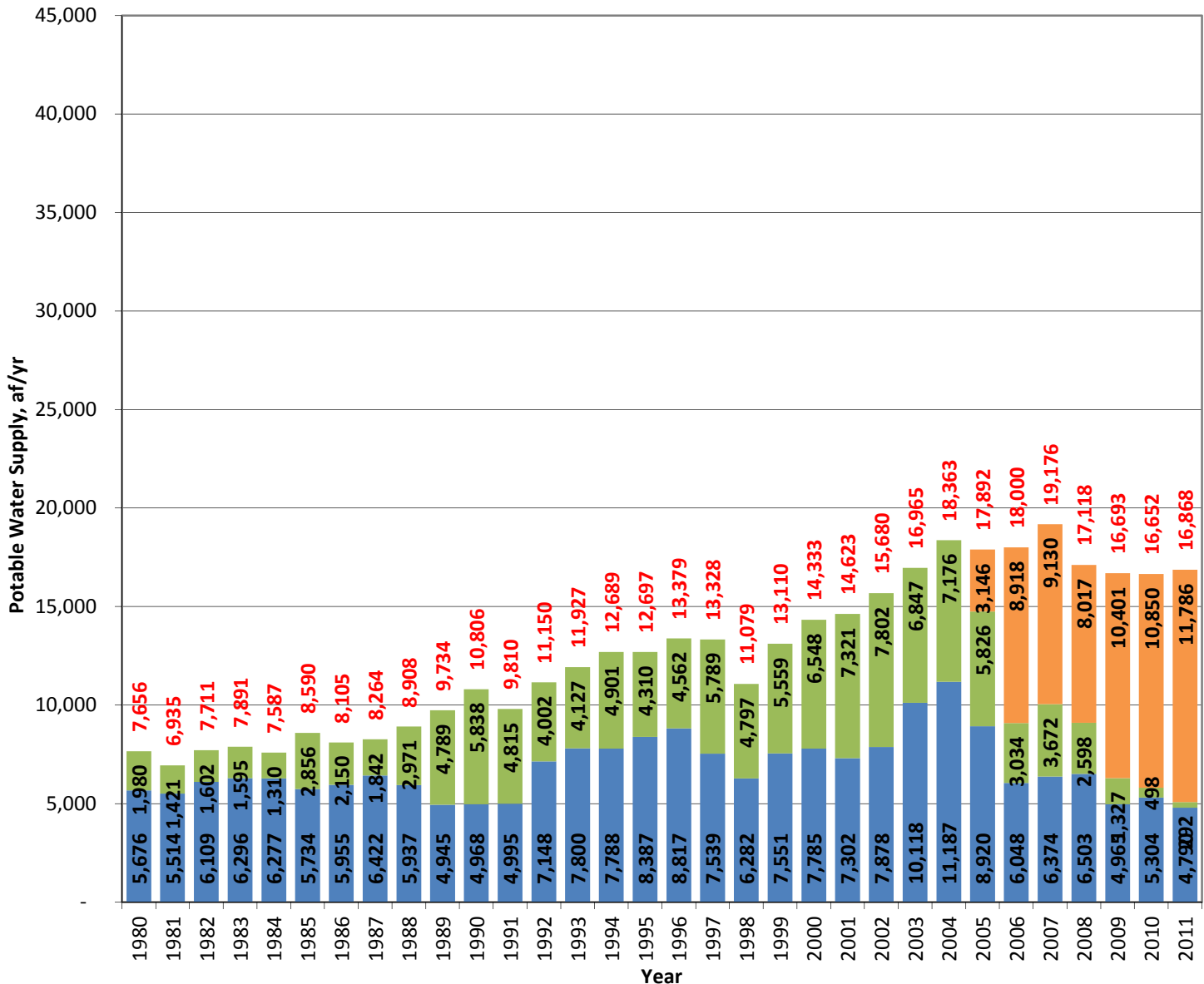
Legend:

- Other Future Service Areas
- Cordes Ranch Project (Proposed Project)
- Development Projects with Approved Water Supply
- Existing Users (2007)
- ◆ Total Potable Water Demand

Notes:

- (1) Projected water demands are per Table 7 Projected Potable Water Demand Itemized by Future Development, City of Tracy 2010 UWMP, May 2011.
- (2) Projected water demands include unaccounted for water.
- (3) For the purposes of the City's 2010 UWMP and this WSA, buildout of the City's General Plan has been assumed to occur in the year 2040. Due to the on-going economic conditions in the State and in the Tracy area, it is currently unclear if actual development will occur within this assumed time frame and if demands will increase as shown. However, it is likely that development within the General Plan SOI will occur over a longer period of time with buildout occurring sometime after the year 2040.

Figure 6. City of Tracy Historical Potable Water Supplies



Legend:

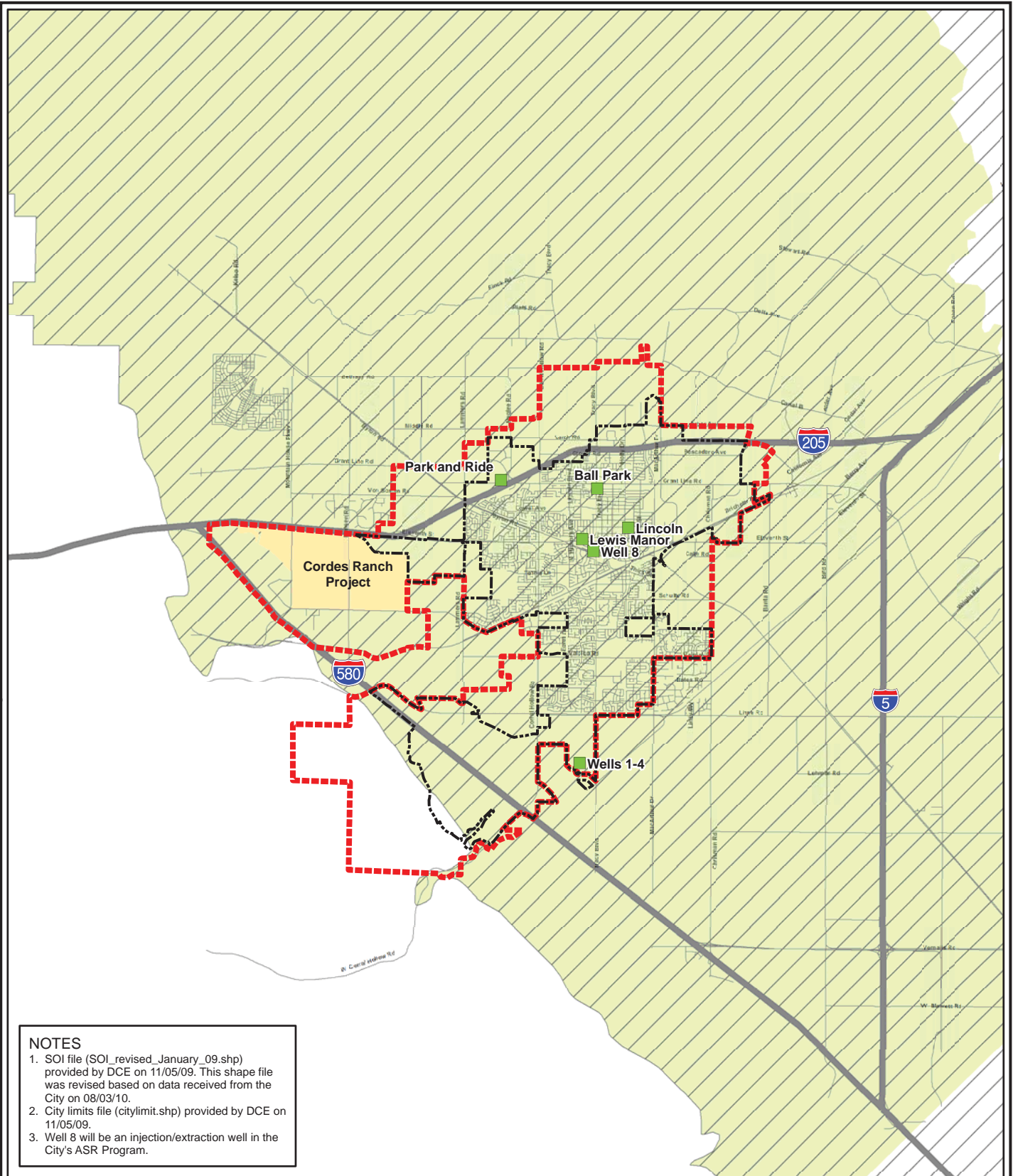
- SSJID (SCWSP)
- Groundwater
- CVP Deliveries
- Total Supply**

Notes:

(1) Source: City of Tracy Annual Water Delivery Schedule (1998-2004). 2005-2010 data based on Table 11 of City of Tracy 2010 UWMP, May 2011. 2011 data based on City production data.

(2) Data for 1980 to 1997 based on historical City groundwater pumpage and CVP deliveries.

O:\Clients\404 City of Tracy\02-11-90 Cordes Ranch Specific Plan Support-Tier 2\GIS\Figures\Water Supply Assessment\Fig 7_Groundwater.mxd 1/25/2012



NOTES

1. SOI file (SOI_revised_January_09.shp) provided by DCE on 11/05/09. This shape file was revised based on data received from the City on 08/03/10.
2. City limits file (citylimit.shp) provided by DCE on 11/05/09.
3. Well 8 will be an injection/extraction well in the City's ASR Program.

- LEGEND:**
- Cordes Ranch Project
 - Groundwater Well
 - San Joaquin Valley Basin
 - Tracy Sub-basin
 - City Limits
 - SOI
 - Highway

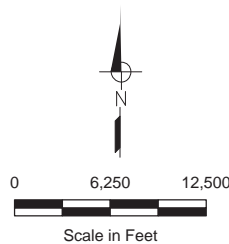


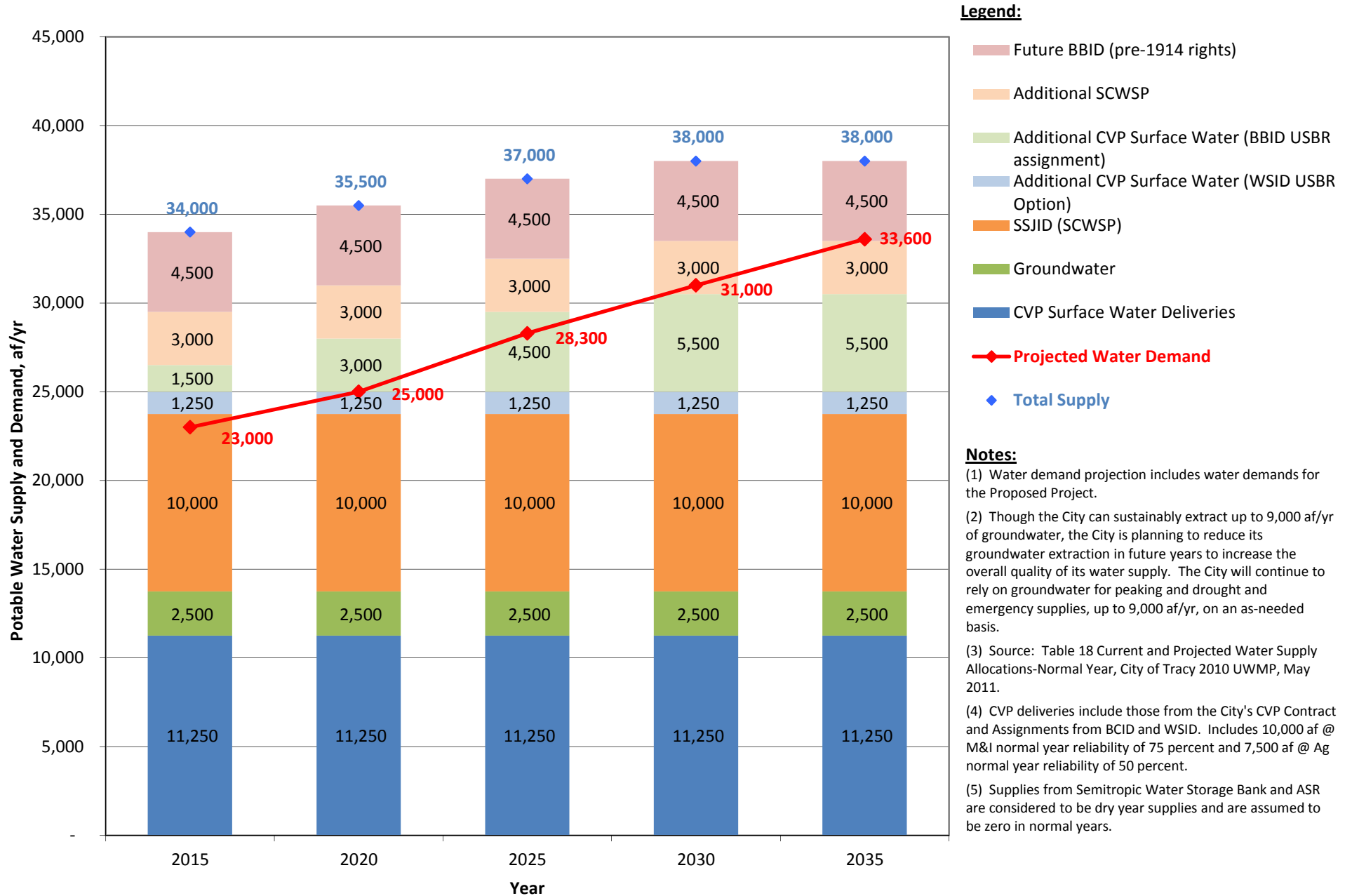
FIGURE 7

**City of Tracy
Water Supply Assessment
for the Cordes Ranch Project**

**GROUNDWATER BASIN
AND WELL LOCATIONS**



Figure 8. City of Tracy Future Potable Water Supply vs. Demand in Normal Years



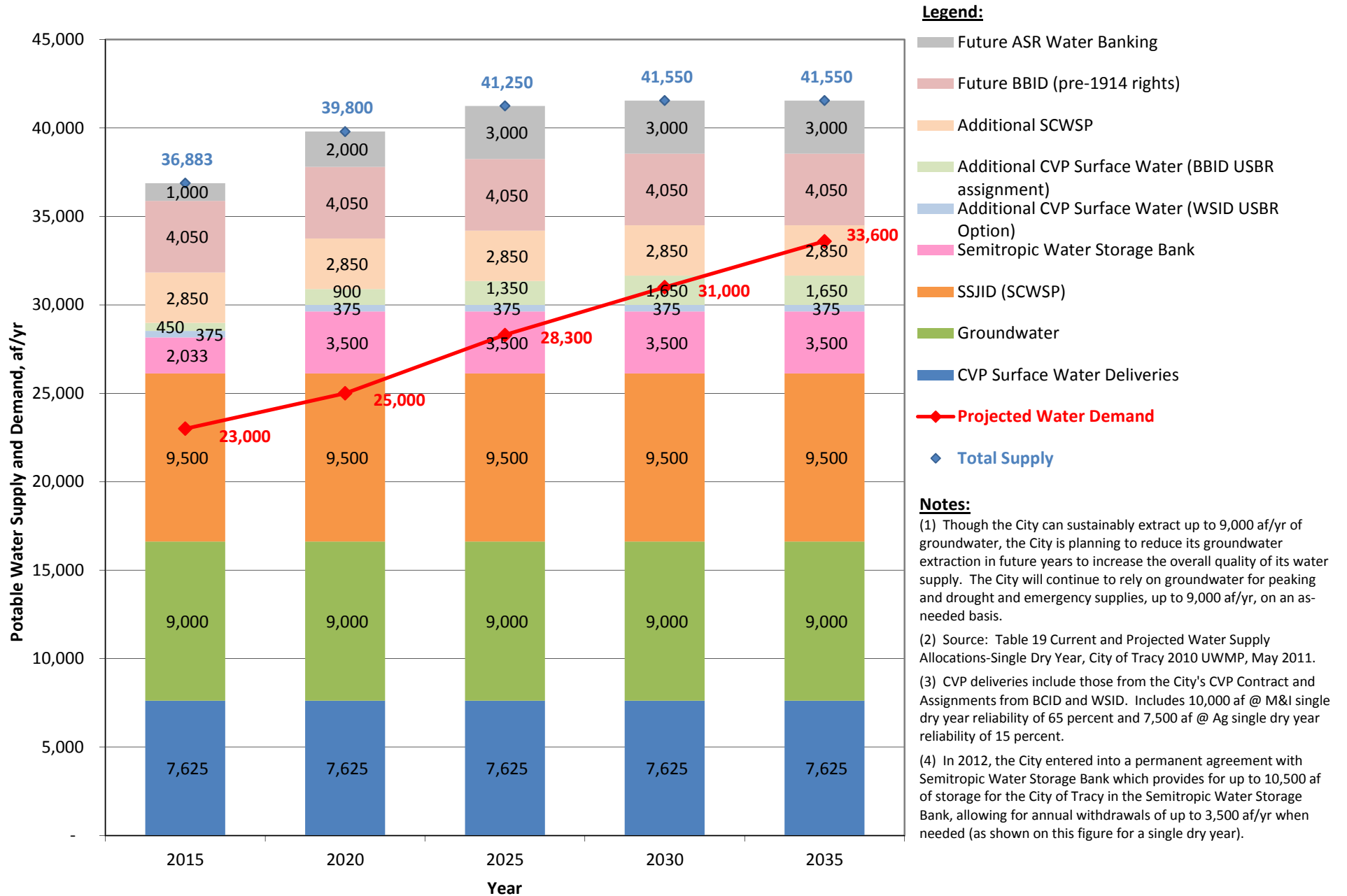
Legend:

- Future BBID (pre-1914 rights)
- Additional SCWSP
- Additional CVP Surface Water (BBID USBR assignment)
- Additional CVP Surface Water (WSID USBR Option)
- SSJID (SCWSP)
- Groundwater
- CVP Surface Water Deliveries
- Projected Water Demand
- Total Supply

Notes:

- (1) Water demand projection includes water demands for the Proposed Project.
- (2) Though the City can sustainably extract up to 9,000 af/yr of groundwater, the City is planning to reduce its groundwater extraction in future years to increase the overall quality of its water supply. The City will continue to rely on groundwater for peaking and drought and emergency supplies, up to 9,000 af/yr, on an as-needed basis.
- (3) Source: Table 18 Current and Projected Water Supply Allocations-Normal Year, City of Tracy 2010 UWMP, May 2011.
- (4) CVP deliveries include those from the City's CVP Contract and Assignments from BCID and WSID. Includes 10,000 af @ M&I normal year reliability of 75 percent and 7,500 af @ Ag normal year reliability of 50 percent.
- (5) Supplies from Semitropic Water Storage Bank and ASR are considered to be dry year supplies and are assumed to be zero in normal years.

Figure 9. City of Tracy Future Potable Water Supply vs. Demand in a Single Dry Year



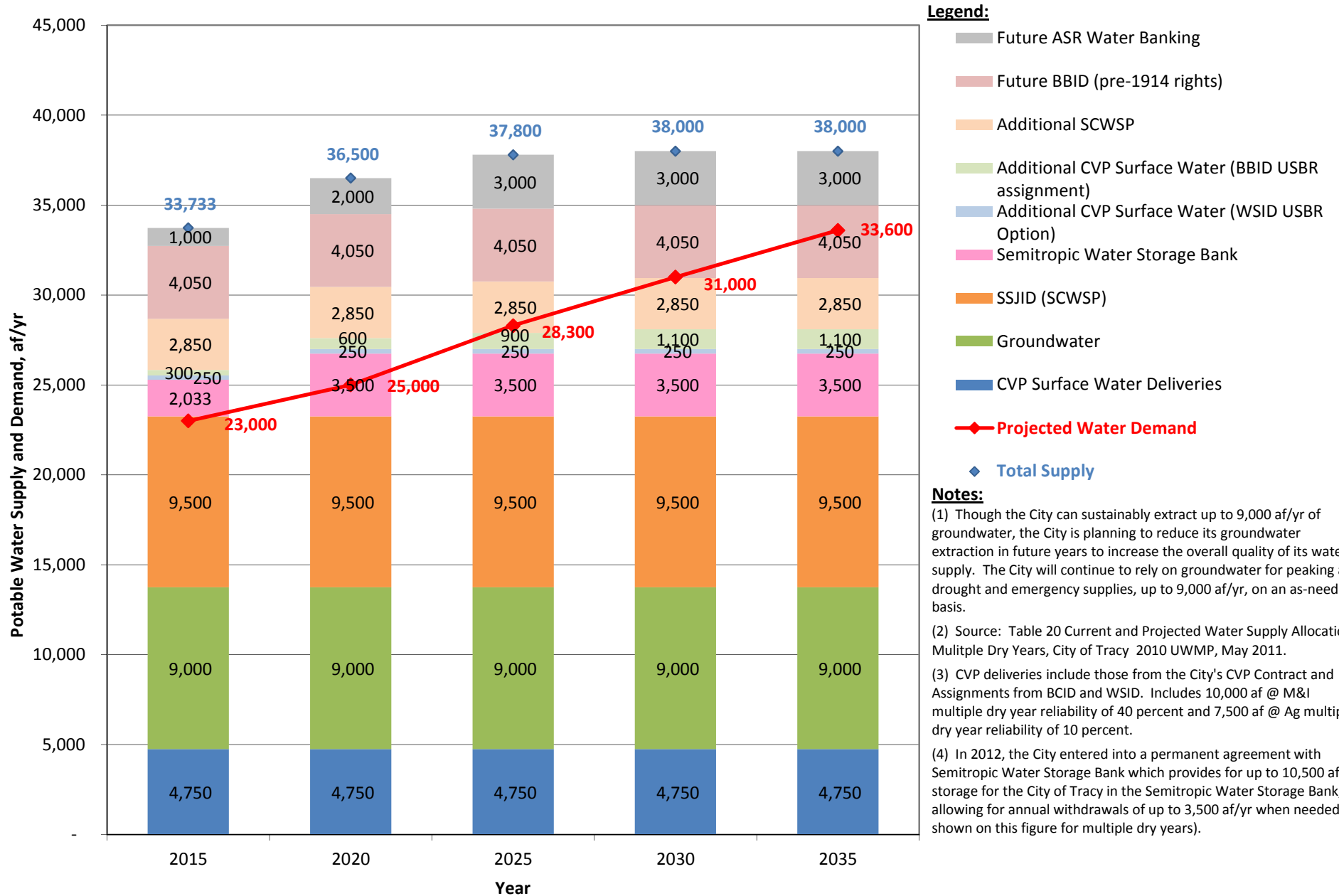
Legend:

- Future ASR Water Banking
- Future BBID (pre-1914 rights)
- Additional SCWSP
- Additional CVP Surface Water (BBID USBR assignment)
- Additional CVP Surface Water (WSID USBR Option)
- Semitropic Water Storage Bank
- SSJID (SCWSP)
- Groundwater
- CVP Surface Water Deliveries
- Projected Water Demand
- Total Supply

Notes:

- (1) Though the City can sustainably extract up to 9,000 af/yr of groundwater, the City is planning to reduce its groundwater extraction in future years to increase the overall quality of its water supply. The City will continue to rely on groundwater for peaking and drought and emergency supplies, up to 9,000 af/yr, on an as-needed basis.
- (2) Source: Table 19 Current and Projected Water Supply Allocations-Single Dry Year, City of Tracy 2010 UWMP, May 2011.
- (3) CVP deliveries include those from the City's CVP Contract and Assignments from BCID and WSID. Includes 10,000 af @ M&I single dry year reliability of 65 percent and 7,500 af @ Ag single dry year reliability of 15 percent.
- (4) In 2012, the City entered into a permanent agreement with Semitropic Water Storage Bank which provides for up to 10,500 af of storage for the City of Tracy in the Semitropic Water Storage Bank, allowing for annual withdrawals of up to 3,500 af/yr when needed (as shown on this figure for a single dry year).

Figure 10. City of Tracy Future Potable Water Supply vs. Demand in Multiple Dry Years



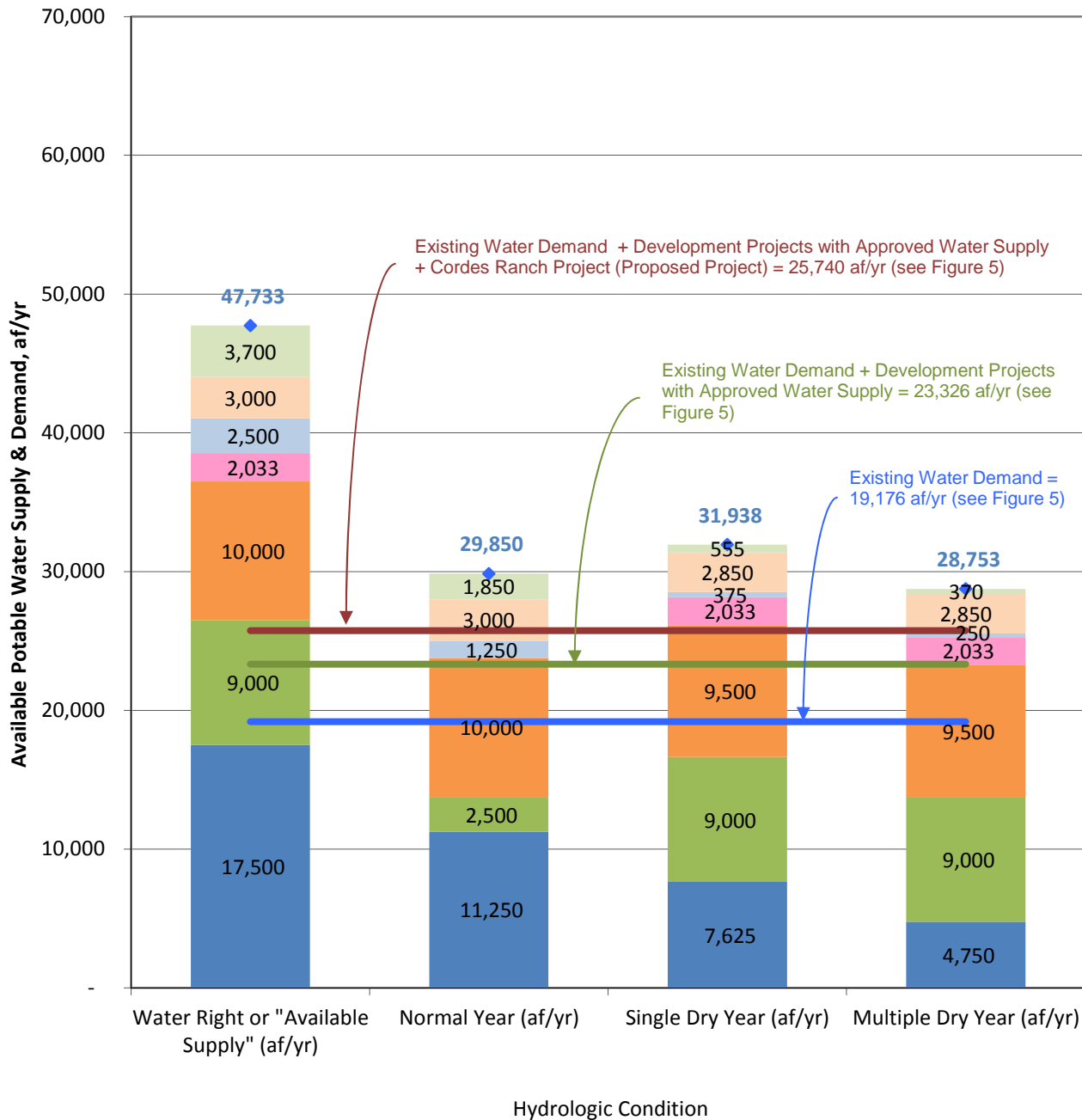
Legend:

- Future ASR Water Banking
- Future BBID (pre-1914 rights)
- Additional SCWSP
- Additional CVP Surface Water (BBID USBR assignment)
- Additional CVP Surface Water (WSID USBR Option)
- Semitropic Water Storage Bank
- SSJID (SCWSP)
- Groundwater
- CVP Surface Water Deliveries
- Projected Water Demand
- Total Supply

Notes:

- (1) Though the City can sustainably extract up to 9,000 af/yr of groundwater, the City is planning to reduce its groundwater extraction in future years to increase the overall quality of its water supply. The City will continue to rely on groundwater for peaking and drought and emergency supplies, up to 9,000 af/yr, on an as-needed basis.
- (2) Source: Table 20 Current and Projected Water Supply Allocations-Multiple Dry Years, City of Tracy 2010 UWMP, May 2011.
- (3) CVP deliveries include those from the City's CVP Contract and Assignments from BCID and WSID. Includes 10,000 af @ M&I multiple dry year reliability of 40 percent and 7,500 af @ Ag multiple dry year reliability of 10 percent.
- (4) In 2012, the City entered into a permanent agreement with Semitropic Water Storage Bank which provides for up to 10,500 af of storage for the City of Tracy in the Semitropic Water Storage Bank, allowing for annual withdrawals of up to 3,500 af/yr when needed (as shown on this figure for multiple dry years).

Figure 11. City of Tracy Existing Potable Water Supplies vs. Demand with Proposed Project



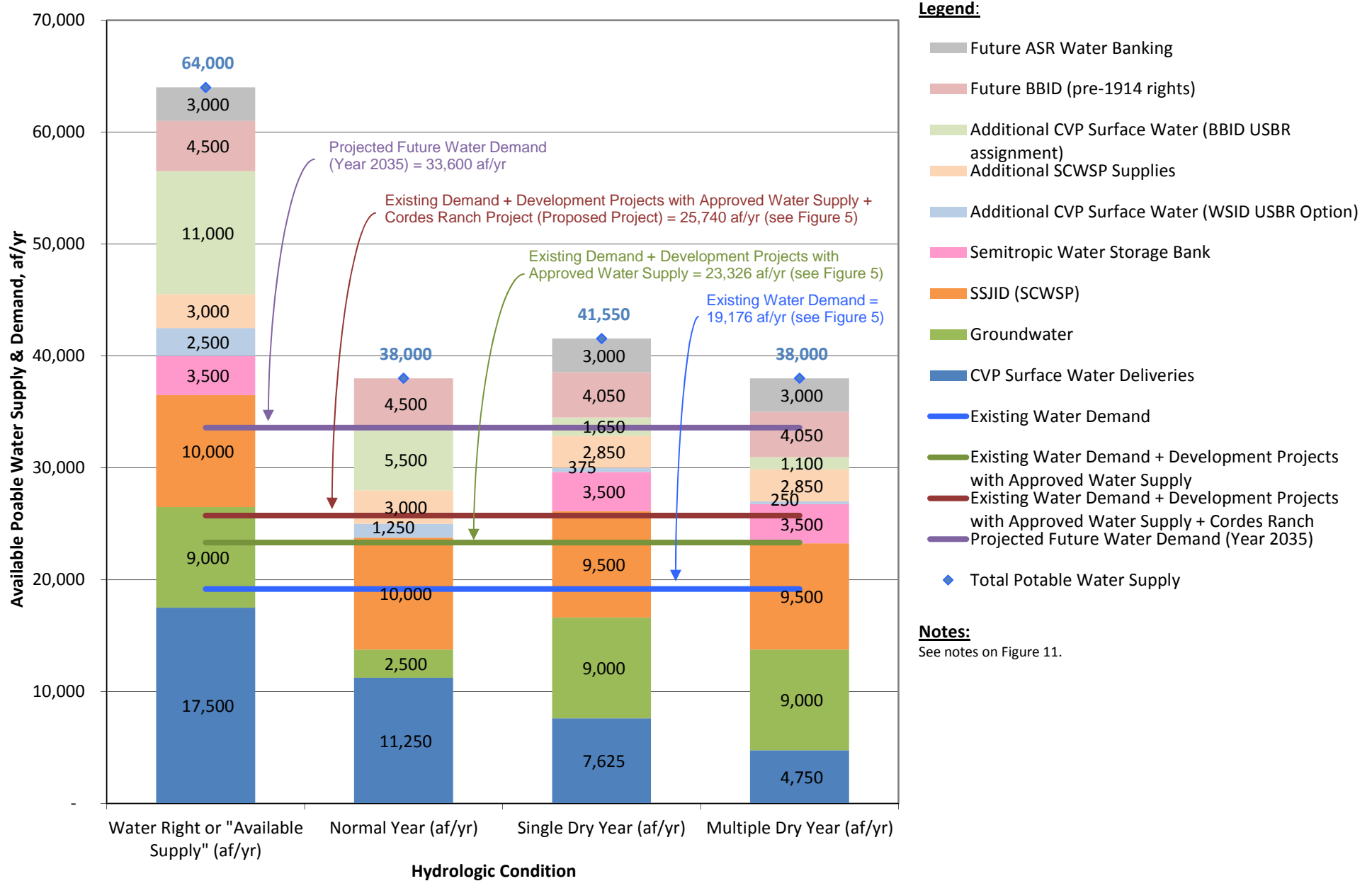
Legend:

- Additional CVP Surface Water (BBID USBR assignment)
- Additional SCWSP Supplies
- Additional CVP Surface Water (WSID USBR Option)
- Semitropic Water Storage Bank
- SSJID (SCWSP)
- Groundwater
- CVP Surface Water Deliveries
- Existing Water Demand
- Existing Water Demand + Development Projects with Approved Water Supply
- Existing Water Demand + Development Projects with Approved Water Supply + Cordes Ranch
- ◆ Total Potable Water Supply

Notes:

- (1) Source: Tables 18, 19, and 20, City of Tracy 2010 UWMP, May 2011.
- (2) CVP deliveries include those from the City's CVP Contract and Assignments from BCID and WSID.
- (3) Supplies from Semitropic Water Storage Bank are considered to be dry year supplies and are assumed to be zero in normal years.
- (4) In 2012, the City entered into a permanent agreement with Semitropic Water Storage Bank which provides for up to 10,500 af of storage for the City of Tracy in the Semitropic Water Storage Bank, allowing for annual withdrawals of up to 3,500 af/yr when needed. 2,033 af/yr is assumed to be currently available from Semitropic based on the City's deposits to date.
- (5) Though the City can sustainably extract up to 9,000 af/yr of groundwater, the City is planning to reduce its groundwater extraction in future years to increase the overall quality of its water supply. The City will continue to rely on groundwater for peaking and drought and emergency supplies, up to 9,000 af/yr, on an as-needed basis.
- (6) Additional CVP Surface Water (BBID USBR assignment) assumes annexation of 1,080 acres in conjunction with Cordes Ranch Specific Plan.

Figure 12. City of Tracy Existing and Additional Potable Water Supplies at Year 2035 vs. Demand



February 5, 2013

AGENDA ITEM 1.D

REQUEST

**AUTHORIZATION OF A SUPPLEMENTAL APPROPRIATION OF \$190,000
FROM THE WATER ENTERPRISE FUND FOR WATER PURCHASE**

EXECUTIVE SUMMARY

Additional funding is needed for water purchase from the US Bureau of Reclamation (USBR) for water deliveries from the Delta-Mendota Canal.

DISCUSSION

The amount of water allocation received by the City from the USBR varies year to year depending on the amount of precipitation, amount of water stored in reservoirs, and the ability of the USBR to pump water from the Delta. In 2012, the City received a water supply allocation that exceeded the amount needed by the City. The City sold this excess 3,100 acre-feet of water to farmers so that it could be put to beneficial use. Compensation was received from the farmers and the funds were deposited in the Water Fund. The City paid the USBR for the water and the water was then delivered to the farmers.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's four strategic plans.

FISCAL IMPACT

There is no impact to the General Fund. Each year the City budgets funds for water purchase from the USBR. The budget is based on the anticipated amount of water to be processed through the City's John Jones Water Treatment Plant. In Fiscal Year 2012/13, \$440,000 was budgeted. A portion of these funds (\$187,860) were used to pay the USBR for the water sold to farmers. The funds received from the farmers were deposited into the Water Fund and now need to be appropriated for water purchases by the City during the remainder of the fiscal year.

RECOMMENDATION

That the City Council, by resolution, authorize a supplemental appropriation of \$190,000 from the Water Enterprise Fund.

Prepared by: Steve Bayley, Deputy Director of Public Works
Approved by: Kevin Tobeck, Director of Public Works
Approved by: Leon Churchill, Jr., City Manager

RESOLUTION ____

AUTHORIZING A SUPPLEMENTAL APPROPRIATION OF \$190,000 FROM THE WATER ENTERPRISE FUND FOR WATER PURCHASE

WHEREAS, In 2012, the City received a water supply allocation that exceeded the amount needed by the City, and

WHEREAS, The City sold this excess 3,100 acre-feet of water to farmers so that it could be put to beneficial use, and

WHEREAS, Compensation was received from the farmers and the funds were deposited in the Water Fund and the City paid the USBR for the water and the water was then delivered to the farmers, and

WHEREAS, There is no impact to the General Fund as each year the City budgets funds for water purchase from the USBR, and

WHEREAS, The budget is based on the anticipated amount of water to be processed through the City's John Jones Water Treatment Plant, and

WHEREAS, In Fiscal Year 2012/13, \$440,000 was budgeted and a portion of these funds (\$187,860) were used to pay the USBR for the water sold to farmers, and

WHEREAS, The funds received from the farmers were deposited into the Water Fund and now need to be appropriated for water purchases by the City during the remainder of the fiscal year;

NOW, THEREFORE, BE IT RESOLVED, That the City Council authorizes a supplemental appropriation of \$190,000 from the Water Enterprise Fund.

The foregoing Resolution _____ was passed and adopted by the Tracy City Council on the 5th day of February, 2013, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

February 5, 2013

AGENDA ITEM 1.E

REQUEST

THE CITY COUNCIL OF THE CITY OF TRACY ACTING AS THE GOVERNING BODY OF THE SUCCESSOR AGENCY FOR THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS)

DISCUSSION

The State of California through the passage of ABX1 26 dissolved redevelopment agencies effective February 1, 2012, and replaced them with successor agencies. The City of Tracy previously elected to serve as the successor agency for our former redevelopment agency. Previously the City Council approved an Enforceable Obligation Payment Schedule (EOPS) which listed the various financial obligations of the former Tracy Community Development Agency. The law now requires that a Recognized Obligations Payment Schedule (ROPS) be adopted which will list all enforceable obligations proposed for payment. Attached is the ROPS for the period July 1, 2013 thru December 31 2013. The attached ROPS is in conformity with recently released format requirements by the state Department of Finance.

STRATEGIC PLAN

This item is routine and not related to one of the City Council's Strategic Plans.

FISCAL IMPACT

There is no fiscal impact to the City's General Fund. Recognized obligations are paid from property tax revenue that previously was allocated to the Tracy Community Development Agency.

RECOMMENDATION

It is recommended that the City Council adopt the attached resolution approving the Recognized Obligation Payments Schedule of the former Tracy Community Development Agency for the period July 1, 2013 thru December 31, 2013.

Prepared by: Robert Harmon, Senior Accountant
Reviewed by: Jenny Haruyama, Finance and Administrative Services Director
Approved by: Leon Churchill, Jr., City Manager

RESOLUTION _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TRACY, ACTING AS THE GOVERNING BOARD OF THE SUCCESSOR AGENCY FOR THE COMMUNITY DEVELOPMENT AGENCY OF THE CITY OF TRACY, APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE

WHEREAS, the California state legislature enacted Assembly Bill x1 26 (the "Dissolution Act") to dissolve redevelopment agencies formed under the Community Redevelopment Law (Health and Safety Code Section 33000 et seq.); and

WHEREAS, on January 19, 2012 and pursuant to Health and Safety Code Section 34173, the City Council of the City of Tracy (the "City Council") declared that the City of Tracy, a municipal corporation (the "City"), would act as successor agency (the "Successor Agency") for the dissolved Community Development Agency of the City of Tracy (the "Former CDA") effective February 1, 2012; and

WHEREAS, on February 1, 2012, the Former CDA was dissolved pursuant to Health and Safety Code Section 34172; and

WHEREAS, the Dissolution Act provides for the appointment of an oversight board (the "Oversight Board") with specific duties to approve certain Successor Agency actions pursuant to Health and Safety Code Section 34180 and to direct the Successor Agency in certain other actions pursuant to Health and Safety Code Section 34181; and

WHEREAS, Health and Safety Code Section 34177(l)(2)(A) requires the Successor Agency to prepare a draft recognized obligation payment schedule (the "ROPS") and make associated notifications and distributions; and

NOW, THEREFORE, BE IT RESOLVED that the City Council, acting as the Governing Board of the Successor Agency, hereby authorizes and directs the City Manager or the City Manager's designee, acting on behalf of the Successor Agency, to organize and call the meetings of the Oversight Board to facilitate the Oversight Board's approval of the ROPS.

BE IT FURTHER RESOLVED that the City Council, acting as the Governing Board of the Successor Agency, hereby approves the ROPS which contains the Successor Agency Administrative Cost Estimates.

BE IT FURTHER RESOLVED that the City Council, acting as the Governing Board of the Successor Agency, hereby authorizes and directs the City Manager or the City Manager's designee, acting on behalf of the Successor Agency, to file, post, mail or otherwise deliver via electronic mail, internet posting, and/or hardcopy, all notices and transmittals necessary or convenient in connection with approval of the ROPS, and other actions taken pursuant to this Resolution.

BE IT FURTHER RESOLVED, that this Resolution shall take immediate effect upon adoption.

Resolution _____
Page 2

ADOPTED February 5, 2013 by the City Council of the City of Tracy, acting in its capacity as the Successor Agency of the Redevelopment Agency of the City of Tracy, by the following vote, to wit:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

Successor Agency Counsel

ATTACHMENT "A"

SUMMARY OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE

Filed for the July 1, 2013 to December 31, 2013 Period

Name of Successor Agency: **TRACY (SAN JOAQUIN)**

Outstanding Debt or Obligation	Total
Total Outstanding Debt or Obligation	\$88,197,472

Current Period Outstanding Debt or Obligation	Six-Month Total
A Available Revenues Other Than Anticipated RPTTF Funding	\$0
B Enforceable Obligations Funded with RPTTF	\$1,606,144
C Administrative Allowance Funded with RPTTF	\$125,000
D Total RPTTF Funded (B + C = D)	\$1,731,144
E Total Current Period Outstanding Debt or Obligation (A + B + C = E) <i>Should be same amount as ROPS form six-month total</i>	\$1,731,144
F Enter Total Six-Month Anticipated RPTTF Funding	\$1,731,144
G Variance (F - D = G) <i>Maximum RPTTF Allowable should not exceed Total Anticipated RPTTF Funding</i>	\$0

Prior Period (July 1, 2012 through December 31, 2012) Estimated vs. Actual Payments (as required in HSC section 34186 (a))	
H Enter Estimated Obligations Funded by RPTTF <i>(lesser of Finance's approved RPTTF amount including admin allowance or the actual amount distributed)</i>	\$1,143,472
I Enter Actual Obligations Paid with RPTTF	\$1,641,087
J Enter Actual Administrative Expenses Paid with RPTTF	\$125,000
K Adjustment to Redevelopment Obligation Retirement Fund (H - (I + J) = K)	\$0
L Adjustment to RPTTF (D - K = L)	\$1,731,144

Certification of Oversight Board Chairman:	Paul Sensibaugh	Chairman
Pursuant to Section 34177(m) of the Health and Safety code,	Name	Title
I hereby certify that the above is a true and accurate Recognized		
Obligation Payment Schedule for the above named agency.	/s/	
	Signature	Date

February 5, 2013

AGENDA ITEM 3

REQUEST

INTRODUCTION OF AN ORDINANCE AMENDING CHAPTER 11.30 “RECYCLED AND NON-POTABLE WATER” OF THE TRACY MUNICIPAL CODE

EXECUTIVE SUMMARY

In 2002 the City Council adopted Ordinance 1035 establishing provisions for use of recycled water in the Tracy Municipal Code. In the past 10 years there have been significant legislative and regulatory changes regarding the use of recycled water and an update of the Tracy Municipal Code is warranted. Staff recommends that the City Council introduce and adopt an ordinance amending Chapter 11.30 of the Tracy Municipal Code, Recycled and Non-Potable Water.

DISCUSSION

City Council adopted Ordinance 1035 on April 2, 2002, which established Chapter 11.30 of the Tracy Municipal Code, Recycled and Non-Potable Water. Since that time there has been increased emphasis on water supply and recycled water. Use of recycled water has the potential to reduce potable water demand, especially where potable water is used for landscape irrigation and industrial processes such as evaporative cooling.

The recent legislative actions include: the California Water Conservation Act of 2009 (SBx7-7; Water Code section 10608 and following); State Water Resources Control Board Resolution No. 2009-0011 (Adoption of Recycled Water Policy); the 2010 California Green Building Standards Code; the California Department of Water Resources Model Water Efficient Landscape Ordinance; and the City’s Sustainability Action Plan.

The California Water Conservation Act of 2009 (SBx7-7) requires municipalities to reduce per capita water consumption by 20% by the year 2020. Use of recycled water for landscape irrigation in lieu of potable water reduces the per capita consumption of potable water. Use of recycled water will assist in meeting the 20% per capita reduction requirement.

The Tracy Municipal Code allows the use of untreated surface water as non-potable water. There are currently no users of untreated surface water for landscape irrigation within the City. In the future, untreated surface water will be used for irrigation at the new Holly Sugar sports fields. Use of untreated surface water would be included in the City’s per capita water consumption whereas recycled water would not. In order to meet the timeframe for compliance with SBx-7-7, use of untreated surface water for landscape irrigation would need to be switched to recycled water by 2020. The proposed ordinance contains the requirement that use of untreated surface water supplies in lieu of recycled water supplies is not permitted after 2020.

The proposed ordinance is statutorily exempt from California Environmental Quality Act, as an action by a regulatory agency for the protection of the environment and natural resources.

STRATEGIC PLAN

This agenda item is a routine operational item and does not relate to the Council's four strategic plans.

FISCAL IMPACT

There is no fiscal impact to the General Fund, Water Enterprise Fund or Wastewater Enterprise Fund resulting from preparation of this ordinance. Implementation and use of recycled water will result in future expenditures. Cost estimates for recycled water infrastructure are being developed as part of the utility master planning process.

RECOMMENDATION

That the City Council introduce and adopt an ordinance amending Chapter 11.30 of the Tracy Municipal Code, Recycled and Non-Potable Water.

Prepared by: Steve Bayley, Deputy Director of Public Works

Reviewed by: Kevin Tobeck, Director of Public Works

Approved by: Leon Churchill, Jr., City Manager

ORDINANCE _____

AN ORDINANCE OF THE CITY OF TRACY, CALIFORNIA
AMENDING CHAPTER 11.30 OF THE TRACY MUNICIPAL CODE,
"RECYCLED AND NON-POTABLE WATER"

WHEREAS, Article X, section 2, of the California Constitution declares that the general welfare requires that the water resources of the State be put to beneficial use to the fullest extent of which they are capable, that the waste or unreasonable use of water be prevented, and that the conservation of such waters is to be exercised with a view to the reasonable and beneficial use, in the interest of the people and for the public welfare; and

WHEREAS, Under Water Code section 13510, the people of the State of California have a primary interest in the development of facilities to recycle water to supplement existing surface and underground water supplies and to assist in meeting the future water requirements of the State; and

WHEREAS, Under Water Code section 461, the people of the State of California have a primary interest in the conservation of all available water resources requiring the maximum reuse of recycled water for beneficial uses; and

WHEREAS, In 2002, the City Council adopted Chapter 11.30, Recycled and Non-potable Water (Ordinance No. 1035); and

WHEREAS, Since that adoption in 2002, State, regional and local standards have changed, including the following:

1. California Water Conservation Act of 2009 (SBx7-7) was passed in November 2009 and was incorporated into Division 6 of the California Water Code, commencing with Section 10608 of Part 2.55. SBx7-7 requires water suppliers to adopt and comply with per capita water use targets for 2015 and 2020. The City adopted SBx7-7 per capita water use targets for 2015 and 2020 on May 17, 2011 (Resolution No. 2011-099). Per SBx7-7, a water supplier's gross water use excludes recycled water. Thus, the use of recycled water to meet non-potable water demands such as landscape irrigation offsets a water supplier's potable water use, reduces the water supplier's SBx7-7 gross water use, and reduces the water supplier's per capita water use.
2. State Water Resources Control Board Resolution No. 2009-0011, Adoption of Recycled Water Policy. The State Water Resources Control Board has established a mandate to increase the use of recycled water in California by 200,000 acre-feet per year by 2020 and by an additional 300,000 acre-feet per year by 2030. The State Water Resources Control Board has declared that, pursuant to Water Code sections 13550 et seq., it is a waste and unreasonable use of water for water agencies not to use recycled water when recycled water of adequate quality is available and is not being put to beneficial use.
3. 2010 California Green Building Standards Code (CALGreen) established mandatory and voluntary CALGreen provisions for residential and non-residential construction with an effective date of July 1, 2011 and included mandatory and voluntary provisions for the reduction of indoor and outdoor water use.

4. The Model Water Efficient Landscape Ordinance (MWELO) was adopted by the California Department of Water Resources as of January 1, 2010. One of the key components of the MWELO is the use of recycled water for landscape irrigation systems and decorative water features (MWELO Section 492.14).

5. The City of Tracy Sustainability Action Plan was adopted on February 1, 2011 (Resolution No. 2011-030). The Sustainability Action Plan contains a roadmap for reducing consumption of non-renewable resources, improving public health, promoting economic vitality, implementing the General Plan, and engaging Tracy residents.

WHEREAS, The City wishes to update Chapter 11.30 to conform to changes in State, regional and local law and policy.

NOW, THEREFORE, The City Council of the City of Tracy hereby ordains as follows:

SECTION 1: The Tracy Municipal Code, Title 11, Chapter 11.30 is hereby amended in its entirety to read as follows:

**“Chapter 11.30
Recycled and Non-potable Water**

11.30.010 Purpose; Regulatory authority.

(a) Purpose. It is the City’s policy that recycled water determined to be available under Water Code section 13550 be used for non-potable uses within the designated recycled water use areas set forth in this chapter and as permitted by Title 22 of the California Code of Regulations (Division 1, Chapter 5; Division 5, Chapters 1-3).

(b) Regulatory authority. This chapter is adopted under the authority of the California Water Conservation Act of 2009 (SBx7-7; Water Code section 10608 and following); State Water Resources Control Board Resolution No. 2009-0011 (Adoption of Recycled Water Policy); the 2010 California Green Building Standards Code; the California Department of Water Resources Model Water Efficient Landscape Ordinance; and the City’s Sustainability Action Plan.

11.30.020 Definitions.

In this chapter, unless the context in which they are used clearly indicates otherwise:

(a) "Common areas" means, but is not limited to, golf courses, parks, greenbelts, landscaped streets, landscaped medians.

(b) "Development project" means any development as defined in Government Code section 65927 (the Permit Streamlining Act) and includes a project requiring subdivision approval, a use permit, grading permit or building permit.

(c) "Director" means the City’s Director of Public Works or his or her designee.

(d) "Industrial cooling or processing purposes" means evaporative or heat exchange cooling serving industrial processing, or power production, as accomplished by cooling towers, enclosed heat exchange systems, washdown systems, and other similar equipment and devices.

(e) "Non-potable groundwater" means any groundwater that does not conform to federal, state, and local agency standards for human consumption.

(f) "Non-potable water" means water which does not conform to federal, state, and local agency standards for human consumption. It includes recycled water, non-potable groundwater, untreated surface water, and other subsurface or surface water which may be used for a beneficial purpose in compliance with applicable local, state, and federal laws defining standards for non-potable uses.

(g) "Potable water" means water which conforms to federal, state, and local agency standards for human consumption.

(h) "Premises" shall mean any lot or any piece or parcel of land comprising two or more lots of record in one ownership, or any building or other structure, or any part of any building or structure, used or useful for human habitation or gathering or for carrying on a business or occupation or any commercial or industrial activity.

(i) "Person" means an individual and any domestic and foreign corporation, association, syndicate, joint stock corporation, partnership of every kind, club.

(j) "Recycled water" means tertiary treated water which results from the treatment of wastewater, is suitable for direct beneficial use, and conforms to the definition of disinfected tertiary recycled water in accordance with State law.

(k) "Recycled water area" or "designated recycled water use area" means all geographic areas located within the City limits.

(l) "Recycled water distribution system" means a system intended for the delivery of recycled water, including, but not limited to, pipelines, pumps, and reservoirs. The recycled water distribution system is separate from any potable water distribution system. The system controls the recycled water distribution from the source of supply to the point of connection with a building or structural lateral supply pipeline.

(m) "Recycled water use" means irrigation of landscaped common areas which are professionally maintained by a licensed landscape contractor, and use for industrial cooling or processing purposes and other approved industrial uses.

(n) "Recycled water use permit" means a permit given by the City to the customer which grants permission to use recycled water and requires the user to use recycled water in accordance with the rules, regulations and standards of the Recycled Water User's Guide and all applicable state and local rules and regulations.

(o) "Recycled Water User's Guide" means the City's document which details the requirements of the state and local rules and regulations that apply to the design, installation, and operations and maintenance of the on-site recycled water system, including but not limited to the requirements of the California Code of Regulations, Title 22.

(p) "Untreated surface water" means surface water that has not received the required treatment necessary to conform to federal, state, and local agency standards for human consumption.

(q) "User" means a person or entity having a connection into the City's recycled water system or potable water system.

11.30.030 Use and distribution of recycled water.

(a) The City reserves the right to require all users who connect to the City water system to use recycled water for approved recycled water uses.

(b) Each subdivision for which a tentative map or parcel map is required under Government Code section 66426 and located within designated recycled water use areas is required to install a recycled water distribution system to provide recycled water to the common areas of the subdivision and for any industrial cooling or processing uses in the subdivision.

(c) The water distribution system shall be constructed in conformance with Title 22 of the California Code of Regulations.

(d) The recycled water distribution system shall be independent of the plumbing system provided to serve domestic, residential, or other potable water uses within the subdivision.

(e) Recycled water service shall not commence within a designated recycled water use area:

- (1) in any service area of a private utility as defined in Public Utilities Code section 1502; or
- (2) to any service area of a public agency retail water supplier that is not a local agency as defined in Government Code section 65603(b), except in accordance with a written agreement between the recycled water producer and the private utility or public agency retail water supplier.

11.30.040 Duty to connect to recycled water distribution system; Recycled water use permit.

(a) Duty to connect. Unless an exception applies under Section 11.30.080, each person owning or using any premises within the City limits and upon or in which any recycled water supply is produced or used is required to make an application to connect to the recycled water distribution system. If the application is approved, the City will issue a recycled water use permit and the user shall connect the premises to the City recycled water system within 60 days after the date when a City recycled water main located within 200 feet is completed and available for connection to the premises. Thereafter, all recycled water supplied to such premises shall be obtained from the City system.

(b) Recycled water use permit. The City will issue to each recycled water user a recycled water use permit for each site. The permit grants permission to use recycled water and requires the user to use recycled water in accordance with the rules, regulations and standards of the Recycled Water User's Guide and all applicable state and local rules and regulations.

(c) Prohibition. No person owning or using any premises within the City limits shall maintain on the premises a non-potable water supply other than a recycled water supply from the City water system, or an untreated surface water supply as described in 11.30.080(b), when the premises are located within 200 feet from the point at which a connection can be made to the City recycled water mains. The further maintenance or use of another non-potable water supply on any premises constitutes a public nuisance.

11.30.050 Recycled Water User's Guide.

The City Director of Public Works will prepare, maintain and update a Recycled Water User's Guide. The purpose of the Recycled Water User's Guide is to detail the following requirements as they apply to the City's recycled water system: this chapter; the California Code of Regulations Title 22; and other state and local rules and regulations related to the use of recycled water.

11.30.060 Operation and maintenance of user equipment; Site supervisor; Backflow prevention; Entry on premises.

(a) Operation and maintenance. Each user is required to operate and maintain the on-site recycled water system in accordance with the Recycled Water User's Guide and recycled water use permit.

(b) Site supervisor. Each user will be required to designate a site supervisor for each site covered by a recycled water use permit. The site supervisor serves as a liaison with the City, and must have the authority to carry out the requirements of the Recycled Water User's Guide and recycled water use permit, including the operations and maintenance of the on-site recycled water system and prevention of potential hazards.

(c) Backflow prevention. The City reserves the right to require a backflow prevention device on the user's recycled water system if it is determined that there is a backflow hazard on site. If a backflow device is required, it must be properly maintained by the user, inspected quarterly and tested at least annually. All required tests must be submitted to the City in accordance with the City backflow prevention program in the Recycled Water User's Guide.

(d) Entry on premises. As a condition of the recycled water use permit, the user will permit the City to enter upon the user's property during the City's normal working hours, or in case of emergency at any time, to inspect the user's on-site recycled water system for compliance with this chapter and the terms of the permit. The City reserves the right to take any action necessary with respect to the operation of the user's recycled water system to safeguard public health.

11.30.070 Enforcement.

The Director may immediately terminate recycled water service to a user who violates this chapter or the terms of the permit. In the alternative, the Director may issue a written warning. If a user does not correct the violation within 15 days of notification, or such other time as specified, the Director may terminate recycled water service without further notice.

11.30.080 Exemptions.

(a) Exemptions. This chapter does not apply if:

- (1) The tentative map or development was approved by the City before February 6, 2002.
- (2) The subdivision map application was deemed complete under Government Code section 65943 before February 2, 2002.
- (3) A person establishes to the satisfaction of the Director that any of the following circumstances apply:
 - i. There is a higher or better use for the recycled water consistent with the regulatory authorities described in 11.30.010(b);
 - ii. Use of recycled water is not economically justified; or
 - iii. Use of recycled water is not technically feasible.

(b) Recycled water supplies not readily available. Upon approval from the Director, if recycled water supplies are not readily available, untreated surface water supplies may be used in lieu of recycled water supplies to meet non-potable water demands on an interim basis, until December 31, 2020. Such untreated surface water supplies shall be distributed using the recycled water distribution system. The use of untreated surface water supplies in lieu of recycled water supplies is not permitted after December 31, 2020.

11.30.090 Appeal.

A person may appeal to the City Manager a staff determination that the exemptions of section 11.30.080(a) are inapplicable, in accordance with section 1.12.010 of the Tracy Municipal Code.”

SECTION 2: CEQA Determination. This ordinance is statutorily exempt from the California Environmental Quality Act. California Water Code sections 13552.4(c), 13552.8(c) and 13554(c) provide a statutory exemption from CEQA for any project which only involves the re-piping, redesign, or use of recycled water for non-potable water uses necessary to comply with a requirement prescribed by a public agency under California Water Code sections 13550 through 13554. CEQA Guidelines section 15307 provides a statutory exemption for actions by regulatory agencies for the protection of natural resources. CEQA Guidelines section 15308 provides a statutory exemption of actions by regulatory agencies for the protection of the environment.

SECTION 3: This ordinance shall take effect thirty (30) days after its final passage and adoption.

SECTION 4: This Ordinance shall be published once in the Tri Valley Herald, a newspaper of general circulation, within fifteen (15) days from and after its final passage and adoption.

The foregoing Ordinance _____ was introduced at a regular meeting of the Tracy City Council on the 5th day of February 2013, and finally adopted on the _____ day of _____, 2013, by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

AGENDA ITEM $\frac{I}{A}$

REQUEST

SECOND READING AND ADOPTION OF ORDINANCE 1182 AN ORDINANCE OF THE CITY OF TRACY APPROVING A MODIFIED AND RESTATED DEVELOPMENT AGREEMENT WITH THE SURLAND COMMUNITIES APPLICATION DA11-0002

EXECUTIVE SUMMARY

Ordinance 1182 was introduced at the special Council meeting held on January 22, 2013. Ordinance 1182 is before Council for a second reading and adoption.

DISCUSSION

On January 22, 2013, City Council approved applications submitted by Surland Communities, LLC., for an amended and restated Development Agreement (DA11-0002), General Plan Amendment (GPA11-0005), and annexation and approval of the Modified Ellis Specific Plan (Applications A/P11-0002, SPA11-0002), all of which are necessary for, and allows for development of a mix of residential, commercial, office/professional, institutional, and recreational uses, parklands, and a swim center at the 321-acre Ellis Project site. The Ellis Project site is located at the Northwest Corner of Corral Hollow Road and Linne Road. Ordinance 1182 was introduced at the January 22, 2013, Council meeting to approve the modified and restated Development Agreement with the Surland Communities, LLC.

Ordinance 1182 is before Council for a second reading and adoption.

FISCAL IMPACT

None.

RECOMMENDATION

That Council adopts Ordinance 1182 following its second reading.

Attachment

Prepared by: Adrienne Richardson, Deputy City Clerk
Reviewed by: Carole Fleischmann, Assistant City Clerk
Approved by: Leon Churchill, Jr., City Manager

ORDINANCE 1182

AN ORDINANCE OF THE CITY OF TRACY APPROVING A MODIFIED AND
RESTATED DEVELOPMENT AGREEMENT WITH THE SURLAND COMMUNITIES
APPLICATION DA11-0002

WHEREAS, In December 2011, the Surland Communities applied for a development agreement (DA11-0002) which would provide real property and funding towards the creation of a swim center; and

WHEREAS, In May 1, 2012, the City Council, in accordance with Resolution No. 2012-074, directed staff to enter into negotiations with the Surland Communities for a modified and restated development agreement; and

WHEREAS, A Final Environmental Impact Report ("FEIR") for the Surland Communities Amended and Restated Development Agreement and Ellis Specific Plan Applications (SCH No. 2012022023), was prepared in compliance with the requirements of the California Environmental Quality Act ("CEQA"), and

WHEREAS, Pursuant to California Government Code Section 65867, the Planning Commission reviewed the Development Agreement, in conjunction with other Surland Communities applications, including the Ellis Specific Plan and General Plan Amendment, including consistency with the General Plan, and

WHEREAS, On December 5, 2012, the Planning Commission, following duly noticed and conducted public hearing, in accordance with state law, recommended approval of the Amended and Restated Development Agreement to the City Council and hereby transmits the Resolution, including the proposed findings, to the City Council; and

WHEREAS, The proposed Development Agreement is consistent with the General Plan, and the Ellis Specific Plan, for the reasons set forth in the Recitals in the proposed Amended and Restated Development Agreement dated November, 2012; and

WHEREAS, The Planning Commission conducted a public hearing on December 19, 2012, and recommended that the City Council approve the Modified and Restated Development Agreement with The Surland Communities, LLC.

The Tracy City Council hereby ordains as follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein as findings.
2. Compliance with CEQA. The Final Environmental Impact Report ("FEIR") for the Modified Ellis Project, approved by Resolution No. PC 2012-026, and incorporated herein by reference, was prepared in compliance with the requirements of the CEQA. The City undertook environmental review of the potential direct and indirect environmental impacts of the Ellis Specific Plan and this Agreement pursuant to the California Environmental Quality Act and Guidelines (hereinafter "CEQA") analyzing both the Ellis Specific Plan (including the Swim Center), and the proposed Amended and Restated Development Agreement.

3. Findings regarding Development Agreement. Pursuant to Resolution No. 2006-368, the Planning Commission recommends that the City Council find that the proposed Amended and Restated Development Agreement, for those reasons more specifically set forth in the Recitals of the proposed Development Agreement:
 - a. is consistent with the objectives, policies, general land uses and programs specified in the City General Plan and any applicable community and specific plan;
 - b. is in conformity with public convenience, general welfare, and good land use practices;
 - c. will not be detrimental to the health, safety, and general welfare of persons residing in the immediate area, nor be detrimental or injurious to property or persons in the general neighborhood or to the general welfare of the residents of the City as a whole;
 - d. will not adversely affect the orderly development of property or the preservation of property values; and
 - e. is consistent with the provisions of Government Code Sections 65864 *et seq.*
4. Development Agreement Approval. The Planning Commission recommends that the City Council approve the Development Agreement with Surland Communities attached hereto as Exhibit "1".
5. Effective Date. This Ordinance takes effect 30 days after its final passage and adoption..
6. Publication. This Ordinance shall be published once in the Tri-Valley Times, a newspaper of general circulation, within fifteen days from and after its final passage and adoption.

* * * * *

The foregoing Ordinance 1182 was introduced at a regular meeting of the Tracy City Council on the 22nd day of January, 2013, and finally adopted on the 5th day of February, 2013, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

MAYOR

ATTEST:

CITY CLERK

**AMENDED AND RESTATED
DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF TRACY
AND
SURLAND COMMUNITIES, LLC**

TABLE OF CONTENTS

Page

ARTICLE 1	APPLICABLE DEVELOPMENT TERMS.....	
1.01	The Swim Center Obligations	
1.02	Other Processing	
1.03	Applicable Law	
1.04	Vested Right to Applicable Law	
1.05	New City Law(s)	
1.06	Term	
1.07	Residential Growth Allotments.....	
1.08	Significant Actions by Third Parties	
1.09	Amendment of this Agreement; Inclusion of Owner Approvals into this Agreement	
1.10	Annexation	
1.11	Adequate Water Supply	
1.12	Recycled Water Program	
1.13	Wastewater Treatment and Conveyance Capacity.....	
1.14	Schools	
1.15	Ellis Specific Plan Parks	
1.16	Future Impact Fees; Nexus.....	
ARTICLE 2	ASSIGNMENT, DEFAULT, ANNUAL REVIEW, TERMINATION, LEGAL ACTIONS	
2.01	Covenants Run With The Land.....	
2.02	Defaults	
2.03	Annual Review	
2.04	Force Majeure Delay, Extension of Times of Performance.....	
2.05	Third Party Legal Actions	
ARTICLE 3	GENERAL PROVISIONS.....	
3.01	Definitions	
3.02	Requirements of Development Agreement Statute.....	
3.03	Development Timing.....	
3.04	Hold Harmless and Indemnification	
3.05	Miscellaneous.....	

**AMENDED AND RESTATED
DEVELOPMENT AGREEMENT
BY AND BETWEEN
THE CITY OF TRACY
AND
SURLAND COMMUNITIES, LLC**

This "**Agreement**," dated this ____ day of ____, 2013 ("Effective Date"), is entered into by and between the CITY OF TRACY, a municipal corporation ("**City**"), and SURLAND COMMUNITIES, LLC, a California limited liability company ("**Owner**"), pursuant to Government Code sections 65864 *et seq.* ("**Development Agreement Statute**"), City Resolution No. 2004-368 (establishing rules, regulations, procedures and requirements, including fees, for the processing and approval of a development agreement ("**Enabling Resolution**")), and Article XI, section 7 of the California Constitution ("**Police Powers**"). From time to time, City and Owner are individually referred to in this Agreement as a "**Party**," and are collectively referred to as the "**Parties**."

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and other considerations, the value and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

RECITALS

A. The preceding Preamble, and the following Recitals, are true and correct, are a part of this Agreement, and the terms defined in both are used throughout this Agreement.

B. To strengthen the public planning process, to encourage private participation in the provision, dedication and funding of community benefits and amenities that could not otherwise be required under controlling law (such as the below-described swim center), to set forth the procedures and processes to be employed in the processing of subsequent development requests, to ensure compliance with all state and federal procedural and substantive laws prior to action on such development requests, and to ensure compliance with all City laws, including without limitation the City's Growth Management Ordinance (except as provided to the contrary herein), City and Owner enter into this Agreement. This Agreement has been drafted and processed pursuant to the Development Agreement Statute, Enabling Resolution and the City's Police Powers.

C. The establishment of a family-oriented swim center is one of the City's priorities, has been contemplated for years, and is overwhelmingly supported by the Tracy community. Yet City funding for such an effort is lacking. Owner, a local developer with a long track record of award-winning development in the City, made a proposal to City whereby Owner would offer to dedicate to City (at no cost to City) 16 acres of land, would conceptually design, would assist City with project oversight, and would fund \$10 million toward the construction of a swim center, as described in this Agreement, for the Tracy community; and provide certain other benefits to the City, in return for being eligible for a set number of "**Residential Growth Allotments**" (also referred to in this Agreement as "**RGAs**") This Owner proposal has secured

remarkable community support. All of these swim center-related Owner commitments are specifically described in this Agreement and its exhibits and are collectively referred to in this Agreement as the "**Swim Center Obligations.**"

D. Owner first filed land use applications in 2007 to entitle the Ellis Project. Those applications included applications for the Ellis Specific Plan, General Plan Amendment and an annexation and rezoning of the Ellis Property. In addition, Owner filed an application for negotiation and approval of the original Development Agreement by and between the City of Tracy and Surland Communities LLC (the "**Original Development Agreement**"). The City processed the various applications and commissioned the preparation of an environmental impact report for the Original Development Agreement and the 2007 land use applications (the "**Original EIR**"). On December 16, 2008, the City certified the Original EIR and approved the various applications for the entitlements for the Ellis Project, including the 2008 Ellis Specific Plan, 2008 General Plan amendment, approval of rezoning and annexation, and the Original Development Agreement (collectively the "**Original Ellis Entitlements**"). Following the approval of the Original Ellis Entitlements, opponents to the Ellis Project filed litigation challenging the sufficiency of the Original EIR and the legality of the Original Ellis Entitlements in a mandamus action filed in San Joaquin County Superior Court, *Tracy Regional Alliance for a Quality Community v. City of Tracy, et al.* On October 31, 2011, the trial court issued its Statement of Decision and Judgment finding the Original EIR and the Original Ellis Entitlements to be inadequate and ordering that they be set aside. The Statement of Decision and Judgment specifically found certain defects in the Original Development Agreement that the trial court believed needed to be amended and modified in order to comply with the law. In November 2011, the Original Owner and the City each filed appeals from the trial court's judgment; as a result of which appeals, the trial court's judgment ordering that the certification of the Original EIR and adoption of the Original Development Agreement be set aside is stayed pending the outcome of the appeals.

E. In February, 2011 the Tracy City Council approved and adopted an updated General Plan (the "**2011 General Plan**"). The General Plan now acknowledges the Ellis Specific Plan area and establishes a land use category of Traditional Residential-Ellis (TR-Ellis) which, on page 2-20, is designated as the majority of former Urban Reserve 10. In order for development of the property designated as TR-Ellis to go forward, the General Plan requires the adoption of a specific plan implementing certain designated criteria.

F. In December, 2011, Owner filed applications with the City for an amendment and restatement of the Original Development Agreement as well as amendments and modifications to the other Original Ellis Entitlements (collectively, the "**Revised Ellis Entitlements**"). The City has commissioned a revised Environmental Impact Report for the project proposed by the December 2011 applications (the "**Revised EIR**") which was prepared in response to the trial court's Statement of Decision and Judgment, addressing and remedying those things that the trial court found insufficient. This Agreement has been negotiated and shall be implemented so as to address, revise and remedy those portions of the Original Development Agreement found by the trial court's Statement of Decision and Judgment to be legally deficient by amending and restating the Original Development Agreement, while at the same time the parties continue to pursue their judicial remedies by prosecution of their appeals of the trial court's Judgment.

G. The 2011 General Plan envisions that development within TR-Ellis shall be done by Specific Plan. The revised Ellis Specific Plan (“**2013 Ellis Specific Plan**”) which is a part of the Revised Ellis Entitlements, contemplates a unique community of distinct character, with well-planned homes, small-scale businesses, major public amenities, including a proposed swim center, and an integrated, multi-use village center that promotes businesses that are small, local, and neighborhood-serving. The swim center is proposed to be located adjacent to the village center. The character of development within the 2013 Ellis Specific Plan evokes the wonderful historic neighborhoods of Tracy. Traditional planning techniques and architecture true to the local vernacular capture the essence of Tracy and are intended to create timeless neighborhoods that fit seamlessly into the City. All these planning goals and ideals have been considered and acted upon by City (in its sole and exclusive discretion) after a lengthy public process.

H. Over time, the City has completed environmental review of the potential direct and indirect environmental impacts of development in the area subject to the 2013 Ellis Specific Plan and this Agreement pursuant to the California Environmental Quality Act and its implementing regulations, known as the CEQA Guidelines (collectively, "**CEQA**") as follows:

(1) As a part of its General Plan efforts, and prior to adopting the General Plan, City undertook environmental review of the potential direct and indirect environmental impacts of the General Plan pursuant to CEQA, certified the Final Environmental Impact Report for the General Plan, State Clearinghouse #2008092006 ("**General Plan EIR**"), and adopted findings, mitigation measures and a statement of overriding considerations in connection therewith. As set forth in greater detail herein, this Agreement is consistent with the General Plan EIR.

(2) As a part of the original South Schulte Specific Plan efforts, City prepared and certified an EIR ("**South Schulte EIR**"). The South Schulte EIR was challenged in court and a settlement was arrived at ("**South Schulte EIR Settlement**") that required City to conduct additional studies and analysis. Initially, the City began to process a Supplemental EIR to address the South Schulte EIR Settlement. However, with the General Plan Update and its new approach to the area formerly known as the South Schulte Community Area, and with the City desire to conduct a thorough analysis of the new Urban Reserve 10, City decided to cause to be prepared an entirely new Environmental Impact Report.

(3) As part of the General Plan Amendment of 2011, the City Council certified as adequate a Final Supplemental Environmental Impact Report to address and mitigate the impacts of the General Plan, including without limitation the creation of the TR-Ellis land use designation.

(4) As part of its review of Owner’s December 2011 development applications, City caused to be prepared the Revised EIR, analyzing both the 2013 Ellis Specific Plan (including a swim center) and this Agreement. This Agreement does not impede, impair or otherwise seek to truncate or limit future CEQA review. Future CEQA review shall take place as required by applicable law.

I. As of the execution of this Agreement by the Parties, various land use regulations, entitlements, grants, permits and other approvals have been adopted, issued, and/or granted by City relating to the 2013 Ellis Specific Plan, including, without limitation, all of the following:

- (1) Revised EIR (City Council Resol. No. _____)
- (2) 2013 Ellis General Plan Amendment (City Council Resol. No. _____)
- (3) 2013 Ellis Specific Plan (with Rezoning and Zoning) (City Ordinance No. _____)
- (4) This Agreement (City Ordinance No. _____)

The above-listed approvals are collectively referred to herein as the “**Ellis Project Approvals**” and are more particularly described in the Revised EIR and the resolutions adopting those approvals. The development of the Property described in and permitted by the Revised EIR, the 2013 Ellis Specific Plan, the 2013 General Plan Amendment and this Agreement, is referred to herein as the “**Ellis Project.**” Except as provided to the contrary herein, the 2011 General Plan as amended by the 2013 Ellis General Plan Amendment (hereafter, the “**General Plan**”, and the 2013 Ellis Specific Plan are hereby incorporated by reference in to this Agreement.

J. Given the community character and quality of the 2013 Ellis Specific Plan, its compliance with CEQA and applicable planning and zoning laws, and its approval by the City, and given Owner's significant land dedication, financial obligations and personnel commitment to a swim center (as set forth in this Agreement), the City wishes to allow Owner to be eligible to apply for and potentially receive up to 2,250 RGAs and Building Permits, as more specifically provided in this Agreement. Owner shall record this Agreement against the property comprising and subject to the 2013 Ellis Specific Plan (the “**Property**”) (shown on *Exhibit A* to this Agreement).

K. City's issuance of RGAs under this Agreement complies with City's Growth Management Ordinance and the City's Growth Management Ordinance Guidelines (collectively, “**GMO**”) except as specifically provided herein, and the maximums they set for annual RGA and building permit issuance for development agreements (referred to in this Agreement as the “**GMO Maximums**” and further defined below in this Agreement).

L. Owner represents and warrants to the City that Owner either owns, or holds legally enforceable contracts to purchase, all of the Property (as defined in Exhibit A). In preparing this Development Agreement, the City and Owner are guided by and follow the legal authority of *National Parks and Conservation Association v. County of Riverside* (1996) 42 Cal. App.4th 1505, 1520-1523. Further, Owner represents and warrants to City that Owner has a legal or equitable interest in the Property for the development contemplated by the Ellis Project Approvals sufficient to satisfy the requirements of the Development Agreement Statute.

M. The Property that is the subject of this Agreement is all of the property comprising and subject to the Ellis Specific Plan, which is depicted and legally described on

Exhibit A to this Agreement (the “**Property**”). The covenants and/or servitudes contained in this Development Agreement are intended to run with the land.

N. It is in this unique setting - - a strong community desire to construct a swim center and Owner's willingness to provide such an extraordinary commitment in return for future eligibility to apply for RGAs - - that the Parties have drafted this Agreement, ensuring that all of the requirements of controlling law are satisfied. This Agreement meets all of the requirements of law: it meets the contents requirements of the Development Agreement Statute and applicable law, and it establishes a protocol for the processing of future approvals. City and Owner are entering into this Agreement now in this fashion because of the unique community interest in a swim center and the benefits it will bring to Tracy and the unique opportunity the City presently has with the Owner's willingness to make substantial land dedication, design creation and financial contribution commitments to make a swim center a reality. The consideration by City of a swim center, the offer by Owner and this Agreement have been underway for more than ten years. In 2001, a survey of the Tracy community and public workshops were held that identified the need for community aquatic facilities. In 2003, NTD Architects completed the Tracy Aquatic Center Feasibility Study. In July 2005, the City Council directed Tracy Tomorrow and Beyond to make recommendations for a swim center. In the summer of 2005, Tracy Tomorrow and Beyond conducted additional public workshops. In October of that year, the City Council received the recommendations of Tracy Tomorrow and Beyond. Also in October 2005, Owner proposed Ellis as a location to be considered for a swim center. Between October 2005 and January 2006, the City studied a number of possible sites for a swim center including the existing Tracy ballpark. In January 2006, the City Council selected the Ellis Specific Plan as a potential site for a swim center. In April 2006, the City Council authorized City Staff to begin negotiations with Owner for a Development Agreement with provisions for the granting of funds and land by Owner for a swim center. In August 2006, the City Council, Planning Commission, and Parks Commission approved a conceptual design for a swim center at Ellis. In May 2007, the City Council directed City Staff to prioritize the Original Development Agreement for Ellis, including a swim center. In January 2008, a joint Planning Commission/City Council workshop was held to discuss the Original Development Agreement, the 2008 Ellis Specific Plan, and the swim center. Between April and December of 2008, the Planning Commission held a series of public meetings to discuss the Original EIR, the 2008 General Plan Amendment, the 2008 Ellis Specific Plan and the Original Development Agreement. The City Council and the Planning Commission provided direction and the public provided comment throughout this process.

O. For all of the reasons stated above, this Agreement is consistent with the General Plan and the 2013 Ellis Specific Plan. For example, as required by the General Plan, this Agreement envisions proper environmental analysis and a proper planning process in compliance with controlling law before any approval allowing development can take place. No additionally required Owner Approvals, as defined herein, are granted through, nor guaranteed by, this Agreement, and this Agreement ensures that the City's future consideration and decision on such approvals shall be in the sole and exclusive discretion of the City. (General Plan Goal LU-1 and Objective LU-1.1 (and its Policy P1); Objective LU-1.2 (and its Policy P3); Goal LU-6; and Goal LU-7.) Further, this Agreement requires that any distribution of RGAs under this Agreement comply with all applicable City regulations, including the General Plan (Objective LU-1.4, Policies P1-P5 and Action A1). While this Agreement preserves the City's full and unfettered discretion with respect to whether or not it will approve the development of a swim

center, it is nonetheless intended to help bring to fruition a swim center as envisioned by the General Plan (Objective OSC-4.1, Policy P3), should the City exercise its discretion accordingly. In fact, the General Plan recognizes this Agreement as a potential vehicle by which the City and Owner could reach agreement relative to such a swim center in a manner that City could not otherwise require Owner to do, that Owner may receive RGAs only if and after all requirements of controlling law have been satisfied, and that such risk shall be placed on Owner alone. Finally, this Agreement is not contrary to nor contradictory of any General Plan text or diagrams.

P. On December __, 2012, following duly noticed and conducted public hearings, the Planning Commission, a hearing body for purposes of the Development Agreement Statute, took appropriate action under CEQA, the Planning and Zoning Law, and the Tracy Municipal Code, and made recommendations regarding this Agreement to the City Council. On _____, 2013, following duly noticed and conducted public hearings, the City Council certified the Revised EIR, took appropriate action under the Planning and Zoning Law, and introduced and conducted the first reading of Ordinance No. _____, an ordinance approving this Agreement, and directing this Agreement's execution by City ("**Approving Ordinance**"). On _____, 2013, the City Council conducted the second reading and adopted the Approving Ordinance.

ARTICLE 1

APPLICABLE DEVELOPMENT TERMS

1.01 The Swim Center Obligations

(a) Owner hereby commits to make two non-refundable payments totaling ten million dollars (\$10,000,000.00) ("**Owner Swim Center Contribution**") to the City, as set forth in this Section 1.01(a), to fund the design, construction, operation and maintenance of a swim center. Owner shall deposit into a segregated and interest-bearing City account the Owner Swim Center Contribution, for use by the City for the construction and operation of a swim center as provided herein. Upon completion of the Owner Swim Center Contribution, Owner shall be deemed to have satisfied any and all fees applicable to the Property or the Ellis Project for a swim center or pool.

(1) Not later than sixty (60) days after the "**Annexation Effective Date**", as defined herein, Owner shall deposit into a segregated and interest-bearing account designated by the City (the "**Swim Center Funds Account**") two million dollars (\$2,000,000.00) ("**Owner's First Swim Center Payment**") for use by the City in the development, construction, operation and maintenance of a swim center.

(2) Not later than three (3) years following the date of Owner's First Swim Center Payment, Owner shall deposit into the Swim Center Funds Account eight million dollars (\$8,000,000.00) for use by the City in the development, construction, operation and maintenance of a swim center.

(3) Owner's obligations under this section are separate and independent of Owner's obligations under Subsection (b), and are binding upon Owner

regardless of whether or not City accepts Owner's Dedication Offer as provided in Subsection (b).

(4) In addition to any other remedies available to the City under this Agreement, and any and all other provisions of this Agreement or the City's Growth Management Ordinance and Guidelines to the contrary notwithstanding, if Owner fails to make either or both of the two non-refundable payments as required by Sections 1.01(a)(1) and (2) above, then the City may, in its sole and exclusive discretion, withhold from Owner such Residential Growth Allotments or building permits as Owner would otherwise be entitled to receive under this Agreement or the City's Growth Management Ordinance or Guidelines, and may continue to withhold the issuance of such Residential Growth Allotments or building permits until all such overdue payment or payments due under this Agreement have been made in full.

(b) Owner shall offer to dedicate to the City approximately sixteen (16) acres of land as described generally in the Revised EIR and the Ellis Specific Plan as the location of the "Potential Swim Center" (the "**Ellis Swim Center Site**"), subject to the following:

(1) Within thirty (30) days of the Annexation Effective Date, Owner shall offer to dedicate to the City, at no cost to the City, the Ellis Swim Center Site ("**Land Dedication Offer**"). City shall have one (1) year from the Annexation Effective Date to accept the Land Dedication Offer ("**Dedication Acceptance Period**"), subject to such extensions as may be mutually agreed by the Parties. If City does not accept the Land Dedication Offer within the Dedication Acceptance Period, then one day after the conclusion of the Dedication Acceptance Period, the Land Dedication Offer shall be considered rejected by the City and shall expire without any further action of the Parties. Thereafter, the Ellis Swim Center Site shall be available for development by Owner pursuant to the 2013 Ellis Specific Plan. Additionally, at any time prior to the end of the Dedication Acceptance Period, City may, by resolution of the City Council, reject the Land Dedication Offer and upon such City rejection, the Ellis Swim Center Site shall be available to Owner for development pursuant to the 2013 Ellis Specific Plan.

(2) The minimum on-site park requirements of the Ellis Specific Plan are addressed in Section 1.17 of this Agreement. If the City accepts the Land Dedication Offer, the swim center constructed on the Ellis Swim Center Site shall be considered a City "Community Park", as defined in the General Plan and other City laws. Upon City acceptance of the Land Dedication Offer, Owner shall be deemed to have satisfied its applicable community park obligation for the 2013 Ellis Specific Plan maximum entitlement of up to 2,250 residential units.

(c) If the City elects to construct a publicly-operated swim center anywhere in the City, City shall contribute toward the swim center that amount of money (plus interest earned) that City has already collected (and will continue to collect) from the Plan C FIP designated for an aquatic center ("**City Swim Center Contribution**"). The Owner Swim Center Contribution and the City Swim Center Contribution are collectively referred to in this Agreement as the "**Swim Center Funds.**" Additionally, City shall consider establishing and imposing against new development a fee, charge, assessment or other financial obligation to be used toward the costs of the design, construction, operation and maintenance of a swim center

("New Development Swim Center Contribution"). Any and all New Development Swim Center Contributions collected by City prior to the construction of a swim center should be added to the Swim Center Funds.

(d) Owner already has provided a design team to City, and Owner has already conducted an outreach program that led to the completion of the "**Conceptual Design**" of a swim center. The Conceptual Design provides detail for a swim center project description contemplated by this Agreement. Owner has also funded various studies and analyses relating to the required infrastructure for, and potential environmental impacts from, a swim center on the Ellis Swim Center Site, including but not limited to the Revised EIR for the 2013 Ellis Specific Plan. Owner hereby agrees that all costs associated with conducting the outreach program and developing the Conceptual Design, all costs associated with preparation of the Revised EIR and the various infrastructure studies, and all other costs incurred by Owner and paid to City in connection with City's consideration of Owner's proposal to develop a swim center at the Ellis Swim Center Site, shall constitute an additional contribution by Owner to the City's development of a swim center, which contribution is independent of and in addition to the Swim Center Payments and Swim Center Land Dedication described in Sections 1.01(a) and (b) above, and Owner shall not seek credit for or reimbursement of any such costs.

(e) If the City elects to construct a publicly-operated swim center using the Owner Swim Center Contribution anywhere in the City, the swim center shall be named the "Serpa Swim Center." After acceptance of such publicly-operated swim center by the City, but prior to the opening of such swim center to the public, City shall allow Owner to use and occupy such swim center for one (1) day without charge. Owner shall provide adequate insurance coverage for such use and occupancy.

(f) The amenities included in the Conceptual Design for a publicly-operated swim center have been selected through a public outreach program, are subject to the constraints of the City's swim center budget and compliance with controlling law, and may include the following:

- (1) 50 Meter (approximately) Competition Pool
- (2) Recreation Pool (separate from Competition Pool)
- (3) Spray ground
- (4) Water Slide
- (5) Wet Play Structure
- (6) Lazy River
- (7) Flow Rider
- (8) Showers and Locker Rooms
- (9) Ticket Facilities

(10) Pool Equipment Room and Storage

(11) On Site Development (parking, ancillary structures, landscaping, etc.).

(g) If a funding shortfall should exist, the work for each phase of the swim center may be prioritized for that particular phase at the time that City seeks bids for the particular phase, so that work receiving a higher priority could be completed first so as to ensure its completion. As a result, if work cannot be completed due to a budget shortfall, that work receiving a lower priority could potentially be deferred.

(h) This Agreement provides a framework for City and Owner to work cooperatively to develop a swim center, as described herein. However, all provisions and language herein to the contrary notwithstanding, including but not limited to Sections 1.01 and 1.02, nothing in this Agreement is intended to or shall be construed to require City to construct a swim center on the Ellis Swim Center Site or anywhere else.

(i) If a publicly-operated swim center is approved and constructed on the Ellis Swim Center Site, then during the design and construction phases, Owner representatives shall be invited to participate and provide input to City regarding the design and construction processes for such swim center, which participation may include attending design and construction meetings with City's design consultants, construction managers and contractors; provided, however, that the Parties hereby acknowledge and agree that Owner's input on such swim center project shall be provided to City and City staff, Owner shall not be entitled or permitted to direct City's consultants, construction managers, contractors or other employees or agents, and City retains its full discretion to accept or not to accept Owner's input regarding the design and construction of such swim center.

(j) Monies withdrawn from the Swim Center Funds Accounts shall be for the sole purpose of funding the design, construction, operation, and/or maintenance costs of a swim center. City shall make withdrawals from the Swim Center Fund Account in the amounts and at the times it deems necessary in order to pay those costs authorized hereunder.

1.02 Other Processing.

(a) Nothing in this Agreement shall be construed to limit the authority or obligation of City to hold necessary public hearings, nor to limit the discretion of City or any of its officers or officials with regard to those "**Owner Approvals**" (defined below) that require the exercise of discretion by City, provided that such discretion shall be exercised consistent with the laws contained within the Applicable Law.

(b) At its approval and execution, this Agreement does not provide Owner with any right to develop or construct any project or to secure any Owner Approval; instead, it simply provides certain rights and responsibilities regarding approvals already given for the Ellis Specific Plan, provides certain vested rights to laws and approvals already in place, provides a protocol by which later Owner Approvals may be processed by Owner and later included into this Agreement, if and only if such Owner Approvals are compliant with all controlling California law (including proper Planning and Zoning Law and CEQA compliance), have

secured approval of the Parties, and are adopted/approved by the City (who shall retain all discretion in this regard) – and provides the process by which this Agreement will be recorded against the Property. The public review process envisioned by this Agreement is ongoing, and following City's adoption of this Agreement, that public review process shall continue.

(c) City shall inform Owner, upon request, of the necessary submission requirements for a complete application for each Owner Approval. Owner Approval shall include, without limitation, a City resolution of application to the San Joaquin County Local Agency Formation Commission (“LAFCO”) seeking all LAFCO approvals relative to the annexation of the Property into the City. Provided Owner has paid all appropriate Processing Fees, City shall accept, process, review and act upon all applications for Owner Approvals pursuant to this Agreement and the Applicable Law it describes with "**Good Faith and Fair and Expeditious Dealing.**" Likewise, City shall commence, continue and diligently process any and all initial studies, assessments, EIRs and other relevant CEQA compliance documents regarding the Owner Approvals with Good Faith and Fair and Expeditious Dealing. For the purposes of this Agreement, "Good Faith and Fair and Expeditious Dealing" shall mean that that the Parties shall act toward each other and the tasks necessary or desirous to the processing contemplated by this Agreement pursuant to the Applicable Law and in a fair, diligent, expeditious and reasonable manner (except in those cases where a Party is given sole discretion under this Agreement), and that no Party or Parties shall take any action that will prohibit, impair or impede any other Party's or Parties' exercise or enjoyment of its rights and obligations secured through this Agreement.

(d) If Owner requests, City shall meet with Owner prior to Owner's submission of applications for Owner Approvals for the purpose of ensuring all requested information is understood by Owner so that Owner's applications, when submitted, will be accurate and complete. Upon submission by Owner of an application for an Owner Approval, together with appropriate Processing Fees, City shall process such application for Owner Approval with Good Faith and Fair and Expeditious Dealing. If City is unable to so process any such application, or upon request by Owner, City shall engage mutually acceptable outside consultants to aid in such processing. Owner shall be required to pay all of City's actual costs related to such outside consultants. Owner, in a timely manner, shall provide City with all documents, applications, plans and other information necessary for City to carry out its obligations hereunder, and Owner shall cause the Owner's planners, engineers and all other consultants to submit in a timely manner all required materials and documents. If City denies an application for an Owner Approval, City shall specify in detail the modifications, changes, or improvements that are required to obtain approval. City and Owner shall cooperate, with the goal being to obtain and issue Owner Approvals that are consistent with the modifications, changes, or improvements that are required by City. City shall with Good Faith and Fair and Expeditious Dealing consider any subsequently submitted Owner Approval application that complies with the City-specified modifications.

1.03 Applicable Law

(a) As used in this Agreement, "**Applicable Law**" shall exclusively mean all of the following:

(1) As relates to the development of any or all of the Property, the terms and conditions of this Agreement.

(2) The Revised EIR, the General Plan, the Ellis Specific Plan and its zoning regulations, Finance Implementation Plan adopted for the Ellis Project (the “**Ellis FIP**”) and all other land use regulations, entitlements, grants, permits, plans and other approvals (collectively, the “**Owner Approvals**”) that City has already or will in the future specifically approve, adopt, issue, and/or grant relative to Owner requests relating to the use and development of the Property, provided such Owner Approvals are:

(A) Compliant with all controlling California law (*e.g.*, Planning and Zoning Law, CEQA, etc.);

(B) Mutually agreed to by the Parties;

(C) Adopted by the City; and

(D) Take “**Legal Effect.**”

(3) As relates to the development of any or all of the Property, the City rules, regulations, ordinances, policies, standards, specifications, practices and standard operating procedures of City (whether adopted by the City Council, the Planning Commission, the City staff or the voters of the City) in force and effect on the Effective Date (“**Existing City Laws**”), including, without limitation the GMO and GMO Guidelines.

(4) As relates to the development of any or all of the Property, the City “**Processing Fees**” for land use approvals, including without limitation, fees for processing zoning, subdivision maps, building permits and other similar permits and entitlements which are charged for processing applications and which are in force and effect on a Citywide basis at the time the application for the Owner Approval is presented to the City.

(5) As relates to the development of any or all of the Property, the California Building Code (as modified by City), and those other State-adopted construction, fire and other codes, including “Green Codes” (as all may be modified by City) applicable to improvements, structures and development, and the applicable version or revision of said codes by local City action (collectively referred to as “**Construction Codes**”) in place at that time (date) that building plans subject to such Construction Codes are submitted by Owner to City for an Owner Approval, provided that such Construction Codes have been adopted by City and are in effect on a Citywide basis.

(6) As relates to the development of any or all of the Property, the “**Mandated New City Law(s)**,” pursuant to Section 1.05(e) of this Agreement.

(7) As relates to the development of any or all of the Property, the “**New City Law(s)**” that Owner elects to be subject to pursuant to Section 1.05(d).

(b) This Agreement complies with laws regarding the Development Agreement Statute (including without limitation section 65865.2), which require this Agreement

to specify the duration (Term) of the Agreement, the permitted uses of the Real Property, the density or intensity of use, the maximum height and size of proposed buildings, and provisions for reservation or dedication of land for public purposes. The duration of this Agreement is set forth in Section 1.06 of this Agreement, and this Agreement sets forth provisions for the permitted uses, the density and intensity of use, the maximum height and size of proposed buildings, and the dedication of land for public purposes in the Applicable Law provisions of this Agreement, either by its terms or through its incorporation of the General Plan and the 2013 Ellis Specific Plan. For example, the 2013 Ellis Specific Plan is part of the Applicable Law for the Property, and the 2013 Ellis Specific Plan sets forth the permitted uses, the density and intensity of use, the maximum height and size of proposed buildings, and the dedication of land for public purposes for the Property.

(c) The Parties acknowledge that Owner Approvals likely will be processed in stages and, therefore, one or more Owner Approvals may take Legal Effect before other Owner Approvals. Provided Owner submits applications as provided herein, the City shall process such applications and applications for other entitlements as are necessary to allow development of 2,250 residential units as part of the 2013 Ellis Specific Plan in implementation of the TR Ellis land use designation in the General Plan.

1.04 Vested Right to Applicable Law

(a) By this Agreement, the Property shall have a vested right to the Applicable Law.

(b) During the Term of this Agreement, any development of the Property and any discretion exercised by City on an Owner Approval shall occur pursuant to only the law that comprises the Applicable Law. During the Term of this Agreement, City regulation of the development of the Property shall occur pursuant to only the Applicable Law.

1.05 New City Law(s)

(a) Any City ordinance, resolution, minute order, rule, motion, policy, standard, specification, or a practice adopted or enacted by City, its staff or its electorate (through their powers of initiative, referendum, recall or otherwise) that is not part of the Applicable Law and that takes effect on or after the Agreement Effective Date is hereby referred to as a "**New City Law(s)**." The parties recognize the City may, from time to time, modify its GMO Ordinance and Guidelines and none of these modifications shall apply to the development of the Property, which shall be governed by the GMO Ordinance and Guidelines in effect on the Effective Date, except as otherwise provided herein. Except as otherwise provided in this Agreement, a New City Law shall be deemed to be in conflict with this Agreement or the Applicable Law or to reduce the development rights provided hereby if the application to the Ellis Project would accomplish any of the following results, either by specific reference to the Ellis Project or as part of a general enactment which affects or applies to the Ellis Project:

(1) Change any land use designation or permitted use of the Property allowed by the Applicable Law or limit or reduce the density or intensity of the Property or any part thereof, or otherwise require any reduction in the total number of residential dwelling units,

square footage, floor area ratio, height of buildings, or number of proposed non-residential buildings, or other improvements;

(2) Limit or control the availability of public utilities, services, or facilities otherwise allowed by the Applicable Law;

(3) Limit or control the rate, timing, phasing or sequencing of the approval, development, or construction of all or any part of the Property and/or Owner Approvals in any manner, or take any action or refrain from taking any action that results in Owner's having to substantially delay construction on the Property or require the acquisition of additional permits or approvals by the City other than those required by the Applicable Law;

(4) Limit or control the location of buildings, structures, grading, or other improvements of the Property in a manner that is inconsistent with or more restrictive than the limitations in the Ellis Approvals and Applicable Law;

(5) Limit the processing of Owner Approvals.

(6) Except for uniform adjustments formulated according to an inflation or cost of construction index, City changes in development, infrastructure or building standards, policies or ordinances that increase the cost of or impose new costs to develop and construct the project according to the Ellis Project Approvals.

(b) City shall not apply any New City Law(s) to the Property that is in conflict with this Agreement or that is excessive under controlling law (collectively, "in conflict with" or "inconsistent with"). If City believes that it has the right under this Agreement to impose/apply a New City Law on the Property/project, it shall send written notice to Owner of that City position ("**Notice of New Law(s)**"). Upon receipt of the Notice of New City Law, if Owner believes that such New City Law is in conflict with this Agreement, Owner may send written notice to City within thirty (30) days of Owner's receipt of City's Notice of New Law ("**Objection to New City Law(s)**"). Owner's notice to City of its Objection to New City Law(s) shall set forth the factual and legal reasons why Owner believes City cannot apply the New City Law(s) to the Property. City shall respond to Owner's Objection to New City Law(s) ("**City Response**") within thirty (30) days of receipt of said Owner Objection to New City Law(s). Thereafter, the Parties shall meet and confer within thirty (30) days of the date of Owner's receipt of the City Response and shall continue to meet over the next sixty (60) days ("**Meet and Confer Period**") with the objective of arriving at a mutually acceptable solution to this disagreement. The New City Law(s) shall not be applied to the Property until the dispute over the applicability of the New City Law(s) is resolved. Within fifteen (15) days of the conclusion of the Meet and Confer Period, City shall make its determination, and shall send written notice to Owner of that City determination. If City determines to impose/apply the New City Law(s) to the Property in question, then Owner shall have a period of ninety (90) days from the date of receipt of such City determination within which to file legal action challenging such City action. In other words, a 90-day statute of limitations regarding Owner's right to judicial review of the New City Law(s) shall commence upon the conclusion of the Meet and Confer Period. If upon conclusion of judicial review of the New City Law(s) (at the highest judicial level sought and granted), the reviewing court determines that Owner is not subject to the New City Law(s), such New City

Law(s) shall cease to be a part of the Applicable Law, and City shall return Owner to the position Owner was in prior to City's application of such New City Law(s) (e.g., City return fees, return dedications, etc.). Notwithstanding any of the preceding language in this Section 1.05(b) to the contrary, upon the City's issuance to Owner of a Notice of New Law(s), any Party may opt out of the subsequent objection and resolution process described in this Section 1.05(b) provided that the opting out Party notifies the other Party(ies) that the opting out Party agrees to meet and confer regarding any disputes over New City Laws.

(c) The above-described procedure shall not be construed to interfere with City's right to adopt or apply any New City Law(s) with regard to all other areas of City (excluding the Property and Owner Approvals).

(d) Owner, in its sole and absolute discretion, may elect to be subject to a New City Law(s) that is/are not otherwise a part of the Applicable Law. In the event Owner so elects, Owner shall provide notice to City of that election and thereafter such New City Law(s) shall be part of the Applicable Law.

(e) City shall not be precluded from applying any New City Law(s) to the extent that such New City Law(s) are specifically mandated to be applied to developments such as the development of the Property by changes in State or Federal laws or regulations (and implemented through the Federal, State, regional and/or local level) ("**Mandated New City Law(s)**"). In the event such Mandated New City Law(s) prevent or preclude compliance with one or more provisions of this Agreement or require changes in plans, maps or permits approved by City for the Property, this Agreement shall be modified, extended or suspended as may be necessary to comply with such Mandated New City Law(s). Immediately after enactment of any such Mandated New City Law(s) that will materially affect the terms and conditions of this Agreement, the Parties shall meet and confer in good faith to determine the feasibility of any such modification, extension or suspension based on the effect such modification, extension or suspension would have on the purposes and intent of this Agreement. In the event that an administrative challenge and/or legal challenge (as appropriate) to such Mandated New City Law(s) preventing compliance with this Agreement is brought and is successful in having such Mandated New City Law(s) determined to not apply to this Agreement, this Agreement shall remain unmodified and in full force and effect.

1.06 Term

(a) The term of this Agreement shall commence thirty (30) days after the adoption of the Approving Ordinance ("**Agreement Effective Date**"), and shall continue twenty five (25) years plus one day ("**Term**"), unless said Term is otherwise terminated, modified or extended as provided in this Agreement or any amendment thereto.

(b) If any administrative, legal and/or equitable action and/or other proceeding instituted by any person, entity or organization (that is not a Party to this Agreement) challenging the validity of this Agreement, the Ellis Project, the Ellis Project Approvals, the Owner Approvals and their respective projects, or the sufficiency of any environmental review under CEQA ("**Third Party Challenge**") is filed, then the Term of this Agreement shall be tolled for the period of time from the date of the filing of such Third Party Challenge until the conclusion

of such litigation by dismissal or entry of a final judgment, provided such tolling period does not exceed five (5) years. The filing of any such Third Party Challenge(s) against City and/or Owner shall not delay or stop the development, processing or construction of the Ellis Project or issuance of any Owner Approvals, unless enjoined or otherwise controlled by a court of competent jurisdiction. The Parties shall not stipulate to the issuance of any such order unless mutually agreed to.

(c) Notwithstanding any other part of this Section 1.06, as it relates to a residential unit, this Agreement shall terminate and be of no further force and effect for each individual residential unit on the Property on that date a "**Certificate of Occupancy**" is issued by City for such residential unit if such residential unit is transferred and conveyed to a third party intending to use the unit for residential purposes.

(d) Pursuant to Government Code section 66452.6(a) (or its successor section in substantially the same form) and this Agreement, and subject to the provisions of subdivision (f) of this Section 1.06, the term of any tentative map, vesting tentative map, parcel map, vesting parcel map or final map, or any re-subdivision or any amendment to any such map (collectively referred to as "**Subdivision Document**") relating to the Property shall automatically be extended to and until the later of the following: (1) the end of the term of this Agreement; or (2) the end of the term or life of any such Subdivision Document otherwise given pursuant to the Subdivision Map Act or local regulation not in conflict with the Subdivision Map Act. Any improvement agreement entered into pursuant to the Subdivision Map Act or other State or local regulation shall have a term no shorter than 365 days from execution of the improvement agreement and no longer than that term decided by City.

(e) If this Agreement terminates for any reason prior to the expiration of vested rights otherwise given under the Subdivision Map Act to any vesting tentative map, vesting parcel map, vesting final map or any other type of vesting map on the Property (or any portion of the Property) (collectively, "**Vesting Map**"), such termination of this Agreement shall not affect Owner's right to proceed with development under such Vesting Map in accordance with the ordinances, policies and standards so vested under the Vesting Map. Notwithstanding the foregoing or any other provision of this Agreement or the Applicable Law it describes, no Vesting Map shall extend the Applicable Law beyond the stated Term of this Agreement (and the rules, regulations and official policies of City applicable to that portion of the Property covered by such Vesting Map shall become those in effect as of the expiration of such Term), except as otherwise agreed to by City and Owner; provided, however, that City and Owner may agree to an extension of the Term of this Agreement with respect to the area covered by any such Vesting Map.

(f) The term of any Owner Approvals, including without limitation, all development plans, development permits, design review approvals, or other permit, grant, agreement, approval or entitlement for the general development of all or any part of their respective projects and properties, shall automatically be extended to and until the later of the following: (1) the end of the Term of this Agreement; or (2) the end of the term or life of the Owner Approval otherwise given pursuant to controlling law.

(g) The Parties hereby agree that, as of the Effective Date, this Agreement supersedes the effectiveness of the Original Development Agreement and all of the Parties' respective rights and obligations thereunder while this Agreement remains in effect; provided, however, that if the validity of this Agreement is overturned or set aside by a decision of a court of competent jurisdiction, then the suspension of the Original Development Agreement and superseding effect of this Agreement set out in this section shall, likewise, be overturned and of no further force and effect, and the Original Development Agreement and all of the parties' respective rights and obligations thereunder shall be restored.

1.07 Residential Growth Allotments.

(a) City shall reserve, and Owner shall be eligible for, the allocation of up to 2,250 Residential Growth Allotments ("RGAs") for residential development on the Property, as provided in this Agreement. City and Owner agree that the RGAs allocated under this Agreement apply only to the Property and may not be applied or transferred to any other property.

(b) In no event shall Owner be eligible for more than 2,250 RGAs over the Term of this Agreement ("**Overall RGA Maximum**"). Further, each year Owner shall be eligible for RGAs as provided in the GMO and the GMO Guidelines in effect on the Effective Date, but in no event more than 225 RGAs per year ("**Annual RGA Eligibility**").

(c) Owner shall make application to City for RGAs ("**RGA Application(s)**") according to the requirements of the GMO Guidelines in effect on the Effective Date using the RGA Application form attached hereto as Exhibit B or the form then stipulated in the GMO Guidelines then in effect, at the option of the Owner.

(d) Owner shall provide a separate RGA Application for each calendar year in which Owner seeks RGAs. The total RGAs sought by Owner in any calendar year shall not exceed the total Annual RGA Eligibility for that calendar year set by this Agreement.

(e) Owner shall be eligible for building permits according to the requirements of the GMO and the GMO Guidelines in effect on the Agreement Effective Date.

1.08 Significant Actions by Third Parties.

(a) Owner shall be responsible for the acquisition of permits, approvals, easements and services required to serve the Property from all non-City providers of utilities at Owner's cost. Owner shall also be responsible for coordinating with any non-City providers of utilities to ensure the proper installation and construction of non-City utilities in accordance with the Applicable Law. The provision of all such services shall be subject to City approval, which City approval shall be subject to Good Faith and Fair and Expeditious Dealing.

(b) At Owner's sole discretion and in accordance with Owner's construction schedule, Owner shall apply for such other permits and approvals as may be required by other private and public and quasi-public entities in connection with the development of, or the provision of services to, the Property. City shall cooperate with Owner in Good Faith and Fair and Expeditious Dealing, at no cost to City, in Owner's efforts to obtain such permits and

approvals and City shall, from time to time (at the request of Owner), use its Good Faith and Fair and Expeditious Dealing to enter into binding agreements with any such other entity as may be necessary to ensure the timely availability of such permits and approvals to Owner, provided such permits and approvals are mutually determined by City and Owner to be reasonably necessary or desirable and are consistent with Applicable Law. In the event that any such permit or approval as set forth above is not obtained within three (3) months from the date application is deemed complete by the appropriate entity, and such circumstance materially deprives Owner of the ability to proceed with development of the Property or any portion thereof, or materially deprives City of a bargained-for public benefit of this Agreement, then, in such case, and at the election of Owner, Owner and City shall meet and confer with the objective of attempting to mutually agree on alternatives, Owner Approvals, and/or an amendment to this Agreement to allow the development of the Property to proceed with each Party substantially realizing its bargained-for benefit there from.

(c) City and Owner acknowledge and agree that City may from time to time enter into (with Good Faith and Fair and Expeditious Dealing) joint exercise of power agreements or memoranda of understanding with other governmental agencies consistent with and to further the purposes of this Agreement.

1.09 Amendment of this Agreement; Inclusion of Owner Approvals into this Agreement.

(a) This Agreement may be amended from time to time in accordance with California Government Code section 65868 and the Enabling Resolution, and upon the mutual written consent of City and Owner, with City costs payable by the Owner. Owner may seek City interpretation regarding one or more of the terms and conditions of this Agreement to determine whether or not an amendment is needed.

(b) This Agreement anticipates and provides the process and rules governing subsequent Owner Approvals. No amendment of this Agreement shall be required in connection with City processing and/or approval of any such Owner Approval for the Property. Any such Owner Approval that is approved by City and becomes part of the Applicable Law pursuant to the requirements of this Agreement shall be vested into by Owner and City, and shall become a part of this Agreement as if set forth herein in full. City shall not process or approve any Owner Approval unless Owner requests such process and approval.

1.10 Annexation.

(a) Within ninety (90) days after the Effective Date, or as soon thereafter as a “Plan for the Provision of Services” (as that phrase is defined by the law controlling the San Joaquin County Local Agency Formation Commission (“LAFCO”) and all other materials required by controlling law and/or requested by LAFCO can be prepared and completed relating to the Property, City shall consider a “Resolution of Application” to LAFCO requesting annexation of the Property. City shall submit such Resolution of Application, Plan for the Provision of Services and other material required by controlling law and/or requested by LAFCO. City may process any such annexation of the Property concurrently with other Owner Approvals.

(1) City shall use Good Faith and Fair and Expedious Dealing to cause the completion of such annexation of the Property subject to all applicable requirements of law. If such annexation of the Property cannot be accomplished without conditions that are unacceptable to Owner then, at Owner's request, City shall terminate or request termination of the proceedings, as appropriate.

(2) Owner shall pay City's reasonable costs relating to all City actions taken pursuant to this Section 1.11, including reasonable consultant costs, and including such LAFCO fees, costs and charges relating to such annexation(s) that LAFCO charges to City.

(3) If City's first Resolution of Application to LAFCO requesting annexation of the Property is denied by LAFCO, then the Parties shall continue to work together to secure such annexation in such a manner as they may mutually agree, including annexing only portions of the Property at different times until such time as all of the Property is annexed to City. To the extent that the law requires a date to be set forth within this Agreement by which annexation of Annexation Property must be accomplished, that date shall be two (2) days prior to the termination of the Term of this Agreement.

(b) Owner shall be responsible for the City's processing costs regarding actions taken by City pursuant to this Section.

1.11 Adequate Water Supply.

(a) Pursuant to the water supply assessment ("WSA") by City relating to the potential development this Agreement addresses, adequate water supplies are known and will be available during the Term of this Agreement for the potential maximum development that may occur pursuant to this Agreement. Therefore, City shall make such water supplies available to Owner for such potential development during the Term of this Agreement. Except as provided herein, there shall be no cost to Owner for such water supply. Neither City nor Owner shall take any actions, including without limitation, approval by City of any new development after the Effective Date, that would impair or impede the City's ability to make such water supplies available to Owner during the Term of this Agreement for the potential maximum development that may occur pursuant to this Agreement. Water supply verifications shall take place at the subdivision map approval stage for all development of the Property as required by such law. If for any reason, despite the City's best efforts, such water supplies are not available from surface water supplies for Owner's use on such development when needed, then the following shall apply:

(1) City shall pursue interim measures to satisfy such water supply requirements, including without limitation, City's use of groundwater.

(2) If for any reason, despite City's best efforts, such interim measures are either not available, or are available but not in quantities necessary to fully satisfy such water supply requirements, then Owner may, at Owner's sole and exclusive discretion, advance to City such funds as are necessary to design, construct, operate and maintain one (1) ground water well, and such ancillary facilities as are necessary to provide potable water service to the Property until such time as City-provided permanent surface water supplies are available. Such

ground water well and ancillary facilities, including without limitation water treatment facilities, as are necessary, as determined by City, to provide potable water service to the Property, shall collectively be referred to herein as the “**Additional Well.**” Such Additional Well shall not be implemented unless and until Owner, in Owner’s sole and exclusive discretion, elects to advance to City all costs associated with its design, construction, operation and maintenance, and Owner's development will not be served from the Additional Well until construction of the Additional Well is completed and accepted by the City. After sufficient City-provided, permanent surface water supplies are made available to serve the Property, such that the Additional Well is no longer necessary, as determined by City, to serve the Property, City may use the Additional Well for emergency water supply purposes in accordance with the City’s water Master plan, provided City reimburses Owner for all costs to Owner of the design, construction, operation and maintenance of the Additional Well that exceed Owner’s fair share of such costs. Such reimbursement to Owner shall be made from appropriate development impact fees subsequently collected by City from other properties determined by City to benefit from the Additional Well, in the normal course of development of such properties. If any ancillary improvements to the Additional Well are required for the benefit of Ellis Project or are the part of the Ellis FIP, the cost of such facilities will not qualify for reimbursements from other developments.

The costs related to the transmission of the water supplies provided to the Property shall be paid by those impact fees that are established in the Ellis FIP .

1.12 Recycled Water Program.

All other provisions in this Agreement to the contrary notwithstanding, Owner hereby agrees that the Property and the Ellis Project shall be subject to such City recycled water fee requirements as may be set forth in the Ellis FIP . In addition to complying with such requirements, Owner hereby agrees that, as a condition of approval for any subdivision map for the Property or the Ellis Project, the subdivider shall design and construct, in conformance with applicable City standards, such recycled water infrastructure and facilities on collector streets as are sufficient to provide recycled water for irrigation of Ellis parks, and as are sufficient to provide recycled water for irrigation of such other landscaped public spaces on the Property and within the Ellis Specific Plan area as are mutually agreed on by the Parties.

1.13 Wastewater Treatment and Conveyance Capacity.

(a) Wastewater Treatment Capacity.

(1) Upon the Effective Date, City shall make available capacity from the existing City wastewater treatment plant sufficient to provide the Ellis Project with adequate wastewater treatment capacity for eight hundred (800) single-family detached residential units, a swim center and Storage Uses (“**Ellis Initial Capacity**”). There shall be no cost to Owner for the Ellis Initial Capacity

(2) Beyond the Ellis Initial Capacity referenced above, the Ellis Project shall receive that wastewater treatment capacity (“**Additional Capacity**”) needed to adequately service the Property, with said Additional Capacity coming from the City’s existing capacity at the existing wastewater treatment plant or “**Expansion**” of the existing wastewater

treatment plant. For the purposes of this Agreement, “Expansion” shall mean that expansion of the existing treatment capacity of the existing wastewater treatment plant, which Expansion will increase the treatment capacity of the plant from the existing approximately 9.0 million gallons per day of treatment capacity to approximately 20 million gallons per day of treatment capacity. Such Expansion may be done in incremental phases. Owner shall pay in accordance with the Ellis FIP, the costs of the Expansion (taking into account all users that will use the Expansion) through a form of municipal financing or other mechanism acceptable and agreeable to the Parties. City shall take such measures as needed to ensure that other public and private development projects proposing to utilize the Expansion shall pay their fair share of the funding needed to construct, maintain and operate the Expansion. Owner’s above-described funding obligations shall be coordinated with the other public and private development projects to ensure that such monies are collected from Owner and other public and private development projects at approximately the same time. If the required funding from other users or development projects is not available for the phase of Expansion needed to provide the Additional Capacity Owner needs when Owner needs it, or if some funding from others is available but is not adequate to fund the phase of Expansion needed to provide said Additional Capacity Owner needs when Owner needs it, then, at Owner’s sole and exclusive discretion, Owner may pay the balance of the cost of such phase of Expansion needed to provide such Additional Capacity (“**Owner Funded Phase**”). In such a case, Owner shall be reimbursed for that portion of the Owner Funded Phase that exceeds Owner’s Additional Capacity needs. Except for responsibilities provided for in applicable FIPs, CIPs and/or other developments to pay their fair share, City shall not be obligated to advance funds for Additional Capacity Expansion.

(b) Conveyance Capacity.

(1) Initial Capacity in Corral Hollow System: Owner is afforded the right to use 330 residential units of existing capacity in the Corral Hollow Sewer Conveyance System on a permanent basis. There shall be no cost to Owner for transmission for up to 550 units. Conveyance capacity shall be increased in accordance with any City-adopted Wastewater Master Plan and the Ellis FIP.

(2) Additional Capacity in Corral Hollow System: In addition to the 330 units of capacity mentioned above, there is an additional two hundred twenty (220) units of permanent sewer conveyance capacity in the existing Corral Hollow conveyance system. Commencing on January 31, 2016, Owner may secure for its use such additional existing capacity as has not been reserved and secured by other developers or land owners by paying or otherwise securing payment to the City of their “fair share” portion (as determined by the City) of the Corral Hollow Sewer Conveyance System expansion cost by paying or otherwise securing payment of its “fair share” portion of said cost. Provided that Owner has complied with all of its obligations under this Agreement and is not otherwise in default under this Agreement, then between January 31, 2016 and April 30, 2016, City shall reserve exclusively for Owner all such remaining additional capacity in the existing Corral Hollow conveyance system, which Owner may secure by paying or otherwise securing payment to the City of Owner’s “fair share” portion (as determined by the City) of the Corral Hollow Sewer Conveyance System expansion cost. Commencing on May 1, 2016, to the extent that Owner has not secured such remaining additional capacity in the existing Corral Hollow Conveyance System as provided in this Section 1.13(b)(2), the City’s obligation to reserve such remaining additional capacity for Owner shall terminate.

(3) Interim Capacity in Eastside Sewer Conveyance System: In addition to the permanent sewer conveyance capacity mentioned above, the Property shall be allocated an additional two hundred fifty (250) units of sewer conveyance capacity currently existing in the Eastside Sewer Conveyance System on an interim basis until phase one of the Corral Hollow Sewer Conveyance System upgrade is completed. There shall be no charge to Owner for said interim capacity.

(4) City shall take such measures as needed to ensure that other public or private development projects proposing to use the Conveyance Expansion shall pay their fair share (proportional) of the costs of such Conveyance Expansion. If additional funding from such other development projects is not available prior to Owner's need for the Conveyance Expansion, Owner, in its sole and exclusive discretion, may request City to construct all or a portion of the Conveyance Expansion using funds to be provided by Owner. On the date that the City determines that the Conveyance Expansion funded by Owner becomes available, Owner shall be entitled to such capacity as is necessary to meet Owner's needs, which needs shall be equal to the conveyance capacity for which owner has funded. To the extent that such Owner-funded capacity exceeds Owner's needs, such excess capacity shall be available on a first-come, first-served basis to property owners within the service area of the capacity, and Owner shall be entitled to reimbursement for funding provided by Owner in excess of Owner's fair share of the costs of the Owner-funded Conveyance Expansion, and such reimbursement shall occur prior to use by other property owners. All wastewater conveyance connections will be available to Owner only after the required improvements are completed and accepted by City. Wastewater conveyance capacity expansion to serve the Project shall be provided from the Corral Hollow sewer line and other western sewer lines as set forth in the Ellis FIP for the maximum development authorized by this Agreement. Except for responsibilities provided for in applicable CIPs and/or other developments to pay their fair share, City shall not be obligated to advance funds for conveyance improvements.

1.14 Schools.

(a) Owner has entered into Memorandums of Understanding with the Tracy Unified School District and with the Jefferson School District.

(b) Prior to the first residential building permit issuance, Owner shall execute a school facilities mitigation agreement with the Jefferson School District to mitigate the impact of the Ellis Specific Plan on Jefferson School District facilities.

1.15 Ellis Specific Plan Parks.

(a) Owner shall provide and dedicate to City neighborhood and community parks pursuant to the four (4) acres per thousand formula required by the Ellis Specific Plan and Applicable Law ("**Park Requirements**"). Owner shall construct all improvements for neighborhood parks, consistent with the description of such parks in the Ellis Specific Plan, prior to dedication to City. Owner's compliance with community park obligations shall be subject to and consistent with Section 1.01 of this Agreement. No additional park dedications, in lieu fees or other park-related requirements shall be imposed by City on Owner or the Property beyond the Park Requirements of this Agreement.

(b) The timing of the dedication to City of Ellis Specific Plan parks and the construction of Ellis Specific Plan park improvements shall be determined by City at the time of City approval of subdivision maps for the Property.

1.16 Future Impact Fees; Nexus.

(a) During the Term of this Agreement, only those impact fees that are included in the Ellis FIP shall apply to the development of the Property.

(b) Except as provided in this Agreement, this Agreement is not intended to change or affect either Parties' rights or obligations regarding the over-sizing of improvements, services and/or facilities beyond the impacts of the Property.

ARTICLE 2 ASSIGNMENT, DEFAULT, ANNUAL REVIEW, TERMINATION, LEGAL ACTIONS

2.01 Covenants Run With The Land.

(a) This Agreement and all of its provisions, agreements, rights, powers, standards, terms, covenants, obligations, benefits and burdens shall be binding upon and inure to the Parties and their respective heirs, successors (by merger, consolidation, or otherwise), assigns, devisees, administrators, representatives, lessees, and all other persons or entities acquiring the Property, or any part thereof, whether by sale, operation of law or in any manner whatsoever, and shall inure to the benefit of the Parties and their respective heirs, successors (by merger, consolidation or otherwise) and assigns (collectively, "**Assignee**").

(b) Upon assignment, in whole or in part, and the express written assumption by the Assignee of such assignment, of Owner's rights and interests under this Agreement, Owner shall be released from its obligations with respect to the Property, or any lot, parcel, or portion thereof so assigned to the extent arising subsequent to the date of such assignment. A default by any Assignee shall only affect that portion of the Property owned by such Assignee and shall not cancel or diminish in any way Owner's rights hereunder with respect to the assigned portion of the Property not owned by such Assignee. The Assignee shall be responsible for the reporting and annual review requirements relating to the portion of the Property owned by such Assignee, and any amendment to this Agreement between City and Assignee shall only affect the portion of the Property owned by such Assignee. Any and all provisions of this Agreement to the contrary notwithstanding, Owner shall not be released from any of its obligations under this Agreement, whether by assignment, conveyance, or any other means, unless and until Owner has fully satisfied its obligations under Section 1.01 of this Agreement

2.02 Defaults.

(a) Any failure by City or Owner to perform any material term or provision of this Agreement, which failure continues uncured for a period of sixty (60) days following written notice of such failure from the other Party (unless such period is extended by written mutual consent), shall constitute a default under this Agreement. Any notice given pursuant to the preceding sentence shall specify the nature of the alleged failure and, where appropriate, the

manner in which such alleged failure satisfactorily may be cured. If the nature of the alleged failure is such that it cannot reasonably be cured within such 60-day period, then the commencement of the cure within such time period, and the diligent prosecution to completion of the cure thereafter, shall be deemed to be a cure within such 60-day period.

(b) No failure or delay in giving notice of default shall constitute a waiver of default; provided, however, that the provision of notice and opportunity to cure shall nevertheless be a prerequisite to the enforcement or correction of any default.

(c) During any cure period specified under this Section and during any period prior to any delivery of notice of failure or default, the Party charged shall not be considered in default for purposes of this Agreement. If there is a dispute regarding the existence of a default, the Parties shall otherwise continue to perform their obligations hereunder, to the maximum extent practicable in light of the disputed matter and pending its resolution or formal termination of the Agreement as provided herein.

(d) City will continue to process in good faith development applications during any cure period, but need not approve any such application if it relates to a development proposal on the Property with respect to which there is an alleged default hereunder.

(e) In the event either Party is in default under the terms of this Agreement, the non-defaulting Party may elect, in its sole and absolute discretion, to pursue any of the following courses of action: (i) waive such default; (ii) pursue administrative remedies, and/or (iii) pursue judicial remedies. In no event shall City modify this Agreement as a result of a default by Owner except in accordance with the provisions of Section 1.14 above.

(f) Except as otherwise specifically stated in this Agreement, either Party may, in addition to any other rights or remedies, institute legal action to cure, correct, or remedy any default by the other Party to this Agreement, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation hereunder or to seek specific performance. For purposes of instituting a legal action under this Agreement, any City Council determination under this Agreement shall be deemed a final agency action.

(g) The Parties hereby acknowledge that the City would not have entered into this Agreement if doing so would subject it to the risk of incurring liability in money damages, either for breach of this Agreement, anticipatory breach, repudiation of the Agreement, or for any actions with respect to its negotiation, preparation, implementation or application. The Parties further acknowledge that money damages and remedies at law generally are inadequate, and specific performance is the most appropriate remedy for the enforcement of this Agreement and should be available to all Parties for the following reasons:

(1) Money damages are excluded as provided above;

(2) Due to the size, nature, and scope of the Project, it may not be practical or possible to restore the Property to its original condition once implementation of this Agreement has begun. After such implementation, Owner may be foreclosed from other choices it may have had to utilize the Property or portions thereof. Owner has invested significant time and resources and performed extensive planning and processing of the Project in agreeing to the

terms of this Agreement and will be investing even more significant time and resources in implementing the Project in reliance upon the terms of this Agreement, and it is not possible to determine the sum of money which would adequately compensate Owner for such efforts.

Therefore, the Parties hereby acknowledge and agree that it is a material part of Owner's consideration to City that City shall not be at any risk whatsoever to liability for money damages relating to or arising from this Agreement, and except for non-damages remedies, including the remedy of specific performance, Owner, on the one hand, and the City, on the other hand, for themselves, their successors and assignees, hereby release one another's officers, trustees, directors, agents and employees from any and all claims, demands, actions, or suits of any kind or nature arising out of any liability, known or unknown, present or future, including, but not limited to, any claim or liability, based or asserted, pursuant to Article I, Section 19 of the California Constitution, the Fifth and Fourteenth Amendments of the United States Constitution, or any other law or ordinance which seeks to impose any money damages, whatsoever, upon the Parties because the Parties entered into this Agreement, because of the terms of this Agreement, or because of the manner of implementation or performance of this Agreement.

2.03 Annual Review.

(a) The Enabling Resolution provides for annual review of Owner's good faith compliance with the terms of this Agreement. Each year during the term of this Agreement, City shall initiate the annual review by written notice to Owner. Upon receipt of such written notice, Owner shall comply with such requirements of the Enabling Resolution and shall furnish to City a report demonstrating good faith compliance by Owner with the terms of this Agreement.

(b) Following any such annual review, if Owner is determined to be in good faith compliance with the terms of this Agreement, City shall furnish Owner, upon Owner's request, a certification of compliance in recordable form.

(c) Following any such annual review, if Owner is determined to not be in good faith compliance with the terms of this Agreement, City shall furnish to Owner a notice of noncompliance, which shall be deemed a notice of default and shall commence the cure period set forth in Section 2.02 above.

(d) In addition to the annual review provided for in this Section, City may investigate or evaluate from time to time during the course of any given year, and regardless of whether such investigation or evaluation takes place as part of the annual review, any subject matter that is properly the subject of an annual review.

2.04 Force Majeure Delay, Extension of Times of Performance

(a) In addition to specific provisions of this Agreement, performance by either Party hereunder shall not be deemed to be in default where delays or defaults are due to war, insurrection, strikes, walkouts, riots, floods, earthquakes, fires, casualties, acts of God, governmental entities other than City, its departments, agencies, boards and commissions, enactment of conflicting State or Federal laws or regulations, or litigation (including without limitation litigation contesting the validity, or seeking the enforcement or clarification of this

Agreement whether instituted by Owner, City, or any other person or entity) (each a "**Force Majeure Event**").

(b) Either Party claiming a delay as a result of a Force Majeure Event shall provide the other Party with written notice of such delay and an estimated length of delay. Upon the other Party's receipt of such notice, an extension of time shall be granted in writing for the period of the Force Majeure Event, or longer as may be mutually agreed upon by the Parties, unless the other Party objects in writing within ten (10) days after receiving the notice. In the event of such objection, the Parties shall meet and confer within thirty (30) days after the date of objection to arrive at a mutually acceptable solution to the disagreement regarding the delay. If no mutually acceptable solution is reached, either Party may take action as permitted under this Agreement.

2.05 Third Party Legal Actions

(a) If there are any third party administrative, legal or equitable actions challenging any of the Project Approvals or the Subsequent Approvals, including without limitation this Agreement and all CEQA processes and actions by City relating to the Project, Owner shall defend and indemnify the City against any and all fees and costs arising out of the defense of such actions, including the fees and costs of City's own in-house or special counsel retained to protect the City's interests. Each Party is entitled to legal counsel of its choice, at Owner's expense. The Parties and their respective counsel shall cooperate with each other in the defense of any such actions, including in any settlement negotiations. If a court in any such action awards any form of money damages to such third party, or any attorneys' fees and costs to such third party, Owner shall bear full and complete responsibility to comply with the requirements of such award, and hereby agrees to timely pay all fees and costs on behalf of the City.

(b) If any part of this Agreement, any Project Approval or Subsequent Approval, is held by a court of competent jurisdiction to be invalid, the Parties shall cooperate to use their best efforts, to the extent permitted by law, to cure any inadequacies or deficiencies identified by the court in a manner consistent with the express and implied intent of this Agreement.

ARTICLE 3 GENERAL PROVISIONS

3.01 Definitions.

(a) To the extent that any capitalized terms contained in this Agreement or its Exhibits are not defined below, then such terms shall have the meaning otherwise ascribed to them in this Agreement and its Exhibits and/or the Applicable Law.

(b) As used in this Agreement and its Exhibits, the following terms, phrases and words shall have the meanings and be interpreted as set forth in this Section:

(1) "**Agreement**" shall mean this Amended and Restated Development Agreement between City and Owner.

(2) **“Agreement Effective Date”** shall have the meaning set forth in Section 1.06(a) of this Agreement.

(3) **"Annexation Effective Date"** shall mean that date upon which all of the following have occurred: the Ellis Project Approvals have been approved by the City and the annexation of the Property has been approved by LAFCO, the Ellis Project Approvals and LAFCO's annexation approvals have taken effect under controlling law, the applicable statute of limitations has run on the Ellis Project Approvals and LAFCO annexation approvals without a lawsuit being filed within that statutory limitations period, or if a lawsuit has been filed within that statutory limitations period, that the defendant and real party have prevailed in the lawsuit, or the Ellis Project Approvals and LAFCO annexation approvals are otherwise determined legal and effective.

(4) **"Annual RGA Eligibility"** shall have the meaning set forth in Section 1.07(b) of this Agreement.

(5) **"Applicable Law"** shall have that meaning set forth in Section 1.03 of this Agreement.

(6) **"Approving Ordinance"** shall have the meaning set forth in Recital paragraph P of this Agreement.

(7) **"Assignee"** shall have the meaning set forth in Section 2.01(a) of this Agreement.

(8) **"CEQA"** shall have that meaning set forth in Recital paragraph H of this Agreement.

(9) **"Certificate of Occupancy"** shall mean a certificate issued or final inspection approved by the City authorizing occupancy of a residential unit.

(10) **"City"** shall have that meaning set forth in the preamble of this Agreement.

(11) **"City Swim Center Contribution"** shall have the meaning set forth in Section 1.01(c) of this Agreement.

(12) **"Claims"** shall have the meaning set forth in Section 3.04 of this Agreement.

(13) **"Conceptual Design"** shall have the meaning set forth in Section 1.01(d) of this Agreement.

(14) **"Construction Codes"** shall have the meaning set forth in Section 1.03(a) (5) of this Agreement.

(15) **"Development Agreement Statute"** shall have the meaning set forth in the preamble of this Agreement.

(16) "Ellis FIP" shall have the meaning set forth in Section 1.03(a)(2) of this Agreement.

(17) "Ellis Initial Capacity" shall have the meaning set forth in Section 1.14(a) (1) of this Agreement.

(18) "Ellis Project" shall have the meaning set forth in Recital paragraph I of this Agreement.

(19) "Ellis Project Approvals" shall have the meaning set forth in Recital paragraph I of this Agreement.

(20) "Ellis Swim Center Site" shall have the meaning set forth in Section 1.01(b) of this Agreement.

(21) "Enabling Resolution" shall have the meaning set forth in the preamble of this Agreement.

(22) "Existing City Laws" shall have the meaning set forth in Section 1.03(a) (3) of this Agreement.

(23) "Force Majeure Event" shall have the meaning set forth in Section 2.04(a) of this Agreement.

(24) "General Plan" shall mean the City of Tracy General Plan as amended by the City Council on _____, 2013, by Resolution No. _____, as described in Recital paragraph I of this Agreement.

(25) "GMO" shall mean the City of Tracy Residential Growth Management Plan set forth in Chapter 10.12 of Title 10 of the City of Tracy Code of Ordinances, as may be amended from time to time.

(26) "GMO Guidelines" shall mean the GMO Guidelines adopted by the City Council of the City of Tracy pursuant to Title 10, Chapter 10.12, Section 10.12.050 of the City of Tracy Code of Ordinances, that are in effect on the Agreement Effective Date.

(27) "Good Faith and Fair and Expeditious Dealing" shall have the meaning set forth in Section 1.02(c) of this Agreement.

(28) "LAFCO" shall have the meaning set forth in Section 1.02(c) of this Agreement.

(29) "Land Dedication Offer" shall have the meaning set forth in Section 1.01(b) (1) of this Agreement.

(30) "Legal Effect" shall mean that the ordinance, resolution, permit, license or other grant of approval (collectively, "permit") in question, has been adopted by City and that all applicable administrative appeal periods and statutes of limitations have run and that

the permit has not been overturned or otherwise rendered without legal and/or equitable force and effect by a court of competent jurisdiction or other tribunal with final and binding decision authority.

(31) "**Mandated New City Law(s)**" shall have the meaning set forth in Section 1.05(e) of this Agreement.

(32) "**New City Law(s)**" shall have the meaning set forth in Section 1.05(a) of the Agreement.

(33) "**Notice of New Law(s)**" shall have the meaning set forth in Section 1.05(b) of this Agreement.

(34) "**Original Development Agreement**" shall mean that development agreement by and between the City of Tracy and Surland Communities, LLC, approved by the City of Tracy on December 16, 2008, executed by the City of Tracy and Surland Communities, LLC, between January 28, 2009 and February 5, 2009, and recorded in the San Joaquin County Recorder's office on February 5, 2009 as Document Number 2009-022386.

(35) "**Original EIR**" shall have the meaning set forth in Recital paragraph D of this Agreement.

(36) "**Overall RGA Maximum**" shall have the meaning set forth in Section 1.07(b) of this Agreement.

(37) "**Owner**" shall have that meaning set forth in the preamble of this Agreement.

(38) "**Owner Approvals**" shall have the meaning set forth in Section 1.03(a)(2) of this Agreement.

(39) "**Owner Funded Phase**" shall have that meaning set forth in Section 1.13(a)(2) of this Agreement.

(40) "**Owner Swim Center Contribution**" shall have the meaning set forth in Section 1.01(a) of this Agreement.

(41) "**Park Requirements**" shall have the meaning set forth in Section 1.15(a) of this Agreement.

(42) "**Party**" and "**Parties**" shall have the meaning set forth in the preamble of this Agreement.

(43) "**Police Powers**" shall have the meaning set forth in the preamble of this Agreement.

(44) "**Processing Fees**" shall mean fees charged by the City which represent the costs to City for City staff (including consultants) time and resources spent

reviewing and processing applications for Owner Approvals, as governed by Government Code section 66014.

(45) **"Property"** shall have the meaning set forth in Recital paragraph M of this Agreement.

(46) **"Residential Growth Allotments"** or **"RGAs"** shall have the meaning set forth in the GMO.

(47) **"Revised EIR"** shall have the meaning set forth in Recital paragraph F of this Agreement.

(48) **"Subdivision Document"** shall have the meaning set forth in Section 1.06(d) of this Agreement.

(49) **"Swim Center Funds"** shall have the meaning set forth in Section 1.01(c) of this Agreement.

(50) **"Swim Center Funds Account"** shall have the meaning set forth in Section 1.01(a) (1) of this Agreement.

(51) **"Term"** shall have the meaning set forth in Section 1.06(a) of this Agreement.

(52) **"Third Party Challenge"** shall have the meaning set forth in Section 1.06(b) of this Agreement.

(53) **"Vesting Map"** shall have the meaning set forth in Section 1.06(e) of this Agreement.

(54) **"WSA"** shall have the meaning set forth in Section 1.11(a) of this Agreement.

3.02 Requirements of Development Agreement Statute

(a) The permitted uses, density and/or intensity of use, maximum height and size of buildings and other structures, provisions for reservation or dedication of land, and other terms and conditions applicable to any development and construction on the Property shall be those set forth in the General Plan and the Ellis Specific Plan, as incorporated by reference herein, and all other provisions of the Applicable Law, as provided for and consistent with the provisions of Section 1.03(b) above.

(b) During the Term of this Agreement, and pursuant to Government Code section 65866, the rules, regulations, official policies and all other controlling criteria shall be the Applicable Law, which Applicable Law may expand pursuant to this Agreement to include New City Law(s), Owner Approvals, and other subsequent actions that this Agreement includes in the Applicable Law.

(c) As stated above, this Agreement complies with laws regarding Development Agreement Statute (including without limitation Government Code section 65865.2), which requires this Agreement to specify the duration (Term) of the Agreement, the permitted uses of the Property, the density or intensity of use, the maximum height and size of proposed buildings, and provisions for reservation or dedication of land for public purposes. The duration of this Agreement is set forth herein, and this Agreement sets forth provisions for the permitted uses, the density and intensity of use, the maximum height and size of proposed buildings, and the dedication of land for public purposes in the Applicable Law provisions of this Agreement.

3.03 Development Timing.

The Parties acknowledge that the timing, sequencing, and phasing of any later-approved development is solely the responsibility of Owner. In particular, the Parties desire to avoid the result of the California Supreme Court's holding in *Pardee Construction Co. v. City of Camarillo*, 37 Cal.3d 465 (1984), where the failure of the parties therein to consider and expressly provide for the timing of the development resulted in a later-adopted initiative restricting the timing of development to prevail over such parties' agreement.

3.04 Hold Harmless and Indemnification.

Owner shall indemnify, defend, and hold harmless City (including its elected officials, officers, agents, and employees) from and against any and all claims, demands, damages, liabilities, costs, and expenses (including court costs and attorney's fees) (collectively, "**Claims**") resulting from or arising out of the development contemplated by this Agreement, other than a liability or claim based upon City's gross negligence or willful misconduct. The indemnity obligations of this Agreement shall not extend to Claims arising from activities associated with the maintenance or repair by the City or any other public agency of improvements that have been accepted for dedication by the City or such other public agency.

3.05 Miscellaneous.

(a) Applicable Law and Attorneys' Fees. This Agreement shall be construed and enforced in accordance with the laws of the State of California. Owner acknowledges and agrees that City has approved and entered into this Agreement in the sole exercise of its legislative discretion and the standard of review of the validity and meaning of this Agreement shall be that accorded legislative acts of the City. Should any legal action be brought by a Party for breach of this Agreement or to enforce any provision herein, the prevailing Party of such action shall be entitled to reasonable attorneys' fees, court costs, and such other costs as may be fixed by the court.

(b) Development Is a Private Undertaking. The development contemplated by this Agreement is a separately undertaken private development. No partnership, joint venture, or other association of any kind between the Owner, on the one hand, and City on the other, is formed by this Agreement. The only relationship between City and Owner is that of a governmental entity regulating the development of private property and the owners of such private property.

(c) Construction. As used in this Agreement, and as the context may require, the singular includes the plural and vice versa, and the masculine gender includes the feminine and neuter and vice versa.

(d) Notices.

(1) All notices, demands, or other communications which this Agreement contemplates or authorizes shall be in writing and shall be personally delivered or mailed to the respective Party as follows:

If to the City:

City Manager
City of Tracy
333 Civic Center Plaza
Tracy, CA 95376
Telephone: (209) 831-6000
Facsimile: (209) 831-6120

With a copy to:

City Attorney
City of Tracy
333 Civic Center Plaza
Tracy, CA 95376
Telephone: (209) 831-6130
Facsimile: (209) 831-6137

If to Owner:

Les Serpa
Chris Long
Surland Communities, LLC
1024 Central Avenue
Tracy, CA 95376
Telephone: (209) 832-7000
Facsimile: (209) 833-9700

With a copy to:

Wilson F. Wendt
Miller Starr Regalia
1331 N. California Boulevard
Walnut Creek, CA 94596
Telephone: (925) 935-9400
Facsimile: (925) 933-4126

(2) Either Party may change the address stated herein by giving notice in writing to the other Party, and thereafter notices shall be addressed and transmitted to the new address. Any notice given to Owner as required by this Agreement shall also be given to all other signatory Parties hereto and any lender which requests that such notice be provided. Any signatory Party or lender requesting receipt of such notice shall furnish in writing its address to the Parties to this Agreement.

(e) Recordation. No later than ten (10) days after the Effective Date, the Clerk of the City shall record a copy of this Agreement in the Official Records of the Recorder's Office of San Joaquin County. Owner shall be responsible for any recordation fees.

(f) Jurisdiction and Venue. The interpretation, validity, and enforcement of the Agreement shall be governed by and construed under the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement shall be filed and heard in a court of competent jurisdiction in the County of San Joaquin.

(g) Waivers. Waiver of a breach or default under this Agreement shall not constitute a continuing waiver or a waiver of a subsequent breach of the same or any other provision of this Agreement.

(h) Execution/Entire Agreement. This Agreement may be executed in two (2) duplicate originals, each of which is deemed to be an original. This Agreement, including these pages and all the exhibits inclusive, and all documents incorporated by reference herein, constitute the entire understanding and agreement of the Parties.

(i) Signatures. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and to execute this Agreement on behalf of the respective legal entities of Owner and City. This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns.

(j) Severability. Should any part, term or provision of this Agreement or any document required herein to be executed or delivered be declared invalid, void or unenforceable, all remaining parts, terms and provisions hereof shall remain in full force and effect and shall in no way be invalidated, impaired or affected thereby.

(k) Exhibits. The following exhibits are attached to this Agreement and are hereby incorporated herein by this reference for all purposes as if set forth herein in full:

Exhibit A Property Legal Description

Exhibit B RGA Transmittal and Application Form

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties do hereby agree to the full performance of the terms set forth herein.

"City"
CITY OF TRACY, a municipal corporation

"Owner"
SURLAND COMMUNITIES, LLC, a California limited liability company

By: Brent Ives
Title: Mayor
Date: _____

By: _____
By: _____
Les Serpa
Title: _____
Date: _____

Attest:

By:
Title: CITY CLERK
Date: _____

Approved As To Form:

By: Daniel Sodergren
Title: City Attorney
Date: _____

Exhibit A
Property Description

Exhibit B
RGA Application

RGA Transmittal Form

SURLAND DEVELOPMENT AGREEMENT RESIDENTIAL GROWTH ALLOTMENT APPLICATION

This is a Residential Growth Allotment (RGA) application as provided for in the Development Agreement between THE CITY OF TRACY and SURLAND COMMUNITIES, LLC dated _____ ("Agreement").

Submitted by: _____
Date: _____

Received by: _____
Date: _____

APPLICATION FOR RESIDENTIAL GROWTH ALLOTMENTS

Purpose Of Application

RGA's: _____ Exception (For Affordable Housing Units): _____

Applicant's Information

Name: _____ Telephone No.: _____

Company: _____ Fax No.: _____

Mailing Address: _____

City/State/Zip Code: _____

Property Owner's Information

Name: _____ Telephone No.: _____

Company: _____ Fax No.: _____

Mailing Address: _____

City/State/Zip Code: _____

(if necessary, please attach a sheet listing additional property owner information)

Project Information

Recorded Subdivision Name: _____

Tract No.: _____ Total No. of Lots: _____ Total Acreage: _____

Specify Planning Area (ex: Ellis, etc.): _____

Project (Ownership) Area for which RGA's are applied

Project Area name (if different from above): _____

Project Area ownership: _____

Project Area acreage: _____ Total number of Project Area lots: _____

Assessor's Parcel No(s): _____

Project (Ownership) Area for which RGA's are applied (continued)

Total number of RGA's previously awarded to Project Area: _____

Total number of building permits issued: _____

Total number of unused RGA's (RGA's previously awarded less the total number of RGA's used for building permit issuance): _____

Total number of RGA's requested in this application: _____

Identify the relevant plan approval(s) that have been obtained for the Project

Area: _____

Applicant's Signature

I, the undersigned, have complied with all the requirements of the Agreement relevant to this application:

Applicant's Signature

Date

February 5, 2013

AGENDA ITEM 6.A

REQUEST

**APPOINTMENT OF CITY COUNCIL SUBCOMMITTEE TO INTERVIEW
APPLICANTS FOR VACANCIES ON THE MEASURE E RESIDENTS OVERSIGHT
COMMITTEE**

EXECUTIVE SUMMARY

Request appointment of subcommittee to interview applicants for vacancies on the Measure E Residents Oversight Committee.

DISCUSSION

There will be two vacancies on the Measure E Residents Oversight Committee due to the expiring terms of David Ciesco and Larry Hite on March 31, 2013. The vacancies have been advertised and the three week recruitment period closed on January 28, 2013. Five applications were received.

In accordance with Resolution 2004-152, a two-member subcommittee needs to be appointed to interview the applicants and make a recommendation to the full Council.

STRATEGIC PLAN

This item is a routine operational item and does not relate to any of the Council's strategic plans.

FISCAL IMPACT

None.

RECOMMENDATION

That Council appoint a two-member subcommittee to interview applicants for the vacancies on the Measure E Residents Oversight Committee.

Prepared by: Sandra Edwards, City Clerk
Reviewed by: Maria Hurtado, Assistant City Manager
Approved by: Leon Churchill, Jr., City Manager

February 5, 2013

AGENDA ITEM 6.B

REQUEST

**APPOINTMENT OF CITY COUNCIL SUBCOMMITTEE TO INTERVIEW
APPLICANTS FOR VACANCY ON THE TRACY PLANNING COMMISSION**

EXECUTIVE SUMMARY

Request appointment of subcommittee to interview applicants for vacancy on the Tracy Planning Commission.

DISCUSSION

There is one vacancy on the Tracy Planning Commission due to the resignation of Commissioner Manne. The vacancy has been advertised and the three week recruitment period closes on February 6, 2013. As of January 31, 2013, one application was received.

In accordance with Resolution 2004-152, a two-member subcommittee needs to be appointed to interview the applicants and make a recommendation to the full Council.

STRATEGIC PLAN

This item is a routine operational item and does not relate to any of the Council's strategic plans.

FISCAL IMPACT

None.

RECOMMENDATION

That Council appoint a two-member subcommittee to interview applicants for the vacancy on the Tracy Planning Commission.

Prepared by: Sandra Edwards, City Clerk
Reviewed by: Maria Hurtado, Assistant City Manager
Approved by: Leon Churchill, Jr., City Manager

February 5, 2013

AGENDA ITEM 6.C

REQUEST

CONSIDER WHETHER AN ITEM TO DISCUSS THE TRACY BALLPARK SHOULD BE PLACED ON A FUTURE CITY COUNCIL AGENDA

EXECUTIVE SUMMARY

Determine whether an item to discuss the Tracy Ballpark should be placed on a future Council agenda

DISCUSSION

At the City Council meeting held on January 15, 2013, Mayor Pro Tem Maciel requested Council consider a discussion item related to the Tracy Ballpark.

The purpose of this agenda item is to provide an opportunity for Council to discuss whether staff time and city resources should be devoted to research, and to determine whether a discussion item related to Tracy Ballpark should be placed on a future agenda. Approval of Mayor Pro Tem Maciel's request would enable an agenda item to be brought back for discussion on a future Council agenda.

STRATEGIC PLAN

This agenda item is a routine operational item which does not relate to the Council's strategic plans.

RECOMMENDATION

It is recommended that the City Council discuss Mayor Pro Tem Maciel's suggestion and determine whether an item related to discuss the Tracy Ballpark should be included on a future agenda.

Prepared and
Reviewed by: Maria Hurtado, Assistant City Manager

Approved by: Leon Churchill, Jr., City Manager