



JOINT MEETING OF THE MILPITAS CITY COUNCIL AND MILPITAS HOUSING AUTHORITY

Vice Mayor Marsha Grilli will participate by telephone conference from:
6460 Calle Lottie, Tucson, Arizona 85718

For assistance in the following languages, please call:

Đối với Việt Nam, gọi 408-586-3122

对中国人来说，请用 408-586-3263

Para sa Tagalog, tumawag sa 408-586-3051

Para español, llame 408-586-3232

AGENDA

TUESDAY, APRIL 17, 2018

455 EAST CALAVERAS BOULEVARD, MILPITAS, CA

5:30 P.M. (CLOSED SESSION)

7:00 P.M. (PUBLIC BUSINESS)

SUMMARY OF CONTENTS

- I. CALL JOINT MEETING TO ORDER by Mayor and ROLL CALL by City Clerk**
- II. ADJOURN TO CLOSED SESSION (5:30 PM)**

Housing Authority matter:

(a) CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Pursuant to Government Code Section 54956.8

Housing Authority Property: 340 Celebration Drive

Persons Negotiating: Julie Edmonds-Mares, Tim Wong and ShaRon Lewis

Under negotiation: Price and terms of payment

(b) CONFERENCE WITH LABOR NEGOTIATORS - COLLECTIVE BARGAINING

Pursuant to California Government Code Section 54957.6

City Negotiator: Tina Murphy

Employee Group: International Association of Fire Fighters

Under Negotiation: Wages, Hours, Benefits, and Working Conditions

(c) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to California Government Code Section 54956.9(d)(1)

Tom Williams v. City of Milpitas, et al. - American Arbitration Case No. 01-17-0003-5823

(d) CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Government Code Section 54956.9(d)(1)

County Sanitation District 2-3, West Valley Sanitation District, Burbank Sanitary District, Cupertino Sanitary District, and City of Milpitas v. City of San Jose, City of Santa Clara
Santa Clara County Superior Court Case No. 18CV325480

III. CLOSED SESSION ANNOUNCEMENT: Report on action taken in Closed Session, if required per Government Code Section 54957.1, including the vote or abstention of each member present

IV. PLEDGE OF ALLEGIANCE (7:00 p.m.)

V. INVOCATION (Councilmember Phan)

VI. PRESENTATION

Proclaim May 6 – 12, 2018 as *Public Service Recognition Week*

VII. PUBLIC FORUM

Those in the audience are invited to address City Council on any subject not on tonight's agenda. Speakers must come to the podium, state their name and city of residence for the Clerk's record, and limit spoken remarks to three minutes. As an item not listed on the agenda, no response is required from City staff or the Council and no action can be taken. Council may instruct the City Manager to place the item on a future meeting agenda.

VIII. ANNOUNCEMENTS

IX. ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

X. APPROVAL OF AGENDA

XI. CONSENT CALENDAR (Items No. 1 through No. 10)

Consent calendar items are considered to be routine and will be considered for adoption by one motion. There will be no separate discussion of these items unless a City Councilmember, member of the audience or staff requests the Council to remove an item from (or be added to) the consent calendar. Any person desiring to speak on any item on the consent calendar should ask to have that item removed from the consent calendar. If removed, this item will be discussed in the order in which it appears on the agenda.

1.	Accept Schedules of Meetings/City Council Calendars for April and May 2018
2.	Approve City Council Meeting Minutes of March 29 and April 3, 2018 (Staff Contact: Mary Lavelle, 408-586-3001)
3.	Approve Out of State Travel for Mayor Tran to Attend the U.S. Conference of Mayors Annual Meeting in Boston, MA Scheduled June 8–11, 2018 (Staff Contact: Julie Edmonds-Mares, 408-586-3050)
4.	Adopt a Resolution Granting Initial Acceptance of and Reducing the Performance Bond for the Light Rail Median Landscaping Project No. 2001, and Grant Authorization to Director of Engineering/City Engineer to Issue a Notice of Final Acceptance and Release the Performance Bond after the One-Year Warranty Period (Staff Contact: Steve Erickson, 408-586-3301)
5.	Adopt a Resolution to Release Unclaimed Checks Per Standard Operating Procedure No. 26-1 (Staff Contact: Cristina Benninghouse, 408-586-3136)
6.	Adopt a Resolution Certifying Election Results and Adding Parcel Map of Senior Lifestyles at 1504 and 1620 South Main Street to Community Facilities District No. 2005-1 (Annexation No. 19) (Staff Contact: Steve Erickson, 408-586-3301)
7.	Adopt a Resolution Authorizing the City Manager to Execute the Two-Year Agreement with California Highway Patrol for Joint Use of the Weapons Firing Range (Staff Contact: Armando Corpuz, 408-586-2534)

8.		Award the Bid and Authorize the City Manager to Execute a Contract with ArborPro to Provide a City-Owned Tree Survey and Report for the Amount Not-to-Exceed \$100,000 (Staff Contacts: Chris Schroeder, 408-586-3161 and Robert Hill, 408-586-2626)
9.		Approve and Authorize the City Manager to Execute an Agreement with Nelson\Nygaard in the Amount of \$59,945 for Consultant Services for the Transit Area Specific Plan Update, Project No. 2006 (Staff Contacts: Steve Erickson, 408-586-3301 and Steve Chan, 408-586-3324)
10.		Approve Terminating the Participating Agency Agreement Between County of Santa Clara and City of Milpitas Providing for Administration of the Unified Hazardous Waste and Hazardous Materials Management Program (Staff Contact: Albert Zamora, 408-586-3371)

XII. NEW BUSINESS - The following items No. 11 – 14 scheduled for discussion

- 11. Designate and Approve City Councilmembers and Additional Business Community Members to Serve on the General Plan Advisory Committee for the General Plan Update (Staff Contacts: Brad Misner, 408-586-3273 and Jessica Garner, 408-586-3284)**
- 12. Receive Information on the Santa Clara Valley Water District's Preliminary Fiscal Year 2019 Groundwater Production Charge Analysis (Staff Contact: Tony Ndah, 408-586-2602)**
- 13. Receive Information from Staff on the Draft Water Rate Study and Water Rate Structure Scenarios for the 5-year Period, FY 2019 through FY 2023 (Staff Contact: Tony Ndah, 408-586-2602)**

XIII. AGREEMENT

- 14. Approve Amendment No. 13 to the Master Agreement Between the Santa Clara Valley Transportation Authority (VTA) and the City of Milpitas, and Authorize Payment of a Cost Not to Exceed \$838,100 to VTA for City Utility Infrastructure Upgrades, Montague Widening Project No. 4179 (Staff Contacts: Steve Erickson, 408-586-3301 and Steve Chan, 408-586-3324)**

XIV. REPORTS OF MAYOR & COUNCILMEMBERS – from assigned Commissions, Committees and Agencies

XV. ADJOURN JOINT MEETING

NEXT REGULAR CITY COUNCIL MEETING
TUESDAY, MAY 1, 2018

SPECIAL CITY COUNCIL MEETING
TUESDAY, MAY 8, 2018 – BUDGET PUBLIC HEARING

KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and the City operations are open to the people's review.

For more information on your rights under the Open Government Ordinance or to report a violation, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas, CA 95035
e-mail: cdiaz@ci.milpitas.ca.gov / Phone: 408-586-3040

The Open Government Ordinance is codified in the Milpitas Municipal Code as Title I Chapter 310 and is available online at the City's website www.ci.milpitas.ca.gov by selecting the Milpitas Municipal Code link.

Materials related to an item on this agenda submitted to the City Council after initial distribution of the agenda packet are available for public inspection at the City Clerk's office at Milpitas City Hall, 3rd floor 455 E. Calaveras Blvd., Milpitas and on the City website. All City Council agendas and related materials can be viewed online here: www.ci.milpitas.ca.gov/government/council/agenda_minutes.asp (select meeting date)

APPLY TO SERVE ON A CITY COMMISSION

Current vacancies on:

Arts Commission
Bicycle Pedestrian Advisory Commission
Community Advisory Commission
Economic Development Commission
Emergency Preparedness Commission
Parks, Recreation & Cultural Resources Commission
Recycling & Source Reduction Advisory Commission
Sister Cities Commission
Veterans Commission
Youth Advisory Commission

Commission application forms are available online at www.ci.milpitas.ca.gov or at Milpitas City Hall.
Contact the City Clerk's office at 408-586-3003 for more information.

If you need assistance, per the Americans with Disabilities Act, for any City of Milpitas public meeting, please call the City Clerk at 408-586-3001 or send an e-mail to mlavelle@ci.milpitas.ca.gov prior to the meeting. You may request a larger font agenda or arrange for mobility assistance. For hearing assistance, headsets are available in the City Council Chambers for all meetings.

AGENDA REPORTS

XI. CONSENT CALENDAR

1.	Accept Schedules of Meetings/City Council Calendars for April and May 2018 <u>Recommendation:</u> Receive Council calendars of meetings for the months of April and May. Note any changes or additions, if needed. <u>Attachments:</u> April 2018 and May 2018 Calendars
2.	Approve City Council Meeting Minutes of March 29 and April 3, 2018 (Staff Contact: Mary Lavelle, 408-586-3001) <u>Recommendation:</u> Move to approve the minutes of the March 29 and April 3, 2018 City Council meetings. <u>Attachments:</u> Draft meeting minutes 03/29/2018 and 04/03/2018
3.	Approve Out of State Travel for Mayor Tran to Attend the U.S. Conference of Mayors Annual Meeting in Boston, MA Scheduled June 8 – 11, 2018 (Staff Contact: Julie Edmonds-Mares, 408-586-3050) <u>Background:</u> The United States Conference of Mayors hold its Winter Meeting each January in Washington, DC and an Annual Meeting each June in a different United States city. This highly attended meeting is scheduled in Boston, Massachusetts from June 8 to 11, 2018. During the Conference’s June Annual Meeting, standing committees recommend policy positions they believe should be adopted by the organization. All policy positions adopted at the annual meeting collectively represent the views of the nation’s mayors and are distributed to the President of the United States and Congress. Additionally, mayors are grouped into task forces to examine and act on issues that demand special attention such as civic innovation, exports, hunger and homelessness, and brownfields. The registration fee is \$1,650. Other expenses projected at this time are hotel reservation, and transportation, ground, and air. <u>Fiscal Impact:</u> \$1650. Sufficient funds are in the Individual Elected Official allocation of \$5,000 for Conferences/Meetings/Memberships to cover the Mayor’s travel expenses. <u>Recommendation:</u> Authorize out-of-state travel for Mayor Tran to attend this annual meeting, for a total expense amount not to exceed budgeted Conferences/Meeting allocation of \$5,000. <u>Attachment:</u> Draft Agenda for the Mayors Annual Meeting
4.	Adopt a Resolution Granting Initial Acceptance of and Reducing the Performance Bond for the Light Rail Median Landscaping Project No. 2001, and Grant Authorization to Director of Engineering/City Engineer to Issue a Notice of Final Acceptance and Release the Performance Bond after the One-Year Warranty Period (Staff Contact: Steve Erickson, 408-586-3301) <u>Background:</u> The City Council awarded the Light Rail Median Landscaping Project No. 2001 to Marina Landscape, Inc. on December 6, 2016. The project provided for median

	landscape improvements within the Great Mall Parkway median below the light rail bridge from I-880 to Montague Expressway. Improvements installed include trees, ground cover landscaping, shrubs, and recycled water irrigation facilities. The work was successfully completed on time and within budget. City Council is requested to adopt a resolution granting initial acceptance of the project, authorize the reduction of the performance bond to \$183,531, which is 10% of the final contract value, and initiate the one-year warranty for the work. Staff also recommends the City Council authorize the Director of Engineering/City Engineer to issue the Notice of Final Acceptance and to release the performance bond after the one year warranty period without further City Council action, provided all warranty work is completed to the satisfaction of the City Engineer. <u>Alternative:</u> Failure to adopt the resolution would result in the project not being accepted and would result in the Notice of Completion not being filed and a potential delay claim by the contractor. <u>Fiscal Impact:</u> None. Construction has been completed. <u>Recommendation:</u> Adopt a resolution granting initial acceptance of Light Rail Median Landscaping Project No. 2001 and authorize reduction of the performance bond to \$183,531 which shall be in effect for the duration of the one-year warranty period, and granting authorization to the Director of Engineering/City Engineer to issue the notice of final acceptance and release the performance bond after the one-year warranty without further City Council action. <u>Attachment:</u> Resolution
5.	Adopt a Resolution to Release Unclaimed Checks Per Standard Operating Procedure No. 26-1 (Staff Contact: Cristina Benninghouse, 408-586-3136) <u>Background:</u> According to City of Milpitas' Standard Operating Procedure No. 26-1, which conforms with California Government Code Section 50055, unclaimed checks of less than \$15, or any amount if the depositor's name is unknown, which remain unclaimed for more than one year may be transferred to the General Fund by authorization of the City Council. A list of unclaimed checks and credits of less than \$15, which remain unclaimed for more than one year, is included as Exhibit A to the Resolution to Release Unclaimed Checks in the Council's agenda packet materials. The checks and credits listed are no older than March 2017, and this action brings the matter, including all credits, up to date through the current year. The sum total of the amount subject to write off is an extremely low percentage of the City's total accounts payable payments. <u>Fiscal Impact:</u> The recommended action will increase General Fund revenues by \$667.67. <u>Recommendation:</u> Adopt a resolution to transfer a total of \$667.67 in unclaimed checks and credits, per the list generated by the City's Finance Department, to the General Fund in accordance with Standard Operating Procedure No. 26-1. <u>Attachment:</u> Resolution and exhibit list
6.	Adopt a Resolution Certifying Election Results and Adding Parcel Map of Senior Lifestyles at 1504 and 1620 South Main Street to Community Facilities District No. 2005-1 (Annexation No. 19) (Staff Contact: Steve Erickson, 408-586-3301)

	Background: On November 18, 2014, the City Council approved a Minor Vesting Tentative Map (TP14-0001), Site Development Permit (SD14-0006) and Density Bonus (DB14-0001) to allow for the construction of a senior assisted living and congregate care facility with 199 rental units and associated site improvements on 2.76 acres located at 1504-1620 South Main Street within the Midtown Specific Plan. This project (Parcel Map filed for record in the office of the recorder of the County of Santa Clara, California on March 16, 2018, in Book 912 of Maps, Pages 9-11) is subject to annexation to the Community Facilities District No. 2005-1 (CFD 2005-1). The City has on file a Certificate of Registrar of Voters from the County of Santa Clara certifying that there are no registered voters residing within the boundaries of the proposed CFD Annexation No. 19 for this development. The developer, Milpitas Phase I, LP is the sole property owner, and on April 13, 2018, the property owner was anticipated to unanimously agree to Annexation No. 19 into the CFD. California Environmental Quality Act: This project is covered under the scope of activities analyzed under the Midtown Specific Plan Environmental Impact Report, SCH2000092027, which was certified by City Council on March 19, 2002. On November 18, 2014, the City Council found that the project is categorically exempt from further environmental review pursuant to CEQA Guidelines Section 15168 (Program EIR) and 15182 (Residential Projects Pursuant to a Specific Plan). Fiscal Impact: Adding Parcel Map to the CFD 2005-1 would allow the City to levy special taxes to properties within Parcel Map, in order to fund for public services within the CFD boundary. Recommendation: Adopt a resolution certifying election results and adding Parcel Map for Senior Lifestyles residential development into Community Facilities District 2005-1 (Annexation No. 19). Attachment: Resolution
7.	Adopt a Resolution Authorizing the City Manager to Execute the Two-Year Agreement with California Highway Patrol for Joint Use of the Weapons Firing Range (Staff Contact: Armando Corpuz, 408-586-2534) Background: Milpitas Police Department (MPD) and the California Highway Patrol (CHP) have jointly used a weapons firing range for numerous years. The owner of the property has been charging the MPD an annual rental fee for the use of the property. MPD has been entering an agreement with the CHP and charging the state patrol for use of the range to offset costs of rent and maintenance fees. The most recent two-year agreement was due to expire on March 31, 2018. CHP is willing to enter into another two-year agreement with the City and agrees to pay an annual amount of \$21,600, which totals \$43,200 over the term of this agreement. The two-year term of the new agreement is from April 1, 2018 through March 31, 2020. Fiscal Impact: This amount will increase General Fund revenue. Recommendation: Adopt a resolution to authorize the City Manager to execute a two-year agreement with the California Highway Patrol for joint use of the Weapons Firing Range for a total amount of \$43,200. Attachments: Resolution and Agreement with CHP

8.	Award the Bid and Authorize the City Manager to Execute a Contract with ArborPro to Provide a City-Owned Tree Survey and Report for the Amount Not-to-Exceed \$100,000 (Staff Contacts: Chris Schroeder, 408-586-3161 and Robert Hill, 408-586-2626) Background: The City of Milpitas has identified the need to update the tree database and inventory focusing on trees under the maintenance responsibility of the City and perform a risk assessment all trees. The tree inventory will be used as a management tool by the City's Parks, Trees and Landscape division and will focus on tree risk/public safety, tree protection/preservation, and tree replacement needs. The tree inventory will be include critical individual tree details for the trees included in the inventory. In order to update the City-owned tree database and receive a report as to the overall health and value of the City's urban forest, staff released RFP 2222 – City-Owned Tree Survey and Report on February 15, 2018. 48 firms were notified of the solicitation via PublicPurchase.com, the City's eProcurement platform. Of those, thirty-seven (37) firms downloaded the proposal documents and four submitted proposals prior to the March 20, 2018 2 p.m. deadline. The proposals from two firms, Brightview and Davey Tree, far exceeded the available budget for the project; thereby resulting in the remaining two vendors, ArborPro and West Coast Arborist (WCA), being named to the shortlist for interviews. ArborPro and WCA were invited for interviews on March 23, 2018. The evaluation committee of three Public Works professionals who scored the proposals and conducted in-person interviews with representatives from both firms produced the following results: 1. ArborPro (98.67 Points) 2. West Coast Arborist (85.63 Points) Based on these scores, staff recommends a contract with ArborPro to conduct the City-Owned Tree Survey and Report. The final report is expected to be received from Arbor Pro by the end of calendar year 2018. Fiscal Impact: Funding for the services is available in the Public Works Departments CIP No. 3438. Recommendation: Award the bid and authorize the City Manager to execute the contract with ArborPro to provide a City-Owned Tree Survey and Report for the not-to-exceed amount of \$100,000. Attachment: City-Owned Tree Survey and Report Contract
9.	Approve and Authorize the City Manager to Execute an Agreement with Nelson\Nygaard in the Amount of \$59,945 for Consultant Services for the Transit Area Specific Plan Update, Project No. 2006 (Staff Contacts: Steve Erickson, 408-586-3301 and Steve Chan, 408-586-3324) Background: As part of the City General Plan update, a citywide public parking policy will be developed to meet the General Plan-Circulation Element's values and goals to address mobility options for residents, visitors, and businesses while maintaining the city's quality of life. Development of the citywide parking policy would be accomplished in multiple phases to address immediate and long term parking needs, and would target areas with current parking concerns as the initial policy priority. Phase 1, is currently underway in the Pines

	neighborhood to investigate and develop a pilot permit parking program to address on-street parking impacts from the nearby high density residential high-density development. Phase 2 of the Citywide parking policy is proposed within the TASP area due to the pending opening of the new BART station. The Milpitas BART station will be open for passenger service in early 2019. Staff anticipates parking congestion will likely occur on streets near the BART station where commuters will go to seek free parking. Phase 2 of the citywide parking policy will develop a transit focused parking strategy to address commuter on-street parking impacts around the BART station. The parking policy for the TASP area could include best management practices (BMP) such as time limited parking, designated loading zones, metered parking, and parking enforcement. The purposes of the parking policy plan and the BMP's would be to assist residents, retail patrons, and visitors to have reasonable access to the public parking within the TASP area. Future phases of the citywide parking policy would include development of parking policies and BMP's to address specific needs in other areas of the City including parks, neighborhoods, schools, retail, commercials and industrial districts. Nelson\Nygaard is the consultant providing the services for the Phase 1 policy for the Pines Neighborhood. Staff recommends amending the agreement with Nelson/Nygaard to provide the Phase 2 services for the TASP area. Staff has negotiated a scope of work and fee for the Phase 2 TASP area services not to exceed \$59,945, which is considered reasonable for the work. <u>Fiscal Impact:</u> None. Sufficient funds are available in the project budget. <u>Recommendation:</u> Approve and authorize the City Manager to execute an agreement with Nelson\Nygaard, in the amount of \$59,945 for the Transit Area Specific Plan Update, Project No. 2006. <u>Attachment:</u> Agreement
10.	Approve Terminating the Participating Agency Agreement Between County of Santa Clara and City of Milpitas Providing for Administration of the Unified Hazardous Waste and Hazardous Materials Management Program (Staff Contact: Albert Zamora, 408-586-3371) <u>Background:</u> State legislation was passed in 1993 known as Senate Bill 1082 (Health and Safety Code, Chapter 6.11), which required the implementation of a Unified Program to administer certain State hazardous waste and hazardous materials statutes and regulations (Unified Program or Certified Unified Program Agencies - CUPA) by January 1, 1997. In addition, Health and Safety Code 25404(d) and 25404.5 required the implementation of a Single Fee System for billing state, county, and local fees. The Unified Program covers six state hazardous waste and hazardous materials programs. The programs are: Hazardous Materials Release Response Plan, Hazardous Waste/Tiered Permitting, Underground Storage Tanks (UST), Aboveground Petroleum Storage Act (APSA) Tanks, California Accidental Release Program and the Uniform Fire Code Hazardous Materials Management Plan/Hazardous Materials Inventory Statements. The CUPA program initially allowed jurisdictions to decide if they wanted to be a full CUPA (conduct all of the activities in the six programs) or a Participating Agency (PA) (conduct some of the programs). The City of Milpitas elected to be a PA, subordinate to the County CUPA, which is administered by the County's Environmental Health Department, Hazardous Materials Compliance Division. The City of Milpitas entered into an Agreement with the County on

	July 1, 1997 to provide the following four activities under the CUPA program: Hazardous Materials Release Response Plans, Underground Storage Tanks, Aboveground Storage Act - Tanks, and Uniform Fire Code Hazardous Materials Management Plan/Hazardous Materials Inventory Statements. With the passage of state legislation in 1999 and subsequent additional underground storage tank regulations, the state significantly continues (even to date) to increase the responsibilities associated with completing the UST inspections. Numerous amendments have been made to the underground tank regulations since its original adoption in 1985. Amendments have added inspection, testing, training and certification requirements. Additional requirements have caused the UST systems to become more complex and requiring additional time to perform and complete inspections and plan reviews. Additionally, all Hazardous Materials Inspectors conducting UST inspections have been required to maintain International Code Council Underground Tank Inspector Certification. Furthermore, the state had also passed a law for APSA Tanks that increased the inspection activity and inspector certification requirements. CUPA inspections are primarily focused on environmental impact, not Fire Life Safety. After the CUPA contract is terminated, the Milpitas Fire Department's Hazardous Materials Program will still continue to be an essential component of Community Development Services in terms of the plan review, inspection, and permitting processes associated with the use and storage of Fire Code regulated hazardous materials. The CUPA program will continue to conduct California Fire Code occupancy compliance inspections supporting public safety and emergency services. As the CUPA inspections will be the responsibility of Santa Clara County Health Department, the environmental concerns will continue to be addressed by the Hazardous Materials Compliance Division. Due to the resources required to accomplish the continually growing complexity of management and execution associated with the CUPA Program coupled with the significant changes and additions in the 2016 California Fire Code, the Fire Marshal's Office of the Milpitas Fire Department in consultation with city staff, gave its official notice of intent to dissolve our Participating Agency (PA) Status under the original July 1, 1997 Agreement – Providing For Administration of The Unified Hazardous Waste & Hazardous Materials Management. The main role of the Milpitas Fire Department's Hazardous Materials Program in the Fire Prevention Division is to ensure safe handling and storage of hazardous materials for the safety of the public and businesses as well as providing advanced knowledge to first responders. This is done through a permitting, inspection and enforcement program of permitted occupancies, ensuring compliance with the California Fire Code, state law, and Milpitas Municipal Code (Local Amendments). The Fire Department bills facilities for their annual Hazardous Materials and Fire Safety Permits. Currently, the City charges fees for the storage, use and handling of hazardous materials (e.g., flammable/combustible liquids, corrosive substances, etc.). The proposed termination agreement will provide for a transition to the County of all applicable services on July 1, 2018 as well as transfer a copy of all of its relevant records. All fees due the City for its obligations before July 1, 2018 that are collected by the County after July 1 will be remitted to the City. The said agreement will provide for mutual indemnification, as well as contain a provision that requires both the City and County to engage in public outreach to affected businesses. With both the City and County's desire to transition the program at the end of this Fiscal Year 2017-18, the Milpitas Fire Department Fire Prevention Division and County staff have been conducting ongoing meetings to facilitate the ease of transition and develop a specific plan to address technical and billing details.
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	With Fire Prevention inspection services being outside the CUPA/PA agreement, businesses in Milpitas will continue to receive a Fire Department invoice for all applicable Hazardous Materials Fire-Code Permitted Inspections. The County will invoice separately for CUPA related services and state fees, Also, the County indicated that it will work with CalEPA to formally transition the City's Participating Agency status. The responsibilities and requirements of the Certified Unified Program are assigned to the County through state statute, and Santa Clara County has the authority to return the program to that agency. <u>Fiscal Impact:</u> The Fire Prevention Division will realize a revenue loss of approximately \$12,000 from annual Hazardous Materials Permits (UST & APSA Tanks) after transferring the CUPA program to the County. As a Participating Agency (PA) under the CUPA Program, our City Facilities were exempt from any associated fees as our Hazardous Materials Inspectors conducted those inspections accordingly. With the transfer of the CUPA Program to the County, the County Permit Fees for the City Facilities will be \$18,988 and the State/Local Surcharges will be \$1,834 – Totaling \$20,822. <u>Recommendation:</u> Approve the agreement and authorize the City Manager to sign, subject to approval as to form by the City Attorney. <u>Attachment:</u> Agreement for termination
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XII. NEW BUSINESS - The following items No. 11 - 14 scheduled for discussion

11. Designate and Approve City Councilmembers and Additional Business Community Members to Serve on the General Plan Advisory Committee for the General Plan Update (Staff Contacts: Brad Misner, 408-586-3273 and Jessica Garner, 408-586-3284)

Background: As a component of the General Plan Update, the General Plan Advisory Committee (GPAC) was formed at the end of 2016. The GPAC currently consists of residents and stakeholders of Milpitas, several of whom also serve on other key city commissions and agencies. At the recent Special City Council meeting regarding the General Plan update held on March 29, 2018, Councilmembers expressed an interest in adding more positions to the GPAC, specifically City Councilmembers and members of the business community.

The GPAC will reconvene in late May and will continue to meet for the remainder of the year in order to review additional components of the General Plan, including the Land Use and Circulation Elements and subsequent sets of draft policies, the Issues and Opportunities report, the Land Use Alternatives report, and the General Plan draft. The anticipated date for the completion of the General Plan and corresponding Environmental Impact Report is during the second quarter of 2019.

Fiscal Impact: None. Sufficient funds are available in the project budget.

Recommendation: Designate and authorize staff to add new positions to serve on the General Plan Advisory Committee to include members of the City Council and additional members of the business community for the General Plan update.

Attachment: 2018-2019 GPAC schedule

12. Receive Information on the Santa Clara Valley Water District's Preliminary Fiscal Year 2019 Groundwater Production Charge Analysis (Staff Contact: Tony Ndah, 408-586-2602)

Background: The City of Milpitas purchases approximately one-third of its wholesale water supply from the Santa Clara Valley Water District (SCVWD). As Santa Clara County's primary water wholesaler, the water district strives to make sure there is enough clean, safe water to sustain the region's economic vitality and quality of life. Each year, SCVWD conducts a public process to set water charges which help pay for the infrastructure and services required to deliver clean, safe drinking water to Silicon Valley residents and businesses.

The rate-setting process includes a series of opportunities for the public to provide input at an open house and public hearings. The rate-setting process also includes a formal protest procedure by which well owners, operators, and owners of land upon which a well is located can object to the proposed increase in rates.

With revenue from water charges, SCVWD protects and augments water supplies for the health, welfare and safety of the community. The activities, programs and services undertaken with funding from water charges include:

Water supplies

- Operate and maintain local reservoirs to capture water and fill groundwater percolation ponds
- Purchase imported water and develop local water supplies to replenish the groundwater basin

Water quality

- Monitor and protect groundwater from pollutants and salt water intrusion
- Ensure proper construction and destruction of wells to prevent contaminants from infiltrating the groundwater basin

Infrastructure

- Plan and construct improvements to infrastructure such as dams, pipelines, ponds, drinking water and
- recycled water treatment plants, and pump stations
- Operate and maintain dams, pipelines, ponds, treatment plants and pumping stations to help sustain
- the groundwater aquifer

Fiscal Impact: None

Recommendation: Receive information from staff and provide direction, as appropriate.

Attachment: None

13. Receive Information from Staff on the Draft Water Rate Study and Water Rate Structure Scenarios for the 5-year Period, FY 2019 through FY 2023 (Staff Contact: Tony Ndah, 408-586-2602)

Background: The City of Milpitas owns and operates a safe drinking water distribution system in accordance with State regulations, and sets water rates to pass on wholesale water purchase prices and to ensure sufficient revenues are available to operate and maintain the water distribution system. Factors affecting the water rates include cost of services for wholesale water purchases, cost for capital improvement programs, and cost for operation and maintenance of the water distribution system.

In December 2015, Council adopted a rate structure for the City, which was implemented over two years, with the first increase occurring in January 2016, and the second increase occurring in April 2016. The rate plan adopted by Council in December 2015 contained a

uniform rate structure. There have been no increases in the water rates since then nor any recovery for higher wholesale water cost incurred by the City during this period. As such, the water utility operating fund is projected to lose \$1.36 million in FY 2018.

In September 2016, Council approved the creation of a citizen's task force on water rates and one of the objectives of the task force was to explore the feasibility of alternative water rate structures. At a special council meeting in October 2017, the citizen's task force on water rates recommended Council direct staff to work with a consultant to prepare a comprehensive water rate study, which includes an assessment of a tiered water rate structure suitable for the City that does not violate the conditions of Proposition 218. In November 2017, City Council approved the retention of Bartle Wells Associates to prepare a comprehensive water rate and cost of service study, to include an update of the City's existing uniform rate structure and to develop an alternative water rate structure based on a robust cost analysis for Council Consideration.

Water Rate Structure Alternatives

The Draft Water Rate Study projects the revenue requirements (revenue sufficiency) and rate adjustments over the next five years needed to meet all wholesale water purchase costs, operation and maintenance cost, capital and financial obligations, and reserve requirements for the water utility enterprise during this period.

The Water Rate Study proposes two water rate scenarios to meet the revenue requirements for the water utility fund: (1) Uniform Rate Structure, and (2) Tiered Rate Structure.

In both rate scenarios, rates are allocated proportionally based on recognized cost of service principles as required under Proposition 218. The two water rate scenarios are proposed for the five year period for FY2019 through FY2023, and would stabilize water utility fund through a series of annual rate increases. The draft water rate study also includes recommendations for the inclusion of a wholesale water rate pass through provision and a low income rate assistance program.

Water Rate Structure Selection and Outreach Plan

Staff will return to Council in May 2018 to seek direction from Council on a preferred water rate scenario for public outreach and inclusion in the Proposition 218 Public Hearing process.

Recommendation: Receive report and provide direction to staff on the Draft Water Rate Study and Water Rate Structure Scenarios for the five year period, FY 2019 through FY 2023.

Attachment: Draft City of Milpitas Water Rate Study

XIII. AGREEMENT

- 14. Approve Amendment No. 13 to the Master Agreement Between the Santa Clara Valley Transportation Authority (VTA) and the City of Milpitas, and Authorize Payment of a Cost Not to Exceed \$838,100 to VTA for City Utility Infrastructure Upgrades, Montague Widening Project No. 4179 (Staff Contacts: Steve Erickson, 408-586-3301 and Steve Chan, 408-586-3324)**

Background: The extension of the Bay Area Rapid Transit (BART) system into Santa Clara County is being implemented by Santa Clara Valley Transportation Authority's (VTA) Silicon Valley Rapid Transit (SVRT) program. The City and VTA executed a VTA-City Master Agreement in 2010 creating the cooperative framework between the

MTA and City for the design and construction of the BART extension through Milpitas including the installation of City improvements related to both the BART Project and the widening of Montague Expressway, Project No. 4179.

There have been a total of 12 amendments to the Master Agreement to include additional work on BART related improvements, time extensions, administer the design and construction of the Montague Pedestrian Overcrossing (POC), and Union Pacific Railroad crossing protection signal installation at Dixon Landing Road.

The construction contract for Montague Widening Project is \$19.9 million. Due to unexpected field conditions, the cost for installation of City utility improvements have increased above estimated cost by \$838,100. The increase in costs for utility improvements were deemed warranted to address unforeseen construction problems including abandoned utility conflicts, mitigation of contaminated soils, additional soil removal, additional pothole explorations, additional coordination with third party utilities, utilities redesign, and altering sequence of work. Contract change orders were issued to the contractor to allow for the timely completion of the project and in order to limit potential claims or risk to the City.

Staff recommends execution of Amendment No. 13 to the Master Agreement with MTA for an amount not to exceed \$838,100 for contract change order work for installation of City utility improvements. Sufficient funding is available in the project budget for the Montague Widening Project No. 4179.

California Environmental Quality Act: The BART extension project is covered under MTA's BART Silicon Valley Extension Project environmental documents.

Fiscal Impact: The City has already committed to infrastructure upgrades associated with the SVRT project with the execution of Amendment No. 1 to the Master Agreement in 2011. Sufficient funding is available in Montague Widening Project.

Recommendation: Approve Amendment No. 13 to the Master Agreement between the Santa Clara Valley Transportation Authority and City of Milpitas and authorize payment of a cost not to exceed \$838,100 to the MTA for City Utility Infrastructure Upgrades, Montague Widening Project No. 4179.

Attachment: Amendment No. 13

XIV. **REPORTS OF MAYOR & COUNCILMEMBERS – from the assigned Commissions, Committees and Agencies**

XV. **ADJOURN JOINT MEETING**

NEXT REGULAR CITY COUNCIL MEETING
TUESDAY, MAY 1, 2018

SPECIAL CITY COUNCIL MEETING
TUESDAY, MAY 8, 2018 – BUDGET PUBLIC HEARING