



JOINT MEETING OF THE MILPITAS CITY COUNCIL, HOUSING AUTHORITY, AND PUBLIC FINANCING AUTHORITY



AGENDA

TUESDAY, JUNE 17, 2025

CITY COUNCIL CHAMBER, 455 E. CALAVERAS BLVD, MILPITAS, CA

4:30 PM (CLOSED SESSION)

7:00 PM (PUBLIC BUSINESS)

For assistance in the following languages, you may call:

Đối với Việt Nam, gọi 408-586-2400

Para sa Tagalog, tumawag sa 408-586-3051

Para español, llame 408-586-3072

** To access written translation during the meeting, scan the QR Code.*

The City Council meeting is held in the City Council Chamber at City Hall, 455 E. Calaveras Blvd., Milpitas and via teleconference/Zoom webinar.

You may watch the Council meeting without providing public comment by accessing it via links here.

Meeting shall be livestreamed - Go to:

Facebook: <https://www.facebook.com/CityofMilpitas/>

YouTube: <https://www.milpitas.gov/youtube>

Web Streaming: <https://www.milpitas.gov/webstreaming>

PUBLIC COMMENT INSTRUCTIONS

Oral public comments may only be provided live during the City Council meeting in person, unless the City Council approves remote public comment. All comments provided shall be limited to three minutes or less as determined by the Mayor. All members of the public will be limited to one comment per agenda item, and one comment for non-agenda items. Members of the public may submit written comments by email to CityClerk@milpitas.gov

The meeting will be streamed via Zoom for viewing purposes only unless the City Council approves remote public comment. To watch via Zoom, please register at:

https://ci-milpitas-ca-gov.zoom.us/webinar/register/WN_b67Mp-CJS-irOyweU4_XqA

NOTE: If a member of the public wishes to share any presentation materials for Council consideration, they must be submitted to the Clerk's Office by email to CityClerk@milpitas.gov by 12:00 p.m. on the day of the meeting. No presentations will be accepted in person in the Council Chambers.

MILPITAS CITY COUNCIL CODE OF CONDUCT

- Be respectful and courteous (words, tone, and body language).
- Model civility.
- Avoid surprises.
- Praise publicly and criticize privately.
- Focus on the issue, not the person.
- Refrain from using electronic devices while on the Council dais.
- Disclose conflicts of interest and affiliations related to agenda items.
- Separate governing from campaigning.
- The Council speaks with one voice after making policy on issues.
- Respect the line between policy and administration.
- Council will hold one another accountable to comply with this Code of Conduct.

CALL MEETING TO ORDER by Mayor and ROLL CALL by City Clerk (4:30 PM)

ADJOURN TO CLOSED SESSION

(a) CONFERENCE WITH LEGAL COUNSEL

Pursuant to Government Code Section 54956.9(d)(1)
Existing Litigation: *Christina Hem vs. City of Milpitas*, WCAB Case Nos. ADJ17876634 and ADJ17876637

(b) CONFERENCE WITH LEGAL COUNSEL

Pursuant to Government Code Section 54956.9(d)(1)
Existing Litigation: *McHarris vs. City of Milpitas*, Santa Clara County Superior Court Docket No. 23-CV-427505

(c) CONFERENCE WITH LABOR NEGOTIATOR

Pursuant to Government Code Section 54957.6
Agency's Designated Representative(s): Rick Bolanos, Liebert Cassidy Whitmore
Employee Organization(s): Professional and Technical Employees, Mid-Management and Confidential Employees, Milpitas Employees Association, Unrepresented Employees

(d) PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Pursuant to Government Code Section 54957(b)(1)
Employee Position: City Manager

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.

PLEDGE OF ALLEGIANCE

INVOCATION (Mayor Montano)

PRESENTATIONS (7:05 PM)

- National Parks and Recreation Month - July 2025 (Proclamation)
- Certificates of Recognition for Black April Performers

PUBLIC FORUM (7:20 PM)

Members of the public are invited to speak on any item that does not appear on today's agenda. Comments will be limited to three minutes or less at the Mayor's discretion. When called to speak, you are encouraged to state your name for the record. As an item not listed on the agenda, no action can be taken, however the City Council may instruct the City Manager to place the item on a future meeting agenda.

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

READING OF THE CITY COUNCIL CODE OF CONDUCT

APPROVAL OF AGENDA

CONSENT CALENDAR (7:25 PM)

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.

C1. Receive City Council Calendar of Meetings (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Recommendation: Receive City Council Calendar of Meetings for June, July and August 2025.

C2. Approve City Council Meeting Minutes (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Recommendation: Approve City Council Meeting minutes of June 3, 2025.

C3. Receive the Preview List of Anticipated Items for the Next Regular City Council Meeting (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Recommendation: Receive the list of anticipated agenda items for the next regular City Council meeting.

C4. Receive and Review the List of Agenda Items Requested by City Councilmembers (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Recommendation: Receive the list of items that have been requested by City Councilmembers and received consensus in previous meetings to date.

C5. Setting a Salary Range for the Position of City Attorney (Staff Contact: Matt Cano, Assistant City Manager, 408-586-3012)

Recommendation: Adopt the amendment for Resolution No. 1626, the Classification Plan, to adjust the Salary Schedule for the classification of City Attorney.

C6. Consider Recommendations from Mayor Montano for Appointments to City Commissions (Contact: Mayor Montano, 408-586-3024)

Recommendation: Receive Mayor Montano's recommendations and approve and confirm recommendations for appointments to City Commissions.

C7. Authorize and Approve Travel Requests for Mayor Montano, Councilmember Chua, Councilmember Lien and Councilmember Lam to Long Beach, CA for the League of California Cities 2025 Annual Conference and Expo (Staff Contact: Matt Cano, Assistant City Manager, 408-586-3012)

Recommendation: (1) Authorize and approve travel to Long Beach, CA, for Mayor Carmen Montano, Councilmember Evelyn Chua, Councilmember Hon Lien and Councilmember William Lam to attend the League of California Cities 2025 Annual Conference and Expo to be held on October 8 - 10, 2025, for a combined estimated total amount of \$8,736 budgeted under the Individual Elected Official allocation for Conferences/Meetings/Trainings; and (2) Appoint Mayor Carmen Montano as the City's primary voting delegate and Councilmembers Evelyn Chua and Hon Lien as the alternate voting delegates for the 2025 Annual California League of Cities Conference and Expo.

C8. Adopt a Resolution Delegating Authority to the City Manager, or Designee, to Approve and Execute Project-Related Documents and Urgent Administrative Items During the City Council Summer Recess (Staff Contact: Matt Cano, Assistant City Manager, 408-586-3012)

Recommendation: Adopt a resolution delegating authority to the City Manager, or designee, to approve and execute project-related documents, including contract documents and urgent administrative items during the City Council and City of Milpitas Housing Authority summer recess from June 18, 2025 through August 12, 2025.

C9. Authorize a Commercial Lease Agreement for Carstar Espana's at 1488 South Main Street (Staff Contact: Alex Andrade, Economic Development & Strategic Initiatives Director, 408-586-3046)

Recommendation: Authorize the City Manager, or their designee, to negotiate and execute a Commercial Lease Agreement with Carstar Espana's on City-owned property located at 1488 South Main Street in the amount of \$269,280 for a 3-year term.

C10. Adopt Resolutions to Approve the Continued Investment of Monies in the Local Agency Investment Fund and Designation of Officers Authorized to Sign on the Account (Staff Contact: Luz Cofresi-Howe, Finance Director, 408-586-3111)

Recommendation: (1) Adopt a resolution of the Milpitas City Council to authorize the continued investment of monies in the Local Agency Investment Fund and designation of officers authorized to sign on the respective accounts; and (2) Adopt a resolution of the Board of Directors of the Milpitas Public Financing Authority to approve continued investment of monies in the Local Agency Investment Fund and designation of officers authorized to sign on the respective accounts.

C11. FY 2024-25 3rd Quarter Financial Status Report for the Quarter Ended March 31, 2025 (Staff Contact: Luz Cofresi-Howe, Finance Director, 408-586-3111)

Recommendation: Review the FY 2024-25 Quarterly Financial Status Report for the quarter ended March 31, 2025.

C12. Adopt a Resolution Designating Authorized Agents for Certain Federal or State Financial Assistance (Staff Contact: Luz Cofresi-Howe, Finance Director, 408-586-3111)

Recommendation: Adopt a resolution in the form specified by the California Governor's Office of Emergency Services (Cal OES) Form 130, designating the City Manager, Assistant City Manager and Finance Director as Authorized Agents to receive federal or state financial assistance under the Stafford Act and/or the California Disaster Assistance Act.

C13. Authorize the City Manager to Negotiate and Execute an Amendment to the Agreement with WeHOPE for Homeless Outreach, Assessment, and Case Management Services (Staff Contact: Luz Cofresi-Howe, Finance Director, 408-586-3111; and Matt Cano, Assistant City Manager, 408-586-3012)

Recommendation: (1) Authorize the City Manager, or designee, to amend the Professional Services Agreement with WeHOPE for additional funding in the amount of \$203,033 for homeless outreach, assessment, and case management services, (2) Authorize the appropriation of \$203,033 from the Homelessness Prevention and Unhoused Services Grant; and (3) Authorize the City Manager, or designee, to execute the contract with WeHOPE.

C14. Approve a Budget Appropriation from the Housing Authority Fund and Negotiate and Execute an Amendment to the Agreement with HouseKeys for the Administration of the City's Below Market Rate Homeownership Program (Staff Contact: Matt Cano, Assistant City Manager, 408-586-3012)

Recommendation: (1) Authorize the City Manager, or designee, to negotiate and execute an amendment to the Professional Services Agreement (Agreement) with HouseKeys Inc. to exercise the remaining options of the Agreement, extending the term for three (3) additional years through June 30, 2028, in an amount not to exceed \$600,000 for the additional years of service, for a revised total compensation not to exceed amount of \$1,000,000 for the full five-year term of the Agreement; and (2) Approve and appropriate \$200,000 from the Housing Authority Fund for the FY 2025-26 period of the agreement, with funding for the remaining term of the agreement subject to appropriation.

- C15. Authorize the Executive Director of the Milpitas Housing Authority to Exercise the Option to Purchase the Below Market Rate Unit at 1377 Coyote Creek Way and Execute the Necessary Documents (Staff Contact: Matt Cano, Assistant City Manager, 408-586-3012)**

Recommendation: Authorize the Executive Director of the Milpitas Housing Authority, or designee, to exercise the option to purchase the Below Market Rate (BMR) Unit at 1377 Coyote Creek Way and execute the necessary documents to repurchase this property.

- C16. Adopt a Resolution to Accept the Improvements, Authorize the City Engineer to file a Notice of Completion, and issue a Notice of Final Acceptance after the One-Year Warranty of Council Chamber Audio-Visual System Replacement, CIP No. 3498 (Staff Contact: Daniel Nam, Information Technology Director, 408-586-2712)**

Recommendation: Adopt a resolution to accept the improvements, authorize the City Engineer to file a Notice of Completion, and issue a Notice of Final Acceptance after the one-year warranty of Council Chamber Audio-Visual System Replacement, CIP No. 3498.

- C17. Authorize the City Manager to Negotiate and Execute an Amendment to the Agreement with Ascent Environmental for Consultant Services Related to Preparation of the Gateway-Main Street Specific Plan (Staff Contact: Jay Lee, Planning Director, 408-586-3077)**

Recommendation: (1) Authorize the City Manager, or designee, to negotiate and execute an amendment to the Professional Services Agreement with Ascent Environmental for consulting services related to preparation of the Gateway-Main Street Specific Plan, extending the Agreement end date to June 30, 2026 with a maximum compensation amount for the amendment of \$85,000 and a maximum compensation amount for the entire Agreement of \$1,144,708; and (2) Approve a budget appropriation of \$75,004 from Capital Improvement Program Project, No. 3460 to 3437.

- C18. Approve a Waiver to the Competitive Procurement Process for Crossing Guard Services and Authorize the City Manager to Negotiate and Execute an Amendment to the Master Services Agreement for Crossing Guard Services with All-City Management Services, Inc. (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Jared Hernandez, Chief of Police, 408-586-2406)**

Recommendation: (1) Approve a waiver to the competitive procurement process for Crossing Guard Services; and (2) Authorize the City Manager, or designee, to negotiate and execute an amendment to the Master Services Agreement for Crossing Guard Services with All-City Management Services, Inc. to extend the term of the Agreement for one additional year through July 31, 2026 in an amount not to exceed \$873,464 for the additional year of services for a revised total not-to-exceed amount of \$2,482,913 for the full three-year term.

- C19. Adopt a Resolution to Accept the Improvements, Authorize the City Engineer to File a Notice of Completion and Issue a Notice of Final Acceptance After the One-Year Warranty for ARPA Parks Rehabilitation, CIP Nos. 3500, 3501, 5110 (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)**

Recommendation: Adopt a resolution to accept the improvements and authorize the City Engineer to file a Notice of Completion and issue a Notice of Final Acceptance after the one-year warranty for ARPA Parks Rehabilitation, CIP Nos. 3500, 3501, 5110.

- C20. Authorize the City Manager to Execute an Improvement Agreement with Stratford School, Inc. at 1323 Great Mall Drive (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)**

Recommendation: Authorize the City Manager, or designee, to execute an improvement agreement with Stratford School, Inc. for the construction of public improvements at 1323 Great Mall Drive.

- C21. Authorize the City Manager to Amend the Purchase Order for On-Call Repairs, and Negotiate and Execute an Amendment to the Agreement with Environmental Systems, Inc. for the City Heating, Ventilation, and Air Conditioning Systems (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Christian Di Renzo, Public Works Director, 408-586-2602)**

Recommendation: Authorize the City Manager, or designee, to (1) Amend the Purchase Order with Environmental Systems, Inc. for as-required repairs of the City heating, ventilation, and air conditioning systems to add \$150,000 for a revised not-to-exceed amount of \$250,000 and extend the term through September 30, 2027, subject to the appropriation of funds; and (2) Negotiate and execute an amendment to the Maintenance Services Agreement for the City heating, ventilation, and air conditioning systems to extend the term of the Agreement through September 30, 2027, subject to the appropriation of funds.

- C22. Adopt a Resolution Approving an Amendment to the Water Supply Agreement Between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)**

Recommendation: (1) Adopt a resolution authorizing the City Manager, or designee, to execute an amendment to the Water Supply Agreement between the City and County of San Francisco and wholesale customers in Alameda County, San Mateo County, and Santa Clara County; and (2) Adopt a resolution to approve the updated Tier 2 Drought Response Implementation Plan.

- C23. Adopt a Resolution to Authorize Continued Utilization of Leased Vehicles Under the Master Equity Lease Agreement with Enterprise Fleet Management, Inc. (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Christian Di Renzo, Public Works Director, 408-586-2602)**

Recommendation: Adopt a resolution to (1) Authorize continued utilization of leased vehicles under the Master Equity Lease Agreement with Enterprise Fleet Management, Inc., subject to appropriation of funds; and (2) Authorize the Purchasing Agent, or designee, to sign lease ordering documents and update the applicable Lease Schedule as required.

- C24. Accept Grants from Silicon Valley Clean Energy Member Agency Grant Program and Authorize the Purchase of Ford F-150 Lightning Vehicles (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)**

Recommendation: (1) Accept grant funding from Silicon Valley Clean Energy Member Agency Grants program in the amount of \$372,233 for the non-competitive grant and \$502,000 for the competitive grant for a total of \$874,233; (2) Authorize the City Manager to execute two grant agreements with Silicon Valley Clean Energy; and (3) Approve the purchase of up to five (5) Ford F-150 Lightning Vehicles, and authorize the City Manager to negotiate and execute any documents necessary to effectuate the purchase.

- C25. Receive an Update on Emergency Water Main Repairs at Curtis Avenue and Yosemite Avenue and Determine that the Condition No Longer Constitutes an Emergency (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)**

Recommendation: (1) Receive an update on the emergency water main repairs at 330 Curtis Avenue (Recycled Water Main) and 878 Yosemite Avenue (Potable Water Main); and
(2) Determine by a four-fifths vote that the condition no longer constitutes an emergency and, therefore, terminate the emergency declaration.

- C26. Authorize the City Manager to Negotiate and Execute a Public Art Agreement with Vickie Jo Sowell for Historical Park Markers (Staff Contact: Renee Lorentzen, Recreation and Community Services Director, 408-586-3409)**

Recommendation: Authorize the City Manager, or designee, to negotiate and execute a Professional Services Agreement with Vickie Jo Sowell for a term of one year in an amount not to exceed \$100,000, for historical park markers to be fabricated and installed in Bob McGuire Park, Fredrick Creighton Park, Delano Manongs Park, Peter Gill Park, Jose Higuera Adobe Park, Murphy Park, and Sunnyhills Albert Augustine Jr. Memorial Park.

- C27. Authorize the City Manager to Negotiate and Execute an Agreement with RecTrac, LLC dba Vermont Systems for Recreation Management Software (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Renee Lorentzen, Recreation and Community Services Director, 408-586-3409)**

Recommendation: Authorize the City Manager, or designee, to negotiate and execute a Software License and Professional Services Agreement with RecTrac, LLC dba Vermont Systems for Recreation Management Software, including related professional services and as-required hardware, for an initial three-year term and a maximum compensation of \$140,000, subject to the appropriation of funds.

- C28. Authorize the City Manager to Negotiate and Execute an Amendment to the Agreement for Asian-Inspired Congregate Nutritious Meals Services with Moonchef, LLC (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Renee Lorentzen, Director of Recreation and Community Services, 408-586-3409)**

Recommendation: Authorize the City Manager, or designee, to negotiate and execute an amendment to the Agreement for Asian-Inspired Congregate Nutritious Meals Services with Moonchef, LLC to extend the term for one additional year through June 30, 2026 and add \$68,217 to the Agreement for a revised not-to-exceed compensation of \$167,587 for the full three-year term.

PUBLIC HEARINGS (7:30 PM)

Members of the public may be allotted up to three (3) minutes or less at the Mayor's discretion, to comment on any public hearing item. Applicants/Appellants and their representatives may be allotted up to a total of ten (10) minutes for opening statements and up to a total of five (5) minutes maximum for closing statements. Items requested/recommended for continuance are subject to Council's consent at the meeting.

- 29. Adopt a Resolution to Confirm the 2025 Weed Abatement Assessment Report (Staff Contact: Arthur Belton, Deputy Fire Chief / Fire Marshal, 408-586-3384)**

Recommendation: Conduct a public hearing and adopt a resolution confirming the 2025 Weed Abatement Assessment Report and Assessment List to be entered into the tax assessment rolls.

- 30. Adopt a Resolution Certifying the City of Milpitas Sewer System Management Plan (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)**

Recommendation: Adopt a resolution certifying the City of Milpitas' Sewer System Management Plan.

COMMUNITY DEVELOPMENT (8:30 PM)

31. **Adopt a Resolution Accepting Metropolitan Transportation Commission's Transit-Oriented Communities Planning and Implementation Projects Grants (Staff Contact: Jay Lee, Planning Director, 408-586-3077)**

Recommendation: Adopt a resolution accepting Metropolitan Transportation Commission's Transit-Oriented Communities Planning and Implementation Projects Grants in the amount of \$400,000 as a condition to receive regional discretionary funds to support increased allowable floor area ratio for the implementation of a parking and transportation demand management policy for Transit-Oriented Communities areas.

32. **Receive an Update on the Milpitas SMART Program and Consider Approving Bridge Funding (Staff Contact: Jay Lee, Planning Director, 408-586-3077)**

Recommendation: (1) Receive a staff update on the Milpitas SMART Program; (2) Approve bridge funds to continue SMART services until the Santa Clara Valley Transportation Authority announces 2016 Measure B grant awards in fall 2025; (3) Appropriate \$300,000 from the Contingency Reserve Fund or another City resource to support the bridge funding; and (4) Authorize the City Manager, or designee, to negotiate and execute amendments and agreements necessary to effectuate this bridge funding.

COMMUNITY SERVICES AND SUSTAINABLE INFRASTRUCTURE (9:30 PM)

33. **Approve Conceptual Design for Metro Tango Subdistrict Park (Staff Contact: Christian Di Renzo, Public Works, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)**

Recommendation: Approve the conceptual design for Metro Tango Subdistrict Park, Project No. 2023.

ANNOUNCEMENTS AND FUTURE AGENDA ITEMS (10:00 PM)

Members of the City Council or City Manager may make brief announcements at this time. Members of the City Council may also suggest future agenda items. For future agenda items, the City Council shall not debate the topic or engage in discussion but shall simply state a "yes" or "no" as whether to move the item forward. If a majority of the City Council agrees to move the item forward, the City Manager shall place the item on a future agenda.

ADJOURNMENT (10:05 PM)

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 City agencies exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and 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: ccreech@milpitas.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.milpitas.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 City website. City Council agendas and related materials can be viewed online: www.milpitas.gov/government/council/agenda_minutes.asp (select meeting date)

APPLY TO SERVE ON A CITY COMMISSION

Commission application forms are available online at www.milpitas.gov or at Milpitas City Hall.
Contact the City Clerk's Office at 408-586-3001 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 CityClerk@milpitas.gov prior to the meeting. You may request a larger font agenda.

May 2025						
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Milpitas City Council Calendar

June 2025

July 2025						
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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2 7:00 PM -Parks, Recreation & Cultural Resources Commission (EC)	3 6:00 PM -Closed Session 7:00 PM -City Council	4 2:00 PM -Santa Clara VTA Monthly Briefing - Northeast Group (CM) (Santa Clara) 5:30 PM -Veterans Commission (GB) 7:00 PM -Community Housing Commission (EC)	5 9:00 AM - Main St. Sense of Place Plan Stakeholder Workshop (MCC) 12:00 PM -Santa Clara County Library JPA Board Meeting (CM) (Campbell, CA) 5:30 PM -Milpitas Chamber of Commerce Board (GB) 5:30 PM -Santa Clara VTA Board of Directors (CM)	6	7
8	9 4:30 PM -Economic Development and Trade Commission (WL)	10	11 7:00 PM -Silicon Valley Clean Energy Board of Directors (GB) (Cupertino) 7:00 PM -Planning Commission	12 4:00 PM -Treatment Plant Advisory Committee (CM) (San Jose) 4:00 PM -Santa Clara VTA Policy Advisory Committee (EC) 6:00 PM -Youth Advisory Commission (HL) 7:00 PM -Cities Assoc of SCC (CM)	13	14
15	16 7:00 PM -Science, Technology, and Innovation Commission (WL)	17 4:30 PM -Closed Session 7:00 PM -City Council	18 6:00 PM -Energy and Environmental Sustainability Commission (EC)	19	20 10:00 AM -ABAG General Assembly & Conference (HL) (Bay Area Metro Center (375 Beale St, San Francisco, CA 94105, United States))	21
22	23	24 1:30 PM -Senior Advisory Commission (HL)	25 5:30 PM -Cities Assoc. of SCC - Recycling and Waste Reduction Commission (CM)	26 5:30 PM -State of the City	27	28
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June 2025						
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Milpitas City Council Calendar

July 2025

August 2025						
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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		1	2 2:00 PM-Santa Clara VTA Monthly Briefing - Northeast Group (CM) (Santa Clara)	3 5:30 PM-Santa Clara VTA Board of Directors (CM) 5:30 PM-Milpitas Chamber of Commerce Board (GB)	4 INDEPENDENCE DAY City Hall Closed 	5
6	7	8	9 7:00 PM-Silicon Valley Clean Energy Board of Directors (GB) (Cupertino)	10 4:00 PM-Santa Clara VTA Policy Advisory Committee (EC) 4:00 PM-Treatment Plant Advisory Committee (CM) (San Jose)	11	12
13	14	15	16	17 6:30 PM-Bay Area Water Supply Conserv Agency (CM) (Oak Room - San Mateo Main Library)	18	19
20	21	22	23	24 4:00 PM-Silicon Valley Regional Interoperability Authority (SVRIA) (GB)	25	26
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July 2025						
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Milpitas City Council Calendar

August 2025

September 2025						
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Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
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3	4 7:00 PM-Parks, Recreation & Cultural Resources Commission (EC)	5	6 2:00 PM-Santa Clara VTA Monthly Briefing - Northeast Group (CM) (Santa Clara) 5:30 PM-Veterans Commission (GB) 7:00 PM-Community Housing Commission (EC)	7 5:30 PM-Milpitas Chamber of Commerce Board (GB) 5:30 PM-Santa Clara VTA Board of Directors (CM)	8	9
10	11 4:30 PM-Economic Development and Trade Commission (WL)	12 6:00 PM-Closed Session 7:00 PM-City Council	13 4:30 PM-City Council Finance Subcommittee (CM/EC) 7:00 PM-Silicon Valley Clean Energy Board of Directors (GB) (Cupertino) 7:00 PM-Planning Commission	14 4:00 PM-Treatment Plant Advisory Committee (CM) (San Jose) 4:00 PM-Santa Clara VTA Policy Advisory Committee (EC) 6:00 PM-Youth Advisory Commission (HL) 7:00 PM-Cities Assoc of SCC (CM)	15	16
17	18 7:00 PM-Science, Technology, and Innovation Commission (WL)	19 5:00 PM-Closed Session 7:00 PM-City Council	20 12:00 PM-Santa Clara Valley Water District - Water Commission (CM) 6:00 PM-Energy and Environmental Sustainability Commission (EC)	21	22	23
24	25	26 1:30 PM-Senior Advisory Commission (HL)	27 5:30 PM-Cities Assoc. of SCC - Recycling and Waste Reduction Commission (CM) 7:00 PM-Planning Commission	28	29	30
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JOINT MEETING OF THE MILPITAS CITY COUNCIL AND HOUSING AUTHORITY

MINUTES

TUESDAY, JUNE 3, 2025

The City Council of the City of Milpitas convened in a Joint Meeting of the Milpitas City Council and Housing Authority on June 3, 2025, in the City Council Chamber, 455 E. Calaveras Blvd, Milpitas, CA, and via teleconference/Zoom webinar.

CALL MEETING TO ORDER by Mayor and ROLL CALL by City Clerk

Mayor Montano called the Regular City Council meeting to order at 7:01 PM. Roll Call was taken by City Clerk Guzzetta.

PRESENT: Mayor Montano, Vice Mayor Barbadillo, Councilmember Chua, Councilmember Lam,
Councilmember Lien

ABSENT: None

AB 2449

1. **Consider Councilmember Evelyn Chua's Request to Appear Remotely Pursuant to AB 2449 and Authorize the Council to Accept Public Comments Remotely at the June 3, 2025, Meeting of the Milpitas City Council (Staff Contact: Christopher Creech, Acting City Attorney, 408-586-3040; and Suzanne Guzzetta, City Clerk, 408-586-3001)**

Acting City Attorney Creech reported that Councilmember Chua had requested to participate remotely under the emergency circumstances exception of AB 2449 and noted that the City Attorney's office had reviewed the circumstances and believed them to be compliant with AB 2449. He asked Councilmember Chua if anyone over 18 was present in the room with her, to which she confirmed her husband was present.

After discussion, motion: to receive disclosure from Councilmember Chua regarding the nature of the emergency or just cause circumstances and allow Councilmember Chua to appear remotely pursuant to AB2449 and to allow remote public comment at the June 3, 2025 meeting of the Milpitas City Council..

Motion/Second: Councilmember Lien / Vice Mayor Barbadillo

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Barbadillo, Councilmember Chua, Councilmember Lam,
Councilmember Lien

NOES: None

PLEDGE OF ALLEGIANCE

Vice Mayor Barbadillo led the pledge of allegiance.

INVOCATION

Mayor Montano delivered the invocation.

PUBLIC FORUM

There were the following public speakers:

1. Gunjan Utreja, Hike Queen Buddies
2. Member of Hike Queen Buddies
3. Prashanth Kumar
4. Voltaire Montemayor
5. Charles Wright

ANNOUNCEMENT OF CONFLICT OF INTEREST AND CAMPAIGN CONTRIBUTIONS

Acting City Attorney Creech asked the Mayor and City Councilmembers if they had any personal conflicts of interest. By roll call, there were no conflicts of interest. Acting City Attorney Creech asked the Mayor and City Councilmembers if they had any reportable campaign contributions. By roll call, there were no reportable campaign contributions.

READING OF THE CITY COUNCIL CODE OF CONDUCT

Mayor Montano read the Code of Conduct.

APPROVAL OF AGENDA

After discussion, motion: to approve the agenda.

Motion/Second: Councilmember Lien / Councilmember Chua

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Barbadillo, Councilmember Chua, Councilmember Lam,
Councilmember Lien

NOES: None

CONSENT CALENDAR

Councilmember Lien requested to pull item C7 for discussion.

After discussion, motion: to approve the Consent Calendar, pulling Item C7 for discussion.

Motion/Second: Councilmember Lien / Councilmember Chua

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Barbadillo, Councilmember Chua, Councilmember Lam,
Councilmember Lien

NOES: None

2. Receive City Council Calendar of Meetings (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Received City Council Calendar of Meetings for June 2025.

3. Approve City Council Meeting Minutes (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)

Approved City Council Meeting minutes of May 20, 2025.

4. **Receive the Preview List of Anticipated Items for the Next Regular City Council Meeting (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)**

Received the list of anticipated agenda items for the next regular City Council meeting.

5. **Receive and Review the List of Agenda Items Requested by City Councilmembers (Staff Contact: Suzanne Guzzetta, City Clerk, 408-586-3001)**

Received the list of items that have been requested by City Councilmembers and received consensus in previous meetings to date.

6. **Approve Accounts Receivable Write-Offs for the Fiscal Year Ending June 30, 2025 (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111)**

Approved accounts receivable write-offs for the fiscal year ending June 30, 2025.

7. **Adopt a Resolution Expressing the City Commitment to Achieving Compliance with the Metropolitan Transportation Commission (MTC) Transit-Oriented Communities (TOC) Policy and Accept \$400,000 in MTC Grant Funding (Staff Contact: Jay Lee, Planning Director, 408-586-3077)**

Item pulled from Consent Calendar.

8. **Adopt a Resolution to Accept the Water Valves Project as Part of the Dempsey Road Water Line Replacement, Project Nos. 7110 and 7118, and Authorize the City Engineer to File a Notice of Completion and Issue a Notice of Final Acceptance After the One-Year Warranty (Staff: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)**

(1) Adopted **Resolution No. 9420** to accept the Water Valves Project as part of the Dempsey Road Water Line Replacement, Project Nos. 7110 and 7118; and (2) Authorized the City Engineer to file a Notice of Completion and issue a Notice of Final Acceptance after the one-year warranty.

9. **Adopt a Resolution to Accept the 2024 Annual Street Pavement Restriping Project, CIP No. 4295 and Authorize the City Engineer to File a Notice of Completion and Issue a Notice of Final Acceptance after the One-Year Warranty (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303).**

Adopted **Resolution No. 9421** to grant acceptance of 2024 Annual Street Pavement Restriping Project, CIP No. 4295, and authorize the City Engineer to file a Notice of Completion and issue a Notice of Final Acceptance after the one-year warranty.

10. **Authorize the City Manager to Amend Agreements with BrightView Landscape Services, Inc. for Park and Facilities Landscaping Services (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Christian Di Renzo, Public Works Director, 408-586-2602)**

Authorized the City Manager, or designee, to amend the Agreements with Brightview Landscape Services, Inc. for Park and Facilities Landscaping Services to (1) extend the terms of the Agreements through September 30, 2026, (2) increase vendor compensation by 2.5%, and (3) add \$80,000 to the Facilities Landscaping Agreement for a revised maximum compensation of \$661,300 to cover the price increase, extended term, and as-required repairs, subject to the appropriation of funds.

11. Receive an Update on the Water Main Repairs on Curtis Avenue and Yosemite Drive and Determine that the Condition Constitutes an Emergency (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)

(1) Received an update on the Water Main Repairs on Curtis Avenue and Yosemite Drive; and (2) Determined by a four-fifths vote that the condition constitutes an emergency.

PUBLIC HEARINGS

12. Conduct a Public Hearing and Adopt a Resolution Confirming the Assessment and Ordering the Levy for the Landscaping and Lighting Maintenance Assessment District No. 95-1 - McCarthy Ranch in Fiscal Year 2025-26 (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)

Interim City Manager Santana introduced the item, noting that the presentation would be for both Items 12 & 13. City Engineer Silveira presented the report.

Mayor Montano opened the public hearing.

There were the following public speakers:

1. Voltaire Montemayor

Mayor Montano closed the public hearing.

After discussion, motion: to (1) Conduct a public hearing; and (2) Adopt **Resolution No. 9422** confirming the assessment and ordering the levy for Landscaping and Lighting Maintenance Assessment District No. 95-1 McCarthy Ranch in Fiscal Year 2025-26.

Motion/Second: Councilmember Chua / Councilmember Lien

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Barbadillo, Councilmember Chua, Councilmember Lam, Councilmember Lien

NOES: None

13. Conduct a Public Hearing and Adopt a Resolution Confirming the Assessment and Ordering the Levy for the Landscaping and Lighting Maintenance Assessment District No. 98-1, Sinclair Horizon in Fiscal Year 2025-26 (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)

Mayor Montano opened the public hearing. There being no public comment, she closed the public hearing.

After discussion, motion: to (1) Conduct a public hearing; and (2) Adopt **Resolution No. 9423** confirming the assessment and ordering the levy for Landscaping and Lighting Maintenance Assessment District No. 98-1, Sinclair Horizon in Fiscal Year 2025-26..

Motion/Second: Councilmember Lien / Vice Mayor Barbadillo

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Barbadillo, Councilmember Chua, Councilmember Lam, Councilmember Lien

NOES: None

14. Conduct a Public Hearing and Adopt Resolutions to Approve the Fiscal Year 2025-26 Proposed Operating Budget for the City of Milpitas and the Milpitas Housing Authority, Approve the Fiscal Year 2025-26 Gann Appropriations Limit, Authorize Various Financial Actions, Fiscal Policies and Budget Guidelines, and Amend the Classification Plan for Alignment with the FY 2025-26 Proposed Operating Budget, the Minimum Wage Increase, and Salary Schedules Consistent with Previous Council Action (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111)

Interim City Manager Santana introduced the item. Finance Director Cofresí-Howe and Budget Manager Vurich presented the report.

Mayor Montano opened the public hearing.

There were the following public speakers:

1. Voltaire Montemayor

Mayor Montano closed the public hearing.

Mayor Carmen Montano opened by praising staff for presenting a balanced budget and emphasized the importance of teamwork and long-term financial planning. Councilmember Evelyn Chua echoed this appreciation and highlighted the progress made in addressing the short-term deficit, while urging continued work on the City's structural budget challenges. Councilmember Hon Lien also commended the effort but cautioned against complacency, emphasizing the need to eliminate the projected five-year deficit.

Councilmember William Lam sought clarification on a \$200,000 discrepancy in expenditure figures. Alice Vurich, Budget Manager, explained it was due to two one-time initiatives added after the May 13 study session: expansion of the Milpitas Youth Force Program and a college internship pilot.

Vice Mayor Garry Barbadillo offered a comprehensive recap of the City's shift from a projected \$28.5 million deficit to a balanced budget, emphasizing the role of cost reallocation, recurring reductions, and the use of \$5.1 million in one-time funds. He questioned the long-term impact of relying on non-recurring revenues. Interim City Manager Deanna Santana responded that the one-time funds had been strategically used, with most items already authorized by Council, and confirmed that \$3.4 million in true recurring reductions would carry into future years. She noted staff would return with long-term strategies to improve fiscal sustainability.

Staff was directed to continue monitoring future deficits, prepare for mid-cycle updates, and develop proposals for sustainable revenue and cost management. Council expressed satisfaction with the current budget but emphasized the importance of long-term planning.

After discussion, motion: to Adopt the following Resolutions: (a) **Resolution No. 9424** a Joint Resolution of the City Council and Milpitas Housing Authority to approve the Fiscal Year 2025-26 Proposed Operating Budget for the City of Milpitas and the Milpitas Housing Authority, approve the Fiscal Year 2025-26 Gann Appropriations Limit, Fiscal Policies and Budget Guidelines and authorizing various financial actions by the City Manager, including Approving and Authorizing the Execution of Various Contracts and Payments over \$100,000; (b) **Resolution No. 9425** Amending Resolution No. 1626, the Classification Plan, to authorize additional positions and amend budgeted allocated positions; (c) **Resolution No. 9426** Amending Resolution No. 1626, the Classification Plan, to adjust the hourly rate ranges for classifications due to a minimum wage increase pursuant to Ordinance No. 292; (d) Adopted **Resolution No. 9427** Amending Resolution No. 1626, the Classification Plan of Unrepresented Management Employees and Authorizing Fringe Benefits; (e) **Resolution No. 9428** Amending Resolution No. 1626, the Classification Plan, to adjust the Salary Schedules for

various classifications to align with the current memorandums of understandings (MOUs).

Motion/Second: Councilmember Chua / Councilmember Lien

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Barbadillo, Councilmember Chua, Councilmember Lam,
Councilmember Lien

NOES: None

15. Conduct a Public Hearing and Adopt a Resolution Approving the Proposed 2026-2030 Capital Improvement Program (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)

Interim City Manager Santana presented the report. CIP Manager Eam presented the report. He was joined by Public Works Director Di Renzo and City Engineer Silveira.

Mayor Montano opened the public hearing

There were the following public speakers.

1. Voltaire Montemayor

Mayor Montano closed the public hearing.

After discussion, motion: to (1) Conduct a public hearing and adopt **Resolution No. 9429** approving the 2026-2030 Capital Improvement Program; and (2) Approve a budget appropriation of \$50,000 from the Midtown Park Fund to fund Amendment No. 1 to the Professional Service Agreement with Padres Associates, Inc. for Phase 2 Environmental Site Assessment at 230 N. Main Street.

Motion/Second: Councilmember Chua / Councilmember Lien

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Barbadillo, Councilmember Chua, Councilmember Lam,
Councilmember Lien

NOES: None

16. Conduct a Public Hearing to Adopt the 2025-2030 Consolidated Plan, Adopt the 2025-2026 Annual Action Plan, and Approve the Community Development Block Grant Allocations for 2025-2026 (Staff Contact: Sarah Balcha, Acting Housing Official, 408-586-3222)

Interim City Manager Santana introduced the item. Housing Administrative Analyst Michelle Silva presented the report.

Mayor Montano opened the public hearing.

There were the following public speakers:

1. Marina Sanchez
2. Jonathan Dair
3. Cathy Weselby
4. Yolie Garcia
5. Carole Conn
6. Georgia Bacil
7. Voltaire Montemayor
8. Melanie Faure

Mayor Montano closed the public hearing.

Mayor Carmen Montano initially proposed reallocating \$50,000 from the microenterprise program to Rebuilding Together Silicon Valley to support local senior home repairs. Councilmember Hon Lien asked for clarification on whether Rebuilding Together had already received funding. Michelle Silva, Housing Administrative Analyst II, confirmed the organization had been allocated \$385,000 at the May 6 Council meeting from a different CDBG funding source. With this clarification, the Mayor withdrew her recommendation.

Councilmember Lien then advocated for funding Hope for the Unhoused Milpitas, praising their weekly outreach services. Housing Administrative Analyst II Silva explained that although the organization was previously allocated \$5,000, they had been unable to meet the City's insurance requirements, preventing execution of an agreement. Assistant City Manager Matt Cano added that staff would assist the group to help them qualify in a future funding cycle.

Councilmember Evelyn Chua moved to approve staff's recommendations; the motion was seconded by Vice Mayor Garry Barbadillo.

Councilmember William Lam asked to add a comment before the vote. He voiced support for the recommendation, but asked to include direction to conduct biannual audits of grant recipients. Housing Administrative Analyst II Silva explained that the City already performs quarterly monitoring as part of the reimbursement process, with an annual formal monitoring process at year's end. She confirmed that the City takes corrective actions upon identifying concerns. Following this response from staff, Councilmember William Lam did not request that the biannual audits be added to the recommendation.

After discussion, motion: to adopt the 2025-2030 Consolidated Plan; adopt the 2025-2026 Annual Action Plan with recommended allocation amounts; authorize the City Manager, or designee, to make any necessary changes to the 2025-2030 Consolidated Plan and 2025-2026 Annual Action Plan as needed to comply with CDBG submission guidelines and execute necessary forms and certifications for submission; and authorize the City Manager, or designee, to execute CDBG agreements with the approved subrecipients, and amend the CDBG agreements as needed to comply with CDBG guidelines.

Motion/Second: Councilmember Chua / Vice Mayor Barbadillo

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Barbadillo, Councilmember Chua, Councilmember Lam, Councilmember Lien

NOES: None

ITEMS PULLED FROM CONSENT CALENDAR

7. Adopt a Resolution Expressing the City Commitment to Achieving Compliance with the Metropolitan Transportation Commission (MTC) Transit-Oriented Communities (TOC) Policy and Accept \$400,000 in MTC Grant Funding (Staff Contact: Jay Lee, Planning Director, 408-586-3077)

Interim City Manager Santana introduced the item. Planning Director Lee presented the report.

There were the following public speakers:

1. Anil Babbar
2. Voltaire Montemayor

Members of the City Council expressed concern regarding the lack of clarity in the proposed resolution to adopt elements of the Metropolitan Transportation Commission (MTC) Transit-Oriented Communities (TOC) policy. There was particular focus on the potential future obligations that might arise from accepting technical assistance and a \$400,000 grant tied to the policy.

Councilmember Lien expressed concern about the potential obligations associated with the \$400,000 grant and suggested additional time to engage with the MTC for clarification. She asked if the grant aligns with Milpitas' transportation goals, the risks that might be involved in accepting it, and if accepting it would limit future city land use actions. Councilmember Lien suggested that additional time may be needed to engage with MTC to clarify these concerns.

Interim City Manager Deanna Santana acknowledged the concerns and explained that the resolution was needed to meet a July 1, 2025 MTC deadline. She noted it was intentionally broad to preserve flexibility while the City continues working with MTC, and emphasized that detailed implementation strategies would be presented to the Council at a later date.

Vice Mayor Barbadillo questioned the connection between the grant and the overall MTC policy, highlighting the need for a clearer understanding of any catch or future obligation due to the MTC's policy guideline. He queried if the technical assistance and the accompanying \$400,000 grant could result in expectations that the city's plans conform to MTC's policies.

Councilmember Chua raised questions about the historical context of grants from MTC, asking if this process, which seemed to obligate the city possibly to conform to MTC's overarching policies, was unprecedented. She shared concerns about pressure to comply within a specific timeline, and whether acceptance of the grant could gradually obligate the City to increase residential densities or otherwise reduce its planning autonomy.

Planning Director Lee clarified that the resolution would enable the City to receive technical assistance without committing to full TOC policy compliance or incurring financial obligations, explaining that the grant's scope is limited to studying increased commercial density near the BART station and parking policies to support transportation demand management.

The City Council expressed consensus on the need for written clarification from MTC to ensure that no hidden conditions were attached to the grant that could affect future decision-making. The Council emphasized the importance of preserving local land use authority while continuing to explore partnership opportunities.

As a result, the council decided to defer the decision on adopting the resolution. Councilmember Lam made a motion to continue the item to the June 17, 2025, City Council meeting to allow time for further dialogue with MTC. The motion was seconded by Vice Mayor Barbadillo with staff directed to engage with MTC and return with written clarifications regarding the scope of the grant and any future policy implications.

Motion/Second: Councilmember Lam / Vice Mayor Barbadillo

Motion carried by the following:

AYES: Mayor Montano, Vice Mayor Barbadillo, Councilmember Chua, Councilmember Lam, Councilmember Lien

NOES: None

ANNOUNCEMENTS AND FUTURE AGENDA ITEMS

Council Member Chua invited everyone to attend the Filipino American flag raising event on June 14th at 2 pm at Cesar Chavez Plaza.

ADJOURNMENT

Mayor Montano adjourned the meeting at 10:00 PM.

Draft meeting minutes submitted by City Clerk, Suzanne Guzzetta

TENTATIVE CITY COUNCIL AGENDA ITEM LIST

as of 6/10/2025

August 12, 2025 – Special Meeting (5:30 PM)

CLOSED SESSION

INVOCATION (Councilmember Lam)

PRESENTATION

- Women's Equality Day (Proclamation)

CONSENT CALENDAR

1. Receive City Council calendar for August 2025 (City Clerk)
2. Approve City Council meeting minutes of June 17, 2025 (City Clerk)
3. Preview list of items for August 19, 2025 (City Clerk)
4. Councilmember Request List (City Clerk)
5. Commission Appointments (City Clerk)
6. Summer Recess CMO Authority Report Out (City Manager)
7. Report on Bids for Land Management System (Information Technology)
8. District 1 Lot 2 (Graham) – Initial Acceptance of Public Improvements (Public Works / Engineering)
9. Approve Improvement Agreement for 470 Wool Drive (Public Works / Engineering)
10. Award 5-Year Aboveground/Underground Storage tank Maintenance and Repair Agreement (Public Works)

PUBLIC HEARINGS

11. Citywide Fees (Finance)
12. Adopt Comprehensive Zoning Ordinance Update (Planning)
13. Triennial Public Health Goals Report (Public Works)

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS**

OPEN ITEMS				
Request No.	Topic	Submitted by:	Date Requested	STATUS and/or DATE scheduled on City Council meeting agenda:

ACTIVE ITEMS				
Request No.	Topic	Submitted by:	Date Requested	STATUS and/or DATE scheduled on City Council meeting agenda:
1	Reinstate the posting of the colors by Boy Scouts at City Council Meetings	Chua	4/15/2025	An update on this item will be included in the next quarterly prioritization update.
2	Revise City Council Code of Conduct language regarding the use of electronic devices.	Lam	4/1/2025	An update on this item will be included in the next quarterly prioritization update.
3	Develop a project management informational memo.	Barbadillo	4/1/2025	An update on this item will be included in the next quarterly prioritization update.
4	Create a Milpitas Community Concert Choir with city support for marketing and rehearsal space.	Chua	4/1/2025	An update on this item will be included in the next quarterly prioritization update.
5	Look into adding an entertainment zone to Main Street.	Montano	3/4/2025	An update on this item will be included in the next quarterly prioritization update.
6	Staff provide a detailed analysis of overtime expenditures by department.	Barbadillo	3/4/2025	An update on this item will be included in the next quarterly prioritization update.
7	Look into a policy to require a Super Majority vote by Council for any deductions to budget reserves.	Chua	2/18/2025	An update on this item will be included in the next quarterly prioritization update.
8	Bring back a discussion regarding fentanyl-related issues	Barbadillo	2/18/2025	An update on this item will be included in the next quarterly prioritization update.
9	Feasibility study regarding a police satellite office.	Montano	2/18/2025	An update on this item will be included in the next quarterly prioritization update.
10	Staff organize a job fair for City job openings	Chua	11/19/2024	An update on this item will be included in the next quarterly prioritization update.
11	Bring back a study or analysis of the permit process	Chua	11/19/2024	An update on this item will be included in the next quarterly prioritization update.
12	Explore updating the city's business tax rate schedule	Chua	10/1/2024	An update on this item will be included in the next quarterly prioritization update.
13	Explore funding options for new signage following the decision to rename the Milpitas Library to the Milpitas Jose Esteves Library	Barbadillo	9/3/2024	An update on this item will be included in the next quarterly prioritization update.
14	Update the animal control ordinance to include other animals such as horses and cats	Chua	9/3/2024	An update on this item will be included in the next quarterly prioritization update.
15	Look into adopting an ordinance similar to San Jose allowing ADUs (Accessory Dwelling Units) to have a separate title and be sold separately.	Chua	8/13/2024	An update on this item will be included in the next quarterly prioritization update.
16	Conduct a traffic study on Escuela Parkway to address circulation concerns	Montano	5/7/2024	An update on this item will be included in the next quarterly prioritization update.
17	Explore the possibility of augmenting the Planning Commission stipend	Barbadillo	4/16/2024	An update on this item will be included in the next quarterly prioritization update.
18	Consideration of the 20% Low Income Below Market Rate Housing	Montano	12/5/2023	An update on this item will be included in the next quarterly prioritization update.
19	Referral for utility infrastructure cost on Main Street from Carlo to Corning Streets	Montano	10/17/2023	An update on this item will be included in the next quarterly prioritization update.
20	Main Street International Festival	Lien	10/3/2023	An update on this item will be included in the next quarterly prioritization update.
21	Pickleball Pilot Project	Chua	2/28/2023	An update on this item will be included in the next quarterly prioritization update.
22	Main Street Infrastructure Projects	Montano	2/28/2023	An update on this item will be included in the next quarterly prioritization update.
23	Main Street Flooding at Library	Chua	2/28/2023	An update on this item will be included in the next quarterly prioritization update.
24	Have the City look into the possibility of a Citywide Senior Discount	Barbadillo	2/7/2023	An update on this item will be included in the next quarterly prioritization update.

NOTE: Deferred and Completed Items are not listed

**MILPITAS CITY COUNCIL
AGENDA ITEM REQUESTS**

ACTIVE ITEMS				
Request No.	Topic	Submitted by:	Date Requested	STATUS and/or DATE scheduled on City Council meeting agenda:
25	City Manager look into implementing a workshop for small businesses on the bidding process for projects in the city	Chua	8/9/2022	An update on this item will be included in the next quarterly prioritization update.
26	Quarterly or Monthly crime statistics on Homekey Project	Chua	6/7/2022	An update on this item will be included in the next quarterly prioritization update.
27	Evaluate reopening the childcare center with a non-profit organization running the center	Montano	2/1/2022	An update on this item will be included in the next quarterly prioritization update.
28	Staff to look into mural Art on Great Mall Parkway on the VTA owned Light rail pillars	Montano	11/16/2021	An update on this item will be included in the next quarterly prioritization update.
29	Consider Community Museum and Park on Main St.	Phan	8/20/2019	Discussions with the property owner of this site are ongoing and staff is tracking returning to council by June 2025 with an update.

NOTE: Deferred and Completed Items are not listed



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Setting a Salary Range for the Position of City Attorney (Matt Cano, Assistant City Manager, 408-586-3012)
Category:	Leadership and Support Services
Meeting Date:	6/17/2025
Recommendation:	Adopt the Amendment for Resolution No. 1626, the Classification Plan, to adjust the Salary Schedule for the classification of City Attorney.

BACKGROUND:

As stated in the City of Milpitas City Council Procedures and Protocols Handbook, the City Attorney is appointed by the City Council and reports to the full City Council. The City Attorney advises the City Council and City officers in their official capacity on legal matters affecting the City, attends all City Council meetings and some City of Milpitas Committee/Commission meetings, and represents the City in legal actions and proceedings. The City Attorney works in collaboration with the City Manager.

The contract for the previous City Attorney expired on April 25, 2025. On [May 6, 2025](#), the Mayor and City Council adopted a resolution appointing Assistant City Attorney Christopher Creech as the Acting City Attorney. Additionally, during closed session on May 6, 2025, the City Council approved the establishment of a subcommittee consisting of Vice Mayor Gary Barbadillo and Councilmember Evelyn Chua to work with the City Manager on the recruitment for the permanent position of City Attorney.

On February 11, 2025, the City Council subcommittee convened, along with the City Manager, to interview potential recruitment firms for the position of City Attorney. In consultation with the subcommittee, the City Manager retained the services of Alliance Resources Consulting, LLC (Alliance) to facilitate the recruitment process. Alliance is a leading national public sector executive recruiting firm. The recruitment brochure for the position of City Attorney is expected to be widely distributed in late June 2025, and the selection process is expected to be completed by September 2025.

ANALYSIS:

To ensure a successful recruitment, it is important the expected salary range for the City Attorney position be posted with the recruitment brochure. If the salary range is not posted, it will lead to uncertainty amongst potential applicants which would lead to certain qualified applicants not applying. Currently the salary range for the City Attorney position is \$207,922.00 to \$259,903.02. As a comparison, Table 1 below provides information, from the published Salary Tables, as of April/May 2025, for other local jurisdictions.

**Table 1: City Attorney “Top of Range” Salaries for Santa Clara County Cities
(above 40,000 population) and Selected Other Local Cities***

City	Population (approx.)**	Max Salary from Respective City Posted Pay Plan
Milpitas	79,746	\$259,903
Pleasanton	75,664	\$291,695
Morgan Hill	45,952	\$309,927
Sunnyvale	156,792	\$320,000
Redwood City	82,982	\$333,402
Mountain View	87,316	\$348,752
Fremont	228,192	\$355,159

City	Population (approx.)**	Max Salary from Respective City Posted Pay Plan
Santa Clara	133,132	\$356,212
Palo Alto	67,658	\$365,266
San José	997,368	\$412,511
Average (not including Milpitas)		\$343,658
Median Salary (not including Milpitas)		\$348,752

*Fremont was selected as it borders Milpitas. Redwood City and Pleasanton were selected as they have been used by the City of Milpitas for comparative purposes in the past due to their similarly sized population and services provided to the community

**Population estimates are based on US Census Bureau Website as of July 2024 and may not match other reported numbers.

For the Cities listed in the above table, the average salary for the position of City Attorney is \$343,658 and the median salary is \$348,752.

Considering the feedback from the City Council subcommittee, a key consideration in determining the salary is the need to attract qualified and experienced candidates for the City Attorney position throughout the State of California. To achieve this, it is essential to establish a salary range that positions this role as a significant opportunity. After evaluating the desired qualifications and analyzing salaries in neighboring jurisdictions and Southern California, our recruitment consultant has recommended a salary range of \$340,000 to \$400,000 for this position. This range will be used on the City Attorney Job Description and throughout the recruitment process. At the appointment of the permanent City Attorney, an employment agreement with a set salary and revised salary schedule will be presented to the City Council.

POLICY ALTERNATIVE(S):

Alternative 1: Do not adjust the pay scale for the position of City Attorney.

Pros: This would result in General Fund savings.

Cons: This will create challenges in attracting qualified and experienced applicants for the position.

FISCAL IMPACT:

The estimated maximum fiscal impact for the pay range adjustment to the City Attorney position is shown in the Source and Use of Funds table below. For Fiscal Year 2025-2026, the estimated maximum fiscal impact is \$584,792 of which \$369,047 was appropriated in the FY 2025-26 Adopted Operating Budget approved on [June 3, 2025](#). An additional maximum appropriation of \$215,745 would be made with vacancy savings from the City Attorney position plus one-time funding from the General Fund Contingency Reserve if needed. In subsequent fiscal years, the City Attorney salary and benefits will be included in the City base operating budget.

Source of Funds				
City Attorney	FY 2025-26 Adopted, Amended Operating Budget			
	Vacancy Savings & General Fund			Total
	100 - General Fund	Contingency Reserve		
Salary	\$ 242,267	\$ 157,733	\$ 400,000	
Benefits	126,780	58,012	184,792	
Total Sources of Funds	\$ 369,047	\$ 215,745	\$ 584,792	

Use of Funds				
City Attorney	FY 2025-26 Adopted, Amended Operating Budget			
	General Fund			Total
	100 - General Fund	Contingency Reserve		
Salary	\$ 242,267	\$ 157,733	\$ 400,000	
Benefits	126,780	58,012	184,792	
Total Uses of Funds	\$ 369,047	\$ 215,745	\$ 584,792	

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

Approval of the recommendation is not an activity defined as a “project” under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines 15061(b)(3) and 15378(b)(4) either because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and/or because the action is a financial, personnel and/or administrative activity and does not directly impact the environment pursuant to CEQA Guidelines 15378.

ATTACHMENT(S)

- (a) Resolution
- (b) Exhibit A to the Resolution: Revised Salary Table

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AMENDING
THE CLASSIFICATION PLAN TO AMEND THE SALARY SCHEDULE FOR THE
POSITION OF CITY ATTORNEY**

WHEREAS, the City of Milpitas has a Classification Plan adopted as Resolution No. 1626 on December 17, 1968, which has been amended from time to time, and which is in accordance with the Personnel Rules and Regulations of the City of Milpitas (Resolution No. 792 as amended); and

WHEREAS, amendments to the Classification Plan are necessary to account for changes within the organization, transfer of duties, new job responsibilities, and adjustments to salary ranges;

WHEREAS, the pending recruitment for a new City Attorney necessitates changes a review and modification of the salary range for the position of City Attorney.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. Resolution No. 1626, as amended, is hereby further amended effective July 1, 2025, as follows:

The City Council hereby adopts the salary schedule attached hereto as **Exhibit A** ("All Job Classifications/Salary Table Effective July 1, 2025"), which includes updated salary ranges for the following classifications:

- City Attorney: Salary Range \$340,000 to \$400,000, Exempt, Unrepresented

PASSED AND ADOPTED this _____ day of _____, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Suzanne Guzzetta, City Clerk

APPROVED:

Carmen Montano, Mayor/Chair

APPROVED AS TO FORM:

Christopher Creech, Acting City Attorney/General Counsel

CITY OF MILPITAS - HUMAN RESOURCES
All Job Classifications/ Projected Salary Table 07/1/2025

				Step A			Step B			Step C			Step D			Step E		
Classification	Union Code	Occ Code	Pay Grade	Hourly	BiWeekly	Annual	Hourly	BiWeekly	Annual	Hourly	BiWeekly	Annual	Hourly	BiWeekly	Annual	Hourly	BiWeekly	Annual
Accountant	50	2101	500	51.81	4,144.60	107,759.60	54.40	4,351.80	113,146.80	57.11	4,568.50	118,781.00	59.98	4,798.00	124,748.00	62.96	5,037.03	130,962.78
Accounting Technician I	50	6104	513	33.74	2,699.17	70,178.42	35.43	2,834.16	73,688.16	37.20	2,975.87	77,372.62	39.06	3,124.66	81,241.16	41.01	3,280.90	85,303.40
Accounting Technician II	50	6105	514	37.11	2,969.08	77,196.08	38.97	3,117.58	81,057.08	40.92	3,273.45	85,109.70	42.96	3,437.16	89,366.16	45.11	3,608.94	93,832.44
Administrative Analyst I	80	2102	801	43.28	3,462.67	90,029.42	-	-	-	-	-	-	-	-	-	56.98	4,558.39	118,518.14
Administrative Analyst II	80	2103	802	47.80	3,824.11	99,426.86	-	-	-	-	-	-	-	-	-	62.92	5,033.41	130,868.66
Administrative Assistant	80	6111	828	41.29	3,303.48	85,890.48	43.36	3,468.65	90,184.90	45.53	3,642.10	94,694.60	47.80	3,824.18	99,428.68	50.19	4,015.38	104,399.88
Assistant Chief of Police	60	1405	649	116.80	9,344.14	242,947.64	-	-	-	-	-	-	-	-	-	163.52	13,081.79	340,126.54
Assistant City Attorney	60	1113	645	80.82	6,465.24	168,096.24	-	-	-	-	-	-	-	-	-	109.40	8,751.75	227,545.50
Assistant City Manager	60	1104	666	101.41	8,112.63	210,928.38	-	-	-	-	-	-	-	-	-	141.97	11,357.69	295,299.94
Assistant Dir Recr & Comm Svcs	60	1121	659	69.20	5,535.95	143,934.70	-	-	-	-	-	-	-	-	-	96.88	7,750.33	201,508.58
Assistant Engineer	50	2201	502	56.13	4,490.60	116,755.60	58.94	4,715.12	122,593.12	61.89	4,950.86	128,722.36	64.98	5,198.44	135,159.44	68.23	5,458.39	141,918.14
Assistant Finance Director	60	1109	669	72.98	5,838.26	151,794.76	-	-	-	-	-	-	-	-	-	102.17	8,173.76	212,517.76
Assistant Fire Marshal	60	2501	632	93.05	7,443.79	193,538.44	-	-	-	-	-	-	-	-	-	130.27	10,421.31	270,954.14
Assistant Planner	50	2801	503	53.82	4,305.89	111,953.14	56.52	4,521.30	117,553.80	59.33	4,746.55	123,410.30	62.30	4,983.82	129,579.32	65.41	5,233.11	136,060.86
Assistant Pool Manager	70	5609	709	22.66	1,812.80	47,132.80	-	-	-	-	-	-	-	-	-	31.57	2,525.60	65,665.60
Assistant Water Operator	20	7212	221	46.16	3,462.27	90,019.02	48.47	3,635.40	94,520.40	50.90	3,817.16	99,246.16	53.44	4,008.00	104,208.00	56.11	4,208.43	109,419.18
Assistant Water Operator - 40	20	8611	226	46.43	3,714.73	96,582.98	48.76	3,900.66	101,417.16	51.20	4,095.86	106,492.36	53.77	4,301.48	111,838.48	56.46	4,516.46	117,427.96
Associate Civil Engineer	50	2202	504	64.55	5,164.16	134,268.16	67.78	5,422.40	140,982.40	71.17	5,693.53	148,031.78	74.73	5,978.21	155,433.46	78.46	6,277.14	163,205.64
Associate Planner	50	2802	505	61.89	4,950.99	128,725.74	64.99	5,199.21	135,179.46	68.24	5,459.44	141,945.44	71.65	5,731.70	149,024.20	75.23	6,018.18	156,472.68
Budget Manager	80	1115	839	63.09	5,047.51	131,235.26	-	-	-	-	-	-	-	-	-	83.05	6,643.99	172,743.74
Building & Housing Director	60	1802	658	88.20	7,055.63	183,446.38	-	-	-	-	-	-	-	-	-	123.47	9,877.89	256,825.14
Building Inspection Manager	80	3809	848	65.73	5,258.33	136,716.58	-	-	-	-	-	-	-	-	-	79.89	6,391.58	166,181.08
Building Inspector Apprentice	70	8610	770	28.00	2,240.00	58,240.00	-	-	-	-	-	-	-	-	-	35.00	2,800.00	72,800.00
Building Official	60	1804	676	77.58	6,206.24	161,362.24	-	-	-	-	-	-	-	-	-	108.61	8,688.74	225,907.24
Building Permit Technician	50	5801	508	41.10	3,288.12	85,491.12	43.16	3,452.88	89,774.88	45.33	3,626.11	94,278.86	47.58	3,806.73	98,974.98	49.96	3,996.87	103,918.62
Building/NP Inspector	50	3801	507	54.48	4,358.21	113,313.46	57.20	4,576.17	118,980.42	60.06	4,804.93	124,928.18	63.07	5,045.20	131,175.20	66.22	5,297.43	137,733.18
Business Systems Analyst/Dev	80	2119	853	57.70	4,615.99	120,015.74	-	-	-	-	-	-	-	-	-	75.95	6,076.05	157,977.30
Buyer	80	2106	803	42.89	3,431.28	89,213.28	-	-	-	-	-	-	-	-	-	56.46	4,516.63	117,432.38
CIP Manager	60	2211	642	67.02	5,361.33	139,394.58	-	-	-	-	-	-	-	-	-	93.83	7,506.45	195,167.70
Case Manager	50	5612	544	36.83	2,946.17	76,600.42	-	-	-	-	-	-	-	-	-	45.96	3,676.76	95,595.76
Chief Fire Enforcement Officer	60	1505	656	80.45	6,436.20	167,341.08	-	-	-	-	-	-	-	-	-	112.63	9,010.68	234,277.68
Chief of Police	60	1402	650	122.64	9,811.05	255,087.30	-	-	-	-	-	-	-	-	-	171.69	13,735.51	357,123.26
City Attorney	60	1112	644	163.46	13,076.92	340,000.00	-	-	-	-	-	-	-	-	-	192.31	15,384.62	400,000.00
City Clerk	60	1101	605	67.06	5,364.87	139,486.62	-	-	-	-	-	-	-	-	-	93.90	7,511.67	195,303.42
City Engineer	60	1201	606	78.23	6,258.32	162,716.32	-	-	-	-	-	-	-	-	-	109.52	8,761.65	227,802.90
City Manager	60	1102	697	182.21	14,576.92	378,999.92	-	-	-	-	-	-	-	-	-	182.21	14,576.92	378,999.92
Code Enforcement Officer	50	5804	515	47.63	3,810.70	99,078.20	50.02	4,001.29	104,033.54	52.53	4,202.20	109,257.20	55.15	4,412.30	114,719.80	57.91	4,632.76	120,451.76
Communications Dispatch Superv	40	6409	456	61.94	4,954.90	128,827.40	65.03	5,202.64	135,268.64	68.28	5,462.79	142,032.54	71.70	5,735.94	149,134.44	75.28	6,022.74	156,591.24
Communications Dispatcher	40	6408	455	53.63	4,290.14	111,543.64	56.31	4,504.62	117,120.12	59.12	4,729.84	122,975.84	62.08	4,966.29	129,123.54	65.18	5,214.61	135,579.86
Community Service Officer	40	6412	460	46.22	3,697.73	96,140.98	48.53	3,882.63	100,948.38	50.96	4,076.76	105,995.76	53.51	4,280.59	111,295.34	56.18	4,494.64	116,860.64
Councilmember	60	1107	699	20.87	417.40	10,852.40	-	-	-	-	-	-	-	-	-	20.87	417.40	10,852.40
Crime Analyst	80	2105	809	51.81	4,145.13	107,773.38	-	-	-	-	-	-	-	-	-	68.20	5,456.27	141,863.02
Cross Connection Specialist	20	8626	239	47.99	3,839.31	99,822.06	50.52	4,041.37	105,075.62	53.18	4,254.08	110,606.08	55.97	4,477.97	116,427.22	58.92	4,713.65	122,554.90
Customer Services Supervisor	80	2127	847	50.24	4,019.43	104,505.18	-	-	-	-	-	-	-	-	-	66.13	5,290.45	137,551.70
Deputy City Clerk	80	6102	835	49.34	3,947.07	102,623.82	-	-	-	-	-	-	-	-	-	59.97	4,797.68	124,739.68
Deputy Director of IT	60	1123	679	80.31	6,424.82	167,045.32	-	-	-	-	-	-	-	-	-	102.85	8,227.82	213,923.32
Deputy Fire Chief	60	1504	633	117.25	9,379.84	243,875.81	-	-	-	-	-	-	-	-	-	164.15	13,131.77	341,426.09
Deputy Public Works Director	60	1207	654	78.23	6,258.32	162,716.32	-	-	-	-	-	-	-	-	-	109.52	8,761.65	227,802.90
Digital Media Specialist	80	2121	840	44.63	3,570.76	92,839.76	-	-	-	-	-	-	-	-	-	58.75	4,700.21	122,205.46
Dir of Recr & Community Svcs	60	1208	655	86.37	6,909.53	179,647.78	-	-	-	-	-	-	-	-	-	121.15	9,692.19	251,996.94
Econ Dev Dir & Strat Init	60	1206	653	86.37	6,909.53	179,647.78	-	-	-	-	-	-	-	-	-	121.15	9,692.19	251,996.94
Economic Development Coord	80	8623	852	54.45	4,355.63	113,246.38	-	-	-	-	-	-	-	-	-	67.51	5,400.93	140,424.18
Economic Development Spec	80	8606	850	51.85	4,147.86	107,844.36	-	-	-	-	-	-	-	-	-	62.59	5,006.89	130,179.14
Electrical/Building Inspector	50	3802	511	57.20	4,576.16	118,980.16	60.06	4,804.93	124,928.18	63.06	5,045.19	131,174.94	66.22	5,297.43	137,733.18	69.53	5,562.32	144,620.32
Emergency Services Coordinator	80	2502	836	57.28	4,582.72	119,150.72	-	-	-	-	-	-	-	-	-	75.39	6,031.47	156,818.22
Engineering Aide	50	3201	512	44.64	3,571.17	92,850.42	46.87	3,749.74	97,493.24	49.22	3,937.21	102,367.46	51.68	4,134.05	107,485.30	54.26	4,340.75	112,859.50
Engineering Permit Technician	50	2210	540	40.18	3,214.68	83,581.68	42.19	3,375.42	87,760.92	44.30	3,544.17	92,148.42	46.52	3,721.34	96,754.84	48.84	3,907.44	101,593.44
Entry Firefighter/EMT - 40	10	4512	115	58.36	4,668.57	121,382.90	61.28	4,902.01	127,452.23	-	-	-	-	-	-	-	-	-
Entry Firefighter/EMT - 56	10	4510	112	41.68	4,668.57	121,382.90	43.77	4,902.01	127,452.23	-	-	-	-	-	-	-	-	-

CITY OF MILPITAS - HUMAN RESOURCES
All Job Classifications/ Projected Salary Table 07/1/2025

				Step A			Step B			Step C			Step D			Step E		
Classification	Union Code	Occ Code	Pay Grade	Hourly	BiWeekly	Annual	Hourly	BiWeekly	Annual	Hourly	BiWeekly	Annual	Hourly	BiWeekly	Annual	Hourly	BiWeekly	Annual
Entry Firefighter/Paramedic-40	10	4513	116	65.36	5,228.81	135,949.09	68.63	5,490.25	142,746.51	-	-	-	-	-	-	-	-	-
Entry Firefighter/Paramedic-56	10	4511	113	46.69	5,228.81	135,949.09	49.02	5,490.25	142,746.51	-	-	-	-	-	-	-	-	-
Entry Level Fire Inspector	10	3508	114	50.39	4,031.53	104,819.72	52.91	4,233.11	110,060.77	55.56	4,444.77	115,563.90	58.34	4,667.01	121,342.22	61.25	4,900.36	127,409.37
Envir & Regulatory Comply Spec	80	8624	851	55.34	4,426.88	115,098.88	-	-	-	-	-	-	-	-	-	72.84	5,827.05	151,503.30
Environmental Inspector	50	2213	553	57.20	4,576.16	118,980.16	60.06	4,804.96	124,928.96	63.07	5,045.21	131,175.46	66.22	5,297.46	137,733.96	69.53	5,562.32	144,620.32
Equip Maint Worker I - 40	20	8612	227	42.23	3,378.26	87,834.76	44.32	3,545.47	92,182.22	46.54	3,723.07	96,799.82	48.87	3,909.97	101,659.22	51.32	4,105.21	106,735.46
Equip Maint Worker II - 40	20	8613	228	46.43	3,714.73	96,582.98	48.76	3,900.66	101,417.16	51.20	4,095.86	106,492.36	53.77	4,301.48	111,838.48	56.46	4,516.46	117,427.96
Equip Maint Worker III - 40	20	8614	229	52.31	4,185.18	108,814.68	54.94	4,394.96	114,268.96	57.69	4,615.14	119,993.64	60.57	4,845.68	125,987.68	63.61	5,088.69	132,305.94
Equipment Maint. Worker I	20	7202	200	41.97	3,147.51	81,835.26	44.07	3,304.89	85,927.14	46.27	3,470.18	90,224.68	48.58	3,643.67	94,735.42	51.01	3,825.85	99,472.10
Equipment Maint. Worker II	20	7203	201	46.16	3,462.27	90,019.02	48.47	3,635.40	94,520.40	50.90	3,817.16	99,246.16	53.44	4,008.00	104,208.00	56.11	4,208.43	109,419.18
Equipment Maint. Worker III	20	7204	202	52.01	3,901.05	101,427.30	54.61	4,096.03	106,496.78	57.34	4,300.87	111,822.62	60.21	4,515.91	117,413.66	63.22	4,741.72	123,284.72
Executive Assistant	80	6117	812	45.42	3,633.30	94,465.80	47.69	3,815.00	99,190.00	50.07	4,005.74	104,149.24	52.58	4,206.02	109,356.52	55.20	4,416.32	114,824.32
FF/Paramedic Trainee - 40	10	4504	107	62.25	4,979.81	129,475.16	62.25	4,979.81	129,475.16	62.25	4,979.81	129,475.16	62.25	4,979.81	129,475.16	62.25	4,979.81	129,475.16
FF/Paramedic Trainee - 56	10	4514	155	44.46	4,979.81	129,475.16	44.46	4,979.81	129,475.16	44.46	4,979.81	129,475.16	44.46	4,979.81	129,475.16	44.46	4,979.81	129,475.16
Finance Director	60	1103	627	88.58	7,086.27	184,243.02	-	-	-	-	-	-	-	-	-	124.00	9,919.98	257,919.48
Finance Manager	60	1116	647	62.51	5,001.18	130,030.68	-	-	-	-	-	-	-	-	-	87.52	7,001.68	182,043.68
Financial Analyst I	80	2125	844	40.41	3,233.17	84,062.42	-	-	-	-	-	-	-	-	-	53.20	4,255.81	110,651.06
Financial Analyst II	80	2126	845	44.63	3,570.76	92,839.76	-	-	-	-	-	-	-	-	-	58.75	4,700.21	122,205.46
Fire Battalion Chief	10	2508	153	62.45	6,993.89	181,841.21	-	-	-	-	-	-	-	-	-	87.42	9,791.45	254,577.69
Fire Battalion Chief - 40	10	2509	154	87.42	6,993.89	181,841.21	-	-	-	-	-	-	-	-	-	122.39	9,791.45	254,577.69
Fire Captain	10	2504	100	54.65	6,120.86	159,142.35	57.38	6,426.90	167,099.48	60.25	6,748.26	175,454.64	63.27	7,085.68	184,227.77	66.43	7,439.97	193,439.34
Fire Captain - 40	10	2507	108	76.51	6,120.86	159,142.35	80.34	6,426.90	167,099.48	84.35	6,748.26	175,454.64	88.57	7,085.68	184,227.77	93.00	7,439.97	193,439.34
Fire Chief	60	1502	630	129.27	10,341.38	268,875.79	-	-	-	-	-	-	-	-	-	180.97	14,477.97	376,427.14
Fire Engineer/EMT	10	4501	102	48.19	5,397.38	140,331.83	50.60	5,667.26	147,348.75	53.13	5,950.62	154,716.20	55.79	6,248.16	162,452.20	58.58	6,560.57	170,574.77
Fire Engineer/EMT - 40	10	4515	156	67.47	5,397.38	140,331.83	70.84	5,667.26	147,348.75	74.38	5,950.62	154,716.20	78.10	6,248.16	162,452.20	82.01	6,560.57	170,574.77
Fire Engineer/Paramedic	10	4505	151	53.97	6,045.08	157,172.11	56.67	6,347.34	165,030.96	59.51	6,664.71	173,282.38	62.48	6,997.96	181,946.86	65.61	7,347.86	191,044.31
Fire Prevention Inspector	10	3501	106	77.26	6,180.56	160,694.63	81.12	6,489.60	168,729.56	85.18	6,814.09	177,166.35	89.43	7,154.79	186,024.66	93.91	7,512.54	195,326.04
Fire Protection Engineer	10	3507	110	77.26	6,180.56	160,694.63	81.12	6,489.60	168,729.56	85.18	6,814.09	177,166.35	89.43	7,154.79	186,024.66	93.91	7,512.54	195,326.04
Firefighter/EMT	10	4502	103	45.96	5,147.11	133,824.87	48.25	5,404.48	140,516.38	50.67	5,674.70	147,542.30	53.20	5,958.45	154,919.58	55.86	6,256.37	162,665.69
Firefighter/EMT - 40	10	4516	157	64.34	5,147.11	133,824.87	67.56	5,404.48	140,516.38	70.93	5,674.70	147,542.30	74.48	5,958.45	154,919.58	78.20	6,256.37	162,665.69
Firefighter/EMT Trainee - 40	10	4509	109	55.58	4,446.26	115,602.67	55.58	4,446.26	115,602.67	55.58	4,446.26	115,602.67	55.58	4,446.26	115,602.67	55.58	4,446.26	115,602.67
Firefighter/Paramedic	10	4503	104	51.47	5,764.76	149,883.83	54.04	6,053.01	157,378.22	56.75	6,355.66	165,247.17	59.58	6,673.45	173,509.79	62.56	7,007.13	182,185.46
Fitness Instructor	70	5620	713	35.00	2,800.00	72,800.00	-	-	-	-	-	-	-	-	-	75.00	6,000.00	156,000.00
Fleet Maint Worker I -40	20	8615	230	40.31	3,224.94	83,848.44	42.33	3,386.56	88,050.56	44.45	3,555.63	92,446.38	46.66	3,733.18	97,062.68	49.00	3,920.33	101,928.58
Fleet Maint Worker II - 40	20	8616	231	44.34	3,547.12	92,225.12	46.56	3,724.68	96,841.68	48.88	3,910.74	101,679.24	51.33	4,106.40	106,766.40	53.90	4,311.62	112,102.12
Fleet Maint Worker III -40	20	8617	232	51.00	4,079.81	106,075.06	53.55	4,283.98	111,383.48	56.22	4,497.70	116,940.20	59.03	4,722.03	122,772.78	61.99	4,959.14	128,937.64
Fleet Maintenance Worker I	20	7207	213	40.31	3,023.39	78,608.14	42.33	3,174.53	82,537.78	44.44	3,333.28	86,665.28	46.67	3,499.88	90,996.88	49.00	3,674.90	95,547.40
Fleet Maintenance Worker II	20	7208	214	44.34	3,325.74	86,469.24	46.56	3,491.99	90,791.74	48.89	3,666.62	95,332.12	51.33	3,849.97	100,099.22	53.90	4,042.39	105,102.14
Fleet Maintenance Worker III	20	7209	215	50.99	3,824.56	99,438.56	53.54	4,015.77	104,410.02	56.22	4,216.53	109,629.78	59.03	4,427.34	115,110.84	61.98	4,648.79	120,868.54
GIS Technician	50	2212	552	56.13	4,490.60	116,755.60	58.94	4,715.12	122,593.12	61.89	4,950.90	128,723.40	64.98	5,198.42	135,158.92	68.23	5,458.41	141,918.66
Hazardous Materials Inspector	10	3502	105	77.26	6,180.56	160,694.63	81.12	6,489.60	168,729.56	85.18	6,814.09	177,166.35	89.43	7,154.79	186,024.66	93.91	7,512.54	195,326.04
Housing Official	60	1120	673	72.98	5,838.26	151,794.76	-	-	-	-	-	-	-	-	-	102.17	8,173.76	212,517.76
Human Resources Analyst I	80	2124	843	43.28	3,462.67	90,029.42	-	-	-	-	-	-	-	-	-	56.98	4,558.39	118,518.14
Human Resources Assistant II	80	2123	842	47.80	3,824.11	99,426.86	-	-	-	-								

CITY OF MILPITAS - HUMAN RESOURCES
All Job Classifications/ Projected Salary Table 07/1/2025

				Step A			Step B			Step C			Step D			Step E		
Classification	Union Code	Occ Code	Pay Grade	Hourly	BiWeekly	Annual	Hourly	BiWeekly	Annual	Hourly	BiWeekly	Annual	Hourly	BiWeekly	Annual	Hourly	BiWeekly	Annual
Maintenance Custodian I - 40	20	8107	222	30.93	2,474.42	64,334.92	32.48	2,598.11	67,550.86	34.10	2,728.03	70,928.78	35.81	2,864.45	74,475.70	37.60	3,007.65	78,198.90
Maintenance Custodian II	20	8102	204	34.02	2,551.79	66,346.54	35.72	2,679.34	69,662.84	37.51	2,813.33	73,146.58	39.39	2,953.91	76,801.66	41.36	3,308.43	86,019.09
Maintenance Custodian II - 40	20	8108	223	34.02	2,721.90	70,769.40	35.72	2,857.93	74,306.18	37.51	3,000.87	78,022.62	39.39	3,150.86	81,922.36	41.36	3,308.46	86,019.96
Maintenance Custodian III	20	8103	205	39.13	2,934.49	76,296.74	41.08	3,081.20	80,111.20	43.14	3,235.26	84,116.76	45.29	3,397.04	88,323.04	47.56	3,804.73	98,922.86
Maintenance Custodian III - 40	20	8618	233	39.13	3,130.33	81,388.58	41.08	3,286.61	85,451.86	43.14	3,451.42	89,736.92	45.30	3,623.66	94,215.16	47.56	3,804.42	98,914.92
Maintenance Supervisor	80	6124	858	65.26	5,220.80	135,740.80	68.53	5,482.40	142,542.40	71.95	5,756.00	149,656.00	75.55	6,044.00	157,144.00	79.33	6,346.40	165,006.40
Maintenance Worker I	20	8202	206	34.02	2,551.79	66,346.54	35.72	2,679.34	69,662.84	37.51	2,813.33	73,146.58	39.39	2,953.99	76,803.74	41.36	3,308.43	86,019.09
Maintenance Worker I-40	20	8203	207	34.33	2,746.71	71,414.46	36.04	2,883.16	74,962.16	37.85	3,027.95	78,726.70	39.74	3,178.98	82,653.48	41.73	3,338.35	86,797.10
Maintenance Worker II	20	8204	208	37.43	2,806.93	72,980.18	39.30	2,947.26	76,628.76	41.26	3,094.59	80,459.34	43.32	3,249.35	84,483.10	45.49	3,639.28	94,621.14
Maintenance Worker II-40	20	8205	209	37.76	3,020.65	78,536.90	39.65	3,171.69	82,463.94	41.64	3,331.06	86,607.56	43.71	3,496.66	90,913.16	45.90	3,671.65	95,462.90
Maintenance Worker III	20	8206	210	43.04	3,227.92	83,925.92	45.19	3,389.33	88,122.58	47.45	3,558.80	92,528.80	49.82	3,736.74	97,155.24	52.31	4,185.17	108,814.51
Maintenance Worker/Seasonal	70	8207	760	22.43	1,794.40	46,654.40	-	-	-	-	-	-	-	-	-	31.25	2,500.00	65,000.00
Management Analyst	80	2128	854	57.38	4,590.78	119,360.28	-	-	-	-	-	-	-	-	-	80.36	6,428.51	167,141.26
Marketing Coordinator	50	5614	548	43.37	3,469.45	90,205.70	45.54	3,642.91	94,715.66	47.81	3,825.05	99,451.30	50.20	4,016.30	104,423.80	52.71	4,217.13	109,645.38
Mayor	60	1118	696	26.09	521.88	13,568.88	-	-	-	-	-	-	-	-	-	26.09	521.88	13,568.88
Office Assistant I	50	6108	516	29.34	2,347.19	61,026.94	30.81	2,464.53	64,077.78	32.35	2,587.78	67,282.28	33.96	2,717.13	70,645.38	35.66	2,852.99	74,177.74
Office Assistant II	50	6109	517	32.27	2,581.79	67,126.54	33.89	2,710.83	70,481.58	35.58	2,846.46	74,007.96	37.36	2,988.77	77,708.02	39.23	3,138.15	81,591.90
Office Specialist	50	6110	518	37.11	2,969.04	77,195.04	38.97	3,117.54	81,056.04	40.92	3,273.45	85,109.70	42.96	3,437.16	89,366.16	45.11	3,608.94	93,832.44
PW Division Mgr. - Eng.	60	1127	692	78.83	6,306.41	163,966.66	-	-	-	-	-	-	-	-	-	98.54	7,883.01	204,958.26
PW Division Mgr. - Opr.	60	1126	691	78.83	6,306.41	163,966.66	-	-	-	-	-	-	-	-	-	98.54	7,883.01	204,958.26
PW Division Mgr. - Utl.	60	1128	693	78.83	6,306.41	163,966.66	-	-	-	-	-	-	-	-	-	98.54	7,883.01	204,958.26
Patrol Officer	40	4401	404	58.45	4,675.95	121,574.70	61.37	4,909.75	127,653.50	64.44	5,155.20	134,035.20	67.66	5,412.97	140,737.22	71.04	5,683.59	147,773.34
Patrol Officer Trainee	40	4402	458	57.19	4,575.53	118,963.78	60.05	4,804.22	124,909.72	63.06	5,044.49	131,156.74	66.21	5,296.68	137,713.68	69.52	5,561.46	144,597.96
Payroll Specialist	50	5102	546	39.64	3,171.01	82,446.26	41.62	3,329.57	86,568.82	43.70	3,496.03	90,896.78	45.89	3,670.86	95,442.36	48.18	3,854.33	100,212.58
Plan Check Engineer	50	3807	521	66.06	5,284.74	137,403.24	69.36	5,548.42	144,258.92	72.83	5,826.23	151,481.98	76.46	6,117.06	159,043.56	80.34	6,426.93	167,100.18
Plan Checker	50	3803	522	56.33	4,506.38	117,165.88	59.15	4,731.65	123,022.90	62.11	4,968.63	129,184.38	65.20	5,216.33	135,624.58	68.47	5,477.88	142,424.88
Plan Review Manager	60	1210	678	73.27	5,861.99	152,411.74	-	-	-	-	-	-	-	-	-	95.30	7,624.07	198,225.82
Planning Commissioners	70	1108	698	1.00	20.00	520.00	-	-	-	-	-	-	-	-	-	1.00	20.00	520.00
Planning Director	60	1803	607	88.20	7,055.63	183,446.38	-	-	-	-	-	-	-	-	-	123.47	9,877.89	256,825.14
Planning Manager	60	2803	602	67.22	5,377.53	139,815.78	-	-	-	-	-	-	-	-	-	94.11	7,528.53	195,741.78
Planning Technician	50	2813	554	41.10	3,288.12	85,491.12	43.16	3,452.88	89,774.88	45.33	3,626.11	94,278.86	47.58	3,806.73	98,974.98	49.96	3,996.87	103,918.62
Police Assistant	40	6401	450	54.48	4,358.54	113,322.04	57.21	4,576.41	118,986.66	60.07	4,805.22	124,935.72	63.07	5,045.52	131,183.52	66.22	5,297.80	137,742.80
Police Captain	60	1401	651	111.24	8,898.85	231,370.10	-	-	-	-	-	-	-	-	-	155.73	12,458.34	323,916.84
Police Clerk I	40	6402	451	39.05	3,124.14	81,227.64	41.00	3,280.38	85,289.88	43.05	3,444.37	89,553.62	45.21	3,616.60	94,031.60	47.47	3,797.35	98,731.10
Police Clerk II	40	6403	452	42.96	3,436.49	89,348.74	45.11	3,608.41	93,818.66	47.36	3,788.81	98,509.06	49.73	3,978.28	103,435.28	52.21	4,177.11	108,604.86
Police Clerk Supervisor	40	6404	454	49.62	3,969.23	103,199.98	52.10	4,167.73	108,360.98	54.70	4,376.06	113,777.56	57.44	4,594.89	119,467.14	60.31	4,824.61	125,439.86
Police Evidence Technician	40	8607	459	45.56	3,644.48	94,756.48	47.83	3,826.68	99,493.68	50.23	4,018.04	104,469.04	52.74	4,218.97	109,693.22	55.37	4,429.90	115,177.40
Police Lieutenant	40	2402	400	89.65	7,172.22	186,477.72	94.14	7,530.84	195,801.84	98.84	7,907.41	205,592.66	103.79	8,302.80	215,872.80	108.97	8,717.92	226,665.92
Police Officer	40	4403	403	63.91	5,113.19	132,942.94	67.11	5,368.93	139,592.18	70.47	5,637.36	146,571.36	73.99	5,919.17	153,898.42	77.69	6,215.20	161,595.20
Police Officer Trainee	40	4404	457	62.54	5,003.38	130,087.88	65.67	5,253.60	136,593.60	68.95	5,516.33	143,424.58	72.40	5,792.09	150,594.34	76.02	6,081.71	158,124.46
Police Sergeant	40	4405	401	77.21	6,176.88	160,598.88	81.07	6,485.73	168,628.98	85.13	6,810.01	177,060.26	89.38	7,150.61	185,915.86	93.85	7,508.13	195,211.38
Police Support Services Mgr	60	1404	657	65.19	5,215.27	135,597.02	-	-	-	-	-	-	-	-	-	91.27	7,301.71	189,844.46
Pool Manager	70	5608	708	23.72	1,897.60	49,337.60	-	-	-	-	-	-	-	-	-	33.05	2,644.00	68,744.00
Principal Civil Engineer	80	2204	822	68.48	5,478.50	142,441.00	-	-	-	-	-	-	-	-	-	89.07	7,125.29	185,257.54
Principal Planner	80	2811	823	70.61	5,648.47	146,860.22	-	-	-	-	-	-	-	-	-	85.51	6,841.17	177,870.42
Program Coordinator	50	5606	523	40.44	3,235.55	84,124.30	-	-	-	-	-	-	-	-	-	53.24	4,258.96	110,732.96
Public Information Officer	60	1122	674	64.70	5,175.88	134,572.88	-	-	-	-	-	-	-	-	-	90.58	7,246.26	188,402.76
Public Services Assistant I	50	6601	524	33.74	2,699.17	70,178.42	35.43	2,834.16	73,688.16	37.20	2,975.90	77,373.40	39.06	3,124.68	81,241.68	41.01	3,280.90	85,303.40
Public Services Assistant II	50	6602	525	37.11	2,969.08	77,196.08	38.97	3,117.58	81,057.08	40.92	3,273.44	85,109.44	42.96	3,437.17	89,366.42	45.11	3,608.94	93,832.44
Public Works Director	60	1204	635	90.69	7,255.01	188,630.26	-	-	-	-	-	-	-	-	-	126.96	10,157.05	264,083.30
Public Works Inspector	50	3202	526	54.48	4,358.21	113,313.46	57.20	4,576.17	118,980.42	60.06	4,804.93	124,928.18	63.07	5,045.20	131,175.20	66.22	5,297.43	137,733.18
Public Works Manager	60	1117	648	60.36	4,828.73	125,546.98	-	-	-	-	-	-	-	-	-	84.50	6,760.22	175,765.72
Purchasing Agent	80	1106	826	56.53	4,522.79	117,592.54	-	-	-	-	-	-	-	-	-	72.91	5,833.14	151,661.64
Recreation Administrative Asst	70	5619	712	18.20	1,456.00	37,856.00	-	-	-	-	-	-	-	-	-	25.36	2,028.80	52,748.80
Recreation Attendant	70	5618	711	18.20	1,456.00	37,856.00	-	-	-	-	-	-	-	-	-	25.36	2,028.80	52,748.80
Recreation Instructors	70	5607	707	18.82	1,505.60	39,145.60	-	-	-	-	-	-	-	-	-	37.64	3,011.20	78,291.20
Recreation Leader	70	5617	706	18.20	1,456.00	37,856.00	-	-	-	-	-	-	-	-	-	25.36	2,028.80	52,748.80
Recreation Services Supervisor	80	2601	827	54.01	4,320.43	112,331.18	-	-	-	-	-	-	-	-	-	71.08	5,686.26	147,842.76
Recreation Svcs Assistant I	50	8601	527	19.07	1,525.69	39,667.94	20.02	1,601.95	41,650.70	21.03	1,682.11	43,734.86	22.08	1,766.17	45,920.42	23.18	1,854.52	48,217.52

CITY OF MILPITAS - HUMAN RESOURCES
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				Step A			Step B			Step C			Step D			Step E		
Classification	Union Code	Occ Code	Pay Grade	Hourly	BiWeekly	Annual	Hourly	BiWeekly	Annual	Hourly	BiWeekly	Annual	Hourly	BiWeekly	Annual	Hourly	BiWeekly	Annual
Recreation Svcs Assistant II	50	8602	528	22.64	1,811.48	47,098.48	23.78	1,902.25	49,458.50	24.97	1,997.32	51,930.32	26.22	2,097.23	54,527.98	27.53	2,202.04	57,253.04
Recreation Svcs Assistant III	50	8603	529	26.03	2,082.27	54,139.02	27.33	2,186.33	56,844.58	28.70	2,295.65	59,686.90	30.13	2,410.42	62,670.92	31.64	2,530.99	65,805.74
Recreation Svcs Assistant IV	50	8604	530	30.54	2,443.05	63,519.30	32.06	2,565.19	66,694.94	33.67	2,693.44	70,029.44	35.35	2,828.13	73,531.38	37.12	2,969.52	77,207.52
Retired Annuitant - Extra Help	70	5107	747	50.00	4,000.00	104,000.00	-	-	-	-	-	-	-	-	-	125.00	10,000.00	260,000.00
Retired Annuitant - Interim	70	5108	748	50.00	4,000.00	104,000.00	-	-	-	-	-	-	-	-	-	125.00	10,000.00	260,000.00
Risk Analyst	80	2130	857	44.63	3,570.76	92,839.76	-	-	-	-	-	-	-	-	-	58.75	4,700.21	122,205.46
SCADA Technician	20	8627	240	48.92	3,913.60	101,753.60	51.49	4,119.59	107,109.34	54.21	4,336.42	112,746.92	57.06	4,564.64	118,680.64	60.06	4,804.89	124,927.14
Senior Accountant	80	2110	829	50.24	4,019.43	104,505.18	-	-	-	-	-	-	-	-	-	66.13	5,290.45	137,551.70
Senior Accounting Technician	50	6106	539	40.82	3,265.99	84,915.74	42.87	3,429.32	89,162.32	45.01	3,600.78	93,620.28	47.26	3,780.85	98,302.10	49.62	3,969.85	103,216.10
Senior Administrative Analyst	80	2112	834	55.50	4,439.60	115,429.60	-	-	-	-	-	-	-	-	-	73.05	5,844.08	151,946.08
Senior Building Inspector	50	3804	531	62.92	5,033.70	130,876.20	66.07	5,285.46	137,421.96	69.37	5,549.69	144,291.94	72.84	5,827.14	151,505.64	76.48	6,118.52	159,081.52
Senior Buyer	80	2129	856	53.33	4,266.36	110,925.36	-	-	-	-	-	-	-	-	-	64.93	5,194.15	135,047.90
Sr. City Manager Analyst	60	1125	694	64.90	5,192.31	135,000.00	-	-	-	-	-	-	-	-	-	84.14	2,188.00	175,000.00
Senior Executive Assistant	80	6123	855	47.80	3,824.11	99,426.86	-	-	-	-	-	-	-	-	-	62.92	5,033.41	130,868.66
Senior HR Analyst	80	2122	841	51.81	4,145.16	107,774.16	-	-	-	-	-	-	-	-	-	68.20	5,456.27	141,863.02
Senior Plan Check Engineer	50	3806	534	72.67	5,813.21	151,143.46	76.30	6,104.03	158,704.78	80.11	6,408.96	166,632.96	84.11	6,729.08	174,956.08	88.32	7,065.46	183,701.96
Senior Planner	80	2805	830	64.73	5,178.17	134,632.42	-	-	-	-	-	-	-	-	-	78.68	6,294.27	163,651.02
Senior Public Works Inspector	50	3203	535	62.92	5,033.74	130,877.24	66.07	5,285.46	137,421.96	69.37	5,549.70	144,292.20	72.84	5,827.14	151,505.64	76.48	6,118.52	159,081.52
Senior Public Works Lead	20	8609	225	57.56	4,605.03	119,730.78	60.44	4,835.28	125,717.28	63.46	5,077.05	132,003.30	66.64	5,330.88	138,602.88	69.97	5,597.58	145,537.08
Senior SCADA Technician	20	8628	241	53.81	4,304.97	111,929.22	56.64	4,531.55	117,820.30	59.63	4,770.05	124,021.30	62.76	5,021.11	130,548.86	66.07	5,285.38	137,419.88
Special Project Associate	70	5105	750	20.00	1,600.00	41,600.00	-	-	-	-	-	-	-	-	-	50.00	4,000.00	104,000.00
Sr Code Enforcement Officer	50	5806	545	55.90	4,472.03	116,272.78	58.68	4,694.75	122,063.50	61.63	4,930.13	128,183.38	64.71	5,177.00	134,602.00	67.94	5,435.31	141,318.06
Sr. Public Services Assistant	50	5615	549	41.40	3,311.82	86,107.32	43.47	3,477.41	90,412.66	45.64	3,651.27	94,933.02	47.92	3,833.84	99,679.84	50.32	4,025.53	104,663.78
Sr. Special Projects Associate	70	5106	749	50.00	4,000.00	104,000.00	-	-	-	-	-	-	-	-	-	125.00	10,000.00	260,000.00
Staff Assistant	70	5104	745	18.20	1,456.00	37,856.00	-	-	-	-	-	-	-	-	-	28.16	2,252.80	58,572.80
Student Intern	70	5103	740	18.20	1,456.00	37,856.00	-	-	-	-	-	-	-	-	-	30.00	2,400.00	62,400.00
Transporation & Traffic Mgr	60	1202	675	64.70	5,175.88	134,572.88	-	-	-	-	-	-	-	-	-	90.58	7,246.26	188,402.76
Water Meter Technician I	20	8104	216	34.02	2,551.68	66,343.68	35.72	2,679.34	69,662.84	37.51	2,813.31	73,146.06	39.39	2,953.91	76,801.66	41.36	3,101.64	80,642.64
Water Meter Technician I -40	20	8620	235	34.03	2,722.00	70,772.00	35.73	2,858.11	74,310.86	37.51	3,000.59	78,015.34	39.38	3,150.50	81,913.00	41.36	3,308.95	86,032.70
Water Meter Technician II	20	8105	217	37.43	2,806.93	72,980.18	39.30	2,947.24	76,628.24	41.26	3,094.57	80,458.82	43.32	3,249.32	84,482.32	45.49	3,411.82	88,707.32
Water Meter Technician II -40	20	8621	236	37.43	2,994.19	77,848.94	39.30	3,144.14	81,747.64	41.26	3,300.44	85,811.44	43.33	3,466.31	90,124.06	45.50	3,639.63	94,630.38
Water Systems Operator	20	7211	219	52.01	3,901.04	101,427.04	54.61	4,095.68	106,487.68	57.34	4,300.86	111,822.36	60.21	4,515.91	117,413.66	63.22	4,741.72	123,284.72
Water Systems Operator - 40	20	8622	237	52.31	4,185.18	108,814.68	54.94	4,394.96	114,268.96	57.69	4,615.14	119,993.64	60.57	4,845.68	125,987.68	63.61	5,088.69	132,305.94

Union Code	Union Description
10	IAFF - International Association of Firefighters
20	MEA - Milpitas Employee Association
40	MPOA - Milpitas Police Officers Association
50	Pro-Tech - Milpitas Professional and Technical Group
60	Unrep - Unrepresented
70	Temps - Temporary
80	Mid-Con - UPEC Mid-Mgmt-Confidential Unit



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Consider Recommendations from Mayor Montano for Appointments to City Commissions (Contact: Mayor Montano, 408-586-3024)
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	6/17/2025
Recommendation:	Receive Mayor Montano's recommendations and approve and confirm recommendations for appointments to City Commissions.

BACKGROUND:

Per Government Code Section 40605, in a general law city with an elected Mayor, all appointments to boards, commissions, and committees are made by the Mayor, subject to City Council approval, unless otherwise specified by statute. The City of Milpitas has 13 Commissions (including the Measure F Oversight Committee), with members appointed by the Mayor and confirmed by the City Council. The Commissions advise the Milpitas elected officials on a variety of community interests and policy areas. Commissioner appointments and removals are governed by various sections of the California Government Code, Milpitas Municipal Code, and the adopted Milpitas Commissioner Handbook and By-Laws.

Commission terms are generally three years and are tied to specific seats, not individuals. When a vacancy occurs mid-term due to resignation or removal, the new appointee is appointed to serve the remainder of the unexpired term assigned to that seat. Alternate appointments are tied to the individual for the duration of their alternate service.

Commissioners may seek reappointment at the end of their term by submitting a written request to the City Clerk. Reappointments are not automatic and must be recommended by the Mayor and confirmed by the City Council.

Any resident interested in serving on a City Commission must complete a Commission Application and submit it to the City Clerk. Applications are then forwarded to the Mayor for consideration.

The Milpitas Commissioner Handbook further states that Commissioners are expected to attend all regular meetings. Those who are absent from three or more meetings in a calendar year may be subject to removal.

ANALYSIS:

Appointments are as follows:

Arts Commission:

1. Appoint Sujata Tibrewala as Alternate No. 1 with an unexpired term ending October 2027.

Community Housing Commission:

1. Appoint Tristan Sanders to a full voting seat with an unexpired term ending January 2026.
2. Appoint Vianca Urquico to a full voting seat with an unexpired term ending January 2027.

Library and Education Advisory Commission:

1. Reappoint Nonie McDonald to a full voting seat with a term ending June 2028.
2. Appoint Jared Mohammed as Alternate No. 1 with a term ending June 2028.
3. Appoint Anaya Gandhi as Non-Voting Student Member with a term ending June 2028.

Parks, Recreation and Cultural Resources Commission:

1. Reappoint Rondi Jackson to a full voting seat with a term ending June 2028.
2. Reappoint Olania Castillo to a full voting seat with a term ending June 2028.
3. Appoint Prashanth Kumar to a full voting seat with a term ending June 2028.
4. Appoint Nasir Lalani as Alternate No. 1 with a term ending June 2028.

Public Safety and Emergency Preparedness Commission:

1. Reappoint Don Clendenin to a full voting seat with a term ending June 2028.
2. Reappoint Jonathan Nakapalau to a full voting seat with a term ending June 2028.
3. Reappoint Michael Berryhill to a full voting seat with a term ending June 2028.
4. Reappoint Evan Gan to a full voting seat with a term ending June 2028.
5. Reappoint Andrew Luu as Alternate No. 1 with a term ending June 2028.
6. Appoint Art Bajaj as Alternate No. 2 with an unexpired term ending June 2026.

Science, Technology & Innovation Commission:

1. Appoint Tarun Baja as Alternate No. 2 to an unexpired term ending January 2026.

All recommended Commissioner appointments have been reviewed and confirmed by the City Clerk's office.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action is continuing administrative or maintenance activity and is not a project pursuant to Cal. Code Regs., tit. 14, § 15378.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

ATTACHMENTS:

(a) Commission Applications

From: noreply@civicplus.com
To: [City Clerk](#)
Subject: Online Form Submittal: Commission Applications
Date: Wednesday, May 28, 2025 6:50:05 PM

CAUTION: EXTERNAL SENDER

This email originated from outside the organization. Do NOT click links or open attachments unless you recognize the sender and know the content is safe. [Report suspicious messages](#) to the [IT Helpdesk](#).

Commission Applications

Commission /
Committee Applying
for:

Arts Commission

First Name sujata

Last Name tibrewala

Address Type Residence

Address

City Milpitas

State Ca

Zip Code 95035

Phone Number

Email Address

Present Employer *Field not completed.*

Other Phone *Field not completed.*

Business Address
(Optional) *Field not completed.*

City Milpitas

State Ca

Zip Code 95035

Occupation Artist

Education: If Youth *Field not completed.*

Advisory Commission
applicant, indicate your
grade / school:

College, Professional, Vocational, or other schools attended	Showcases artist at the Phantom art Gallery
--	---

Major Subject	Artist
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Degree	Masters in Engineering
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List community organizations to which you belong or have belonged (additional information may be attached).

Name of Organization	Pratibimba
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Member	<i>Field not completed.</i>
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Name of Organization	Indian American Artists Association
----------------------	-------------------------------------

Member	<i>Field not completed.</i>
--------	-----------------------------

Name of Organization	<i>Field not completed.</i>
----------------------	-----------------------------

Member	<i>Field not completed.</i>
--------	-----------------------------

If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).

Branch of Military	<i>Field not completed.</i>
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Officer	<i>Field not completed.</i>
---------	-----------------------------

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):

I am an eco feminist, artist and engineer, based in San Jose, California. I have exhibited my works at various prestigious venues in the United States and India and featured at National Museum of American History, Broadway New York.

Currently a docent at San Jose Museum of Art, I have served as a Docent and adult art education advisor at Brook's Museum in Memphis, TN. My works have been showcased at CCT Gallery, Life Force Arts Center & University of IL, Circle Campus in Chicago and Regional Commission of Arts St Louis, MO. I am also a member of the Northern California Women's Caucus for the Arts, MySLART and Art World Assoc. Apart from USA I have gallery representations in Bangalore, India, London, and New Delhi, India.

Other venues around the world which have shown my art include, University of Illinois, Chicago, Raw San Jose, Parallax

Art Fair London, the Regional Commission of Arts St Louis, Life Force Arts Chicago, Mindworks Gallery Chesterfield, St. Louis Artists' Guild, Chesterfield Arts, Art World Association, Women's Caucus for the Arts and MySLART. In India I have exhibited at Lalit Kala Academy New Delhi, Jawahar Kala Kendra, Jaipur, and Renaissance Gallery Bangalore. I continue to display her art and conduct art workshops at Bay Area, CA, where I reside presently.

My work has been featured in print and electronic media throughout USA and India. Some major US publications include FOX 21, News Channel 5, TV Asia, The Examiner, FAT city review, BROAD magazine, ART quench, Everything is ART, Lake View Patch, St Louis Beacon and Indian publications include DD national, P7 news channel, Indian Express, Hindu, Dainik Jagran, The Pioneer, Deccan Herald, Time out Bengaluru.

My work has also been featured on the cover page of Broad Magazine, the feminist and social justice magazine with a full feature interview, and Balhan's a leading children's magazine, in Rajasthan. Her works were showcased at the PAN IIT global summit among the "right brains of the IITians" and her paintings were selected for a fundraiser for Chesterfield Arts, St Louis Artist Guild, Memphis farmer's Market Annual Fund Raiser. Her video on Vibhutipura Lake was selected by "the lost lakes of Bangalore" to be awarded and used by the local authorities to get money sanctioned for the lake restoration. Her story was featured on the Titan "Be more" web site.

My paintings have been collected by institutions and individuals alike. including the Maharaja of Jaipur, AID India, Shared Heritage (University of Maryland) and C

Upload a File	Sujata_Bio.pages
Date	5/28/2025
By submitting this form, I confirm I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.	
Name	sujata tibrewala

Email not displaying correctly? [View it in your browser.](#)

Online Form Submittal: Commission Applications

From noreply@civicplus.com <noreply@civicplus.com>

Date Tue 1/21/2025 2:02 PM

To City Clerk <cityclerk@milpitas.gov>

CAUTION: EXTERNAL SENDER

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Commission Applications

Commission / Committee Community Advisory Commission
Applying for:

First Name Tristan

Last Name Sanders

Address Type Residence

Address [REDACTED]

City Milpitas

State CA

Zip Code 95035

Phone Number [REDACTED]

Email Address [REDACTED]

Present Employer Redwitz Inc

Other Phone	<i>Field not completed.</i>
Business Address (Optional)	<i>Field not completed.</i>
City	<i>Field not completed.</i>
State	<i>Field not completed.</i>
Zip Code	<i>Field not completed.</i>
Occupation	Student/Accountant
Education: If Youth Advisory Commission applicant, indicate your grade / school:	<i>Field not completed.</i>
College, Professional, Vocational, or other schools attended	California State University, East Bay
Major Subject	Accounting & Data Analytics
Degree	Bachelor of Science
List community organizations to which you belong or have belonged (additional information may be attached).	
Name of Organization	<i>Field not completed.</i>
Member	<i>Field not completed.</i>
Name of Organization	<i>Field not completed.</i>
Member	<i>Field not completed.</i>
Name of Organization	<i>Field not completed.</i>
Member	<i>Field not completed.</i>
If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).	

Branch of Military	<i>Field not completed.</i>
Officer	<i>Field not completed.</i>
Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):	As a finance and accounting student with a strong background in financial analysis, strategic planning, and community involvement, I believe I can provide valuable insights to the Milpitas Community Housing Commission. My academic and professional experiences have equipped me with the skills necessary to assess financial feasibility, optimize resource allocation, and promote sustainable housing initiatives. Through my coursework in accounting and data analysis at California State University, East Bay, and my involvement with the Student Investment Fund, I have developed strong analytical abilities that can support data-driven decision-making regarding housing affordability and budget planning. As a member of several campus organizations, including Beta Alpha Psi and the SRJC Philosophy Club (Vice President), I have demonstrated leadership in fostering collaboration and addressing community concerns. My involvement in these groups has strengthened my ability to communicate effectively with diverse stakeholders. My internship experiences at firms such as EY and Grant Thornton have exposed me to complex financial scenarios, requiring me to identify practical solutions—skills that can be applied to addressing housing challenges in Milpitas, such as affordability, resource allocation, and policy implementation. I am deeply committed to contributing to the Milpitas community by advocating for policies that enhance housing opportunities while ensuring fiscal responsibility. My understanding of local government operations and desire to serve make me eager to participate in discussions aimed at improving housing initiatives. I am excited about the opportunity to bring my skills and

dedication to the Milpitas Community Housing Commission and to contribute meaningfully to the city's efforts in providing equitable and sustainable housing solutions.

Upload a File

[Tristan-Sanders-2025-Resume.pdf](#)

Date

1/21/2025

By submitting this form, I confirm I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Name

Tristan Sanders

Email not displaying correctly? [View it in your browser.](#)

Suzanne Guzzetta

From: noreply@civicplus.com
Sent: Monday, May 5, 2025 2:40 PM
To: City Clerk
Subject: Online Form Submittal: Commission Applications

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Commission Applications

Commission / Community Advisory Commission
Committee Applying for:

First Name Vianca Jenille

Last Name Urquico

Address Type Residence

Address

City Milpitas

State CA

Zip Code 95035

Phone Number

Email Address

Present Employer Self Employed(Realtor)

Other Phone *Field not completed.*

Business Address (Optional) *Field not completed.*

City *Field not completed.*

State *Field not completed.*

Zip Code *Field not completed.*

Occupation Realtor

Education: If Youth
Advisory Commission
applicant, indicate your
grade / school:

Field not completed.

College, Professional,
Vocational, or other
schools attended

DLSU Taft Manila

Major Subject

Field not completed.

Degree

AB Psychology

List community organizations to which you belong or have belonged (additional
information may be attached).

Name of Organization

Santa Clara Realtors Board

Member

Field not completed.

Name of Organization

Field not completed.

Member

Field not completed.

Name of Organization

Field not completed.

Member

Field not completed.

If application is for Veterans Commission, indicate branch and service in any U.S.
military organization (retired or active duty).

Branch of Military

Field not completed.

Officer

Field not completed.

Briefly describe the
personal qualifications
you possess which you
believe would be an
asset (additional
information may be
attached):

I am a licensed Realtor and I believe I can be a great asset as I
am familiar with housing laws and trends. I am also an outgoing
person and always attends events and do networking. I have
the ability to adapt with any environment and people.

Upload a File

Field not completed.

Date

Field not completed.

By submitting this form, I confirm I have sufficient time to devote to this
responsibility and will attend the required meetings if I am appointed to fill a future
vacancy. I hereby certify that all statements contained in this application are true.

Name

Vianca Urquico

Email not displaying correctly? [View it in your browser.](#)

FW: LEAC reappointment (Nonie)

From John Macon <jmacon@milpitas.gov>

Date Thu 6/12/2025 10:46 AM

To Suzanne Guzzetta <sguzzetta@milpitas.gov>; Jessica Chen <jeschen@milpitas.gov>

Hi Suzanne and Jessica – Nonie has confirmed her interest in reappointment (below)

Thank you!



John Macon

Recreation and Community Services Supervisor

Phone (408) 586 3226

Email jmacon@milpitas.gov

40 N. Milpitas Blvd., Milpitas CA 95035

www.ci.milpitas.ca.gov



From: Nonie V McDonald [REDACTED]

Sent: Thursday, June 12, 2025 10:44 AM

To: John Macon <jmacon@milpitas.gov>

Subject: Re: LEAC reappointment

CAUTION: EXTERNAL SENDER

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Yes, I am still available.

On Thu, Jun 12, 2025, 10:43 AM John Macon <jmacon@milpitas.gov> wrote:

Hi Nonie – good morning!

Nonie, the City Clerks Office asked me to reach you to confirm your interest in reappointment to LEAC for another term?

Regards,



John Macon

Recreation and Community Services Supervisor

Phone [\(408\) 586 3226](tel:(408)5863226)

Email jmacon@milpitas.gov

[40 N. Milpitas Blvd., Milpitas](#) CA 95035

www.ci.milpitas.ca.gov



From: noreply@civicplus.com
To: [City Clerk](#)
Subject: Online Form Submittal: Commission Applications
Date: Wednesday, May 28, 2025 8:00:31 PM

CAUTION: EXTERNAL SENDER

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Commission Applications

Commission /
Committee Applying
for: Library and Education Commission

First Name	Javed
Last Name	Mohammed
Address Type	Residence
Address	
City	Milpitas
State	CA
Zip Code	95035
Phone Number	
Email Address	javed2000@gmail.com
Present Employer	Siemens/KForce
Other Phone	Field not completed.
Business Address (Optional)	Field not completed.
City	Field not completed.
State	Field not completed.
Zip Code	Field not completed.
Occupation	Community Manager
Education: If Youth	Field not completed.

Advisory Commission
applicant, indicate your
grade / school:

College, Professional, Vocational, or other schools attended	University of Manchester, UK
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Major Subject	Computer Engineering
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Degree	BS
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List community organizations to which you belong or have belonged (additional
information may be attached).

Name of Organization	Muslim Community Association
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Member	Past Executive Committee Member
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Name of Organization	Toastmasters
----------------------	--------------

Member	Past Member
--------	-------------

Name of Organization	Oracle
----------------------	--------

Member	<i>Field not completed.</i>
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If application is for Veterans Commission, indicate branch and service in any U.S.
military organization (retired or active duty).

Branch of Military	<i>Field not completed.</i>
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Officer	<i>Field not completed.</i>
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Briefly describe the
personal qualifications
you possess which you
believe would be an
asset (additional
information may be
attached):

I've been a regular patron of the Milpitas Library for over 35 years. It's played a huge role in my life and in my family's—we've raised our kids to love books, and the library has always been a special place for us. I still visit often, sometimes even daily, whether it's to check out a new book, browse the DVDs, or just enjoy the calm and welcoming atmosphere.

Over the years, I've gotten to know many of the librarians and staff on a first-name basis, and I even had the chance to speak to the City Council in support of the library a few years ago. I've also visited libraries all over the Bay Area, and I truly believe we're lucky to have one of the most vibrant and well-loved libraries in Santa Clara County right here in Milpitas.

Outside of Milpitas, I've helped sponsor nonprofit efforts to build libraries in other parts of the world, and even sent books from local book sales to orphanages abroad. I've always believed that

books have the power to open minds and hearts, and that libraries are one of the most meaningful ways to give back to a community.

It would be an honor to serve on the Library Commission and help support a place that has given so much to me and my family over the years.

Upload a File	<i>Field not completed.</i>
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Date	5/28/2025
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By submitting this form, I confirm I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Name	javed mohammed
------	----------------

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CITY OF MILPITAS

YOUTH COMMISSION APPLICATION

PROVIDE COMPLETE INFORMATION (in black ink)

COMMISSION APPLYING FOR ↑

If you are only applying for the Youth Commission, please indicate that on the line that states "Commission Applying for." If you would like to serve as a nonvoting member on another commission, see instruction below. Please note that you may apply for the Youth Commission and nonvoting commissions.

The City allow one nonvoting youth to server on the commissions listed below. Please indicate by checking the boxes below which commissions you would like to serve on as a nonvoting member. Please select all commissions you are interested in. The Mayor will review your application and make appointments as appropriate.

- ☒ **ARTS COMMISSION**
- ☒ **COMMUNITY ADVISORY COMMISSION**
- ☐ **ECONOMIC DEVELOPMENT & TRADE COMMISSION**
- ☒ **LIBRARY & EDUCATION COMMISSION**
- ☐ **PARKS, RECREATION & CULTURAL RESOURCES COMMISSION**
- ☐ **PUBLIC SAFETY & EMERGENCY PREPAREDNESS COMMISSION**
- ☒ **SCIENCE, TECHNOLOGY & INNOVATION COMMISSION**
- ☐ **SENIOR ADVISORY COMMISSION**
- ☐ **VETERANS COMMISSION**

Ananya Gandhi

Name: _____
First (middle) Last

Address: _____
Number Street (apt. # if needed) City & Zip Code

Telephone Number(s) _____ **e-mail address** _____

Education: Please indicate your grade & school: 9th Grade at Notre Dame SJ High S

Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):
I am a 9th grader who currently participates in robotics, speech & debate, Red Cross club, Interact club
be involved in my community and am always looking to make a difference. By participated in these acti
learned problem solving and public speaking skills. I am comfortable and have experience with working
organizing events. I also volunteer at the Milpitas Library, because I know the importance of serving my

I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Signature _____ **Date** 5-12-2025

Appointments to Commissions are made by the Mayor with the concurrence of the City Council. **Applications not acted upon will expire after one year from the date submitted unless renewed by the applicant.**

PLEASE BE AWARE THAT ALL COMMISSION APPLICATIONS ARE PUBLIC RECORD

E-mail, send in US mail or drop off your completed application to:

City Clerk, Milpitas City Hall 3rd floor, 455 E. Calaveras Blvd., Milpitas, CA 95035, email: cityclerk@ci.milpitas.ca.gov

Youth Advisory Commission Supplemental Questionnaire

1. What type of difference do you want to make for the youth in our community? (Please list two of your ideas. Please use the reverse side if you need more room.)

As a student who is passionate about STEM and community service, I want to provide resources so that children in my community have a multitude of opportunities. I hope to be a part of creating an inclusive, diverse, and empowering environment for all of the youth. One of my ideas is giving students access to STEM resources, such as workshops, career panels, hackathons, and more. By partnering with local engineers and scientists, we would be able to expose and inform the youth about paths in STEM. Moreover, we can partner with the library and local schools as well to create accessible programs and workshops for everyone. Another one of my ideas is preparing the youth for leadership and public speaking, key skills that will be useful in their future. I would like to help initiate opportunities for the youth to learn about things such as leadership, public speaking, communication, advocacy, mental health, and much more. A lot of these things are not taught in schools, so I think it would be helpful to host events where we teach these things. These events and programs will also help shape our youth to become leaders, advocates, and community builders in the future, strengthening the community as a whole.

2. How did you hear about the Youth Advisory Commission?

I heard about the Youth Advisory Commission through a family member, who suggested it after learning I was looking for opportunities to be involved and make a difference in my community.

3. What have you heard or know about the Youth Advisory Commission?

I know that the Youth Advisory Commission is one of the many commissions in the city and is focused on the youth of the city. I've heard that it hosts events and provides opportunities for the youth to grow, learn, and connect with one another.

4. Have you ever attended a Youth Advisory Commission meeting? If so, explain your experience.

Yes, I have attended a Youth Advisory Commission meeting. It was a great experience and I learned about all the different things that the commission does. I saw how the youth members contributed ideas, planned events, and collaborated with one another. I appreciated how organized and respectful the discussions were and it was inspiring to see that everyone's voice was encouraged and valued. Attending a meeting also helped me realize all of the effort that goes into planning and executing the events that the commission organizes.

From: noreply@civicplus.com
To: [City Clerk](#)
Subject: Online Form Submittal: Commission Applications
Date: Sunday, November 3, 2024 4:26:36 PM

CAUTION: EXTERNAL SENDER

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Commission Applications

Commission / Committee Applying for: Parks, Recreation and Cultural Resources Commission

First Name Prashanth

Last Name Kumar

Address Type Residence

Address

City Milpitas

State CA

Zip Code 95035

Phone Number

Email Address

Present Employer StrataVision

Other Phone *Field not completed.*

Business Address (Optional) *Field not completed.*

City *Field not completed.*

State *Field not completed.*

Zip Code *Field not completed.*

Occupation Technical Product Manager

Education: If Youth BE Computer Science

Advisory Commission
applicant, indicate your
grade / school:

College, Professional, Vocational, or other schools attended	BMS College of Engg
--	---------------------

Major Subject	Computer Science
---------------	------------------

Degree	BE
--------	----

List community organizations to which you belong or have belonged (additional
information may be attached).

Name of Organization	<i>Field not completed.</i>
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Member	<i>Field not completed.</i>
--------	-----------------------------

Name of Organization	<i>Field not completed.</i>
----------------------	-----------------------------

Member	<i>Field not completed.</i>
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Name of Organization	Title/Prefix
----------------------	--------------

Member	<i>Field not completed.</i>
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If application is for Veterans Commission, indicate branch and service in any U.S.
military organization (retired or active duty).

Branch of Military	<i>Field not completed.</i>
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Officer	<i>Field not completed.</i>
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Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):	I am an outdoor enthusiast and love playing various sports / games / outdoor activity like hiking / camping.
--	---

Upload a File	<i>Field not completed.</i>
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Date	11/3/2024
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By submitting this form, I confirm I have sufficient time to devote to this
responsibility and will attend the required meetings if I am appointed to fill a future
vacancy. I hereby certify that all statements contained in this application are true.

Prashanth Jeevan Kumar

Name

Email not displaying correctly? [View it in your browser.](#)

From: noreply@civicplus.com
To: [City Clerk](#)
Subject: Online Form Submittal: Commission Applications
Date: Sunday, March 31, 2024 6:10:20 PM

CAUTION: EXTERNAL SENDER

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Commission Applications

Commission /
Committee Applying
for: Parks, Recreation and Cultural Resources Commission

First Name	Nasir
Last Name	Lalani
Address Type	Residence
Address	[REDACTED]
City	Milpitas
State	CA
Zip Code	95035
Phone Number	[REDACTED]
Email Address	[REDACTED]
Present Employer	Retired
Other Phone	Field not completed.
Business Address (Optional)	Field not completed.
City	Field not completed.
State	Field not completed.
Zip Code	Field not completed.
Occupation	IT Engineer
Education: If Youth	Network Engineering

Advisory Commission applicant, indicate your grade / school:	B.S. Engineering degree
College, Professional, Vocational, or other schools attended	University of Berkeley University of Pune (India),
Major Subject	Science and Technology
Degree	B.S. Engineering
List community organizations to which you belong or have belonged (additional information may be attached).	
Name of Organization	Terrace Garden
Member	Board of director (present) serving since last more than ten years
Name of Organization	Mayfield Home owner association
Member	Board of Director (past) for 3 years
Name of Organization	AARP Tax Aid
Member	Volunteer for more than 8 years
If application is for Veterans Commission, indicate branch and service in any U.S. military organization (retired or active duty).	
Branch of Military	None
Officer	<i>Field not completed.</i>
Briefly describe the personal qualifications you possess which you believe would be an asset (additional information may be attached):	My high-level summary of skills are • As an engineering professional worked for Cisco Systems for 17 years • Managed 15 plus Engineers and Technical Leaders, set expectations and goals for the department and wrote staff performance reviews, budget planning, and execution. • Worked extensively across all levels of people in the company to drive and collaborate teamwork and synergy to achieve the goals. • More than 20 plus years of voluntary services within and out side the community, • Excellent communication at all the levels of management Please see more in attached resume
Upload a File	Milpitas Committee_33.docx

Date

3/31/2024

By submitting this form, I confirm I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Name

Nasir

Email not displaying correctly? [View it in your browser.](#)

PS & EPC Commissioner Renew

From Donald Clendenin [REDACTED]
Date Wed 3/26/2025 10:38 AM
To City Clerk <CityClerk@ci.milpitas.ca.gov>
Cc Carmen Montano [REDACTED]

CAUTION: EXTERNAL SENDER

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To the City Clerk,
I wish to renew my position as Public Safety and Emergency Commissioner, which expires June of this year.

--

Donald Clendenin :O) <\\\> <

KJ6ACE

FW: Re-Appointment to Public Safety & Emergency Preparedness Commission

From Suzanne Guzzetta <sguzzetta@milpitas.gov>

Date Fri 5/16/2025 2:53 PM

To Jessica Chen <jeschen@milpitas.gov>; Christine Pham <cpham@milpitas.gov>



Suzanne Guzzetta, CMC

City Clerk

Phone (408) 586-3001

Email sguzzetta@milpitas.gov

455 E. Calaveras Blvd., Milpitas CA 95035

www.milpitas.gov



From: Mike Berryhill [REDACTED]

Sent: Friday, May 16, 2025 1:30 PM

To: Suzanne Guzzetta <sguzzetta@milpitas.gov>

Cc: Toni-Lynn Charlop <tcharlop@milpitas.gov>

Subject: Re-Appointment to Public Safety & Emergency Preparedness Commission

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Hello Suzanne,

I'm requesting re-appointment to Public Safety & Emergency Preparedness Commission. Please let me know if you need any additional information.

Thanks and Have a Great Weekend,
Michael Berryhill

PSEP Commission reinstatement

From Evan Gan [REDACTED]
Date Thu 5/15/2025 7:16 PM
To City Clerk <CityClerk@milpitas.gov>

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Good evening Suzanne,

While in meeting tonight, Toni Charlop reminded me to send in a request for continuation of my service for the Public Safety and Emergency Preparedness Commission.

Please let me know if I need to do anything

Thank you for your help.

Evan Gan

From: noreply@civicplus.com
To: [City Clerk](#)
Subject: Online Form Submittal: Commission Applications
Date: Monday, May 19, 2025 9:07:02 AM

CAUTION: EXTERNAL SENDER

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Commission Applications

Commission /
Committee Applying
for: Public Safety and Emergency Preparedness Commission

First Name	ARTI
Last Name	BAJAJ
Address Type	Residence
Address	[REDACTED]
City	Milpitas
State	CA
Zip Code	95035
Phone Number	[REDACTED]
Email Address	[REDACTED]
Present Employer	<i>Field not completed.</i>
Other Phone	<i>Field not completed.</i>
Business Address (Optional)	541 Sinclair Frontage Road
City	Milpitas
State	CA
Zip Code	95035
Occupation	Business Owner
Education: If Youth	<i>Field not completed.</i>

Advisory Commission
applicant, indicate your
grade / school:

College, Professional, Vocational, or other schools attended	<i>Field not completed.</i>
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Major Subject	<i>Field not completed.</i>
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Degree	<i>Field not completed.</i>
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List community organizations to which you belong or have belonged (additional
information may be attached).

Name of Organization	<i>Field not completed.</i>
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Member	<i>Field not completed.</i>
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Name of Organization	<i>Field not completed.</i>
----------------------	-----------------------------

Member	<i>Field not completed.</i>
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Name of Organization	<i>Field not completed.</i>
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Member	<i>Field not completed.</i>
--------	-----------------------------

If application is for Veterans Commission, indicate branch and service in any U.S.
military organization (retired or active duty).

Branch of Military	<i>Field not completed.</i>
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Officer	<i>Field not completed.</i>
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Briefly describe the
personal qualifications
you possess which you
believe would be an
asset (additional
information may be
attached):

Over 25 years of experience in Media with strong command over Journalism & allied field. Administrative and Supervisory skills. Started career in 1998 with award of best reporter. Conducted interviews, written articles, anchored news, special programs and worked as an editor. Mentored show hosts and reporters. Most of the interviews were coverage of religious places, astrologers, poets, police officers and government officials. Written articles in magazines and newspapers about knowledge sharing and awareness of cultural aspects. Anchored news for famous channels in National Capital Region (NCR) of Delhi. Worked on several educational project for academic purposes in government. Completed B.Sc Biology, M.A. in English, LL.B, B.Ed from C.C.S. University, PGJMC from IGNOU and Certificate in Small Scale Industry Development & Administration.

Worked on variety of Administrative activities and Human

Resourcing as part of work profile.
<http://www.linkedin.com/in/artibajaj>

Specialties: • Excellent communication & interpersonal skill.
• Strong, Management and administrative skill with vast media and educational experience.
• Consistency in performance & understand the responsibility even in stress environment.
• Sincere hard working with high organization integrity.

Upload a File	<i>Field not completed.</i>
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Date	5/19/2025
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By submitting this form, I confirm I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Name	ARTI BAJAJ
------	------------

Email not displaying correctly? [View it in your browser.](#)

From: noreply@civicplus.com
To: [City Clerk](#)
Subject: Online Form Submittal: Commission Applications
Date: Monday, May 19, 2025 9:10:58 AM

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Commission Applications

Commission /
Committee Applying
for: Science, Technology and Innovation Commission

First Name TARUN

Last Name BAJAJ

Address Type Residence

Address

City Milpitas

State CA

Zip Code 95035

Phone Number

Email Address

Present Employer Kaiser Permanente

Other Phone *Field not completed.*

Business Address
(Optional) *Field not completed.*

City *Field not completed.*

State *Field not completed.*

Zip Code *Field not completed.*

Occupation *Field not completed.*

Education: If Youth *Field not completed.*

Advisory Commission
applicant, indicate your
grade / school:

College, Professional, Vocational, or other schools attended	<i>Field not completed.</i>
--	-----------------------------

Major Subject	<i>Field not completed.</i>
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Degree	<i>Field not completed.</i>
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List community organizations to which you belong or have belonged (additional
information may be attached).

Name of Organization	<i>Field not completed.</i>
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Member	<i>Field not completed.</i>
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Name of Organization	<i>Field not completed.</i>
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Member	<i>Field not completed.</i>
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Name of Organization	<i>Field not completed.</i>
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Member	<i>Field not completed.</i>
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If application is for Veterans Commission, indicate branch and service in any U.S.
military organization (retired or active duty).

Branch of Military	<i>Field not completed.</i>
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Officer	<i>Field not completed.</i>
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Briefly describe the
personal qualifications
you possess which you
believe would be an
asset (additional
information may be
attached):

- Architect Lead / Infrastructure Design with 29+ years hands-on experience in providing end to end Infrastructure design, right from concept, planning, designing, Implementing, and supporting large projects in diverse platform stacks with Linux, Windows, and custom technology, with project management skills.
- Developed, managed, and supported the product-bundle automation platform, based on PHP / MySQL on Linux.
- Augmented eCertification module in Infrastructure Design Form (IDF) to provide an extended view of certification, compute details, storage breakdown (SAN vs NAS) associated with that product bundle.
- Executed infrastructure design with Kyndryl for Day 2 automation project where ansible playbook is created. The purpose of this automation purposes using Hyper V.
- Created new process of IMG design waiver for mySDLC checkpoint, involving cross functional team like network capacity, TRO, cloud governance, to ensure implementation of business

requirements are met, following the set standards and does not pose a risk in operational readiness of the solution.

- Created templated design for Citrix, Lenel, Pneumatic Tube and several other repeatable regionally scattered and coordinated with National Facility Services (NFS) to create Enterprise level strategy for similar design, for easy on demand location enablement.
- Created a survey feature within the toolsets to collect ongoing feedback from customer for process improvements and validate the outcome by seeking follow ups.
- Gathered business requirements, technical requirements, corresponding vendor analysis and created multiple design options for customer, with pros and cons for each, including the TCO and mapping between current state and future state.
- Coordinated multiple projects for a complex issue causing infrastructure failures, originating out of divest storage technology, by providing critical performance evidence, needed, and consumed by different applications.
- Migrated to industry standard tools like GitHub leveraging source control and issue tracking, capturing the development requirements, version controlling, task assignments, releasing code in different environment, to avoid production downtime or outages.
- Utilized different mySDLC pathways, waterfall, agile and hybrid, depending on the project requirements to achieve their end goal, to ensure quality and success during phase gate reviews, with self-organizing cross functional teams.
- Closely interacted with various platform team like Windows, Linux for standard servers from the FFU (Fit for use) catalog and non-standard servers like physical and virtual appliances to ensure that final design is in compliant with TRO policies.
- Provided BigFix refresh Non-Functional requirements for making Superdome Flex 280 as the new DL580 replacement standard, which made new era of vertical scaling of compute for both Wintel and RHEL based platforms.
- Orchestrated design gaps with cloud governance, disaster recovery governance, database compliance, security team (TRO), to identify various risks in the project, and further classified them based on severity, so necessary action could be performed, or waiver could be obtained.
- Prepared and SOW (Statement of Work) and similar initiating artifacts to engage operational partner teams like IBM, Kyndryl, Cognizant, Dell.
- Prepared operational artifacts like SAG (Support and Admin guide), ORR (Operation Readiness Review) checklist,
- Managing Large enterprise IT infrastructure and utilized Enterprise Nonfunctional requirements (eNFR) to determine gap between the implementation and the operational support.
- Experience in Datacenter operations assessment for Kaiser Datacenter setup, infrastructure migration, Upgradation and Decommission Projects

- Prepared High-level, Low-Level design (HLD/LLD), job aids, knowledge base and wiki like deliverables for design completion checklist in mySDLC walkthrough.
- Prepared Request for Service (RFS), Request for proposal (RFP), statement of work (SOW), Bill of Materials (BOM), Infrastructure Cost estimation (ICE), requirement summary (RS), Design proposal summary & Technical design specification documents (TSD) & illustrated infrastructure & application architecture diagrams using Visio.
- Designing and Implementing Wintel / VMware/ Linux based projects in Cloud & Non-Cloud environment with emphasis on Disaster Recovery solutions.
- Expertise in New setup / Migrating applications & Infrastructure services like Domain controllers, ADC, DNS, DHCP, WINS, File, Print, SCCM, FTP, Terminal servers & cluster servers from on-premises data center to private / Public clouds / data centers
- Implemented hybrid solution using Private cloud (VPC / MPC) & Public cloud – MS Azure / AWS projects
- Installing, Configuring, administration of Linux servers using VM Player.
- Migrating servers from X2X technology (P2V, V2V, P2P) using Platespin / double take/ VMware Converter / Zerto / Vmotion / Svmotion / Azure site recovery/ Cloud Endure tools
- Hardware Knowledge on HP / IBM / DELL / CISCO UCS servers & Blade Enclosure (C7000)
- Knowledge on Storage – NAS & SAN & Networking technologies - LAN and WAN networks
- Engaged and collaborated with TRO (Security) along with ancillary security groups, Identity and Access Management (IAM), network firewall for IT projects.
- Manage OHP dashboard-based guidance for patch management & AV management.
- Following ITIL standard Process (Incident, Request, Problem & Change management) & Good Knowledge in ticketing tools like HPSM, HP service now, HPSM, BMC remedy, Solar winds

Education Qualification:

Degree College & University Year

MBA – Master of Business Administration University of Phoenix – California 2010

MCA – Master of Computer Applications Kurukshetra University 1994

BE - Bachelor of Electronics. Delhi University 1991

Technical Certifications and Trainings

Subject Area

ITIL v3 certification and ITIL 4 Introduction

ITIL 4 Foundation: Key Concepts of Service Management

Microsoft Azure Administrator AZ-104

Fundamentals of AI & ML
Git & GitHub: Working with Git Repositories
CloudOps Container Clustering: Implementing Container
Orchestration in DevOps
Microsoft Azure Fundamentals: Cloud Computing
DevOps Deployment: Deploying Applications Using Deployment
Tools

Upload a File

Field not completed.

Date

5/19/2025

By submitting this form, I confirm I have sufficient time to devote to this responsibility and will attend the required meetings if I am appointed to fill a future vacancy. I hereby certify that all statements contained in this application are true.

Name

TARUN BAJAJ

Email not displaying correctly? [View it in your browser.](#)



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Authorize and Approve Travel Requests for Mayor Montano, Councilmember Chua, Councilmember Lien and Councilmember Lam to Long Beach, CA for the League of California Cities 2025 Annual Conference and Expo (Staff Contact: Matt Cano, Assistant City Manager, 408-586-3012)
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	6/17/2025
Recommendation:	(1) Authorize and approve travel to Long Beach, CA, for Mayor Carmen Montano, Councilmember Evelyn Chua, Councilmember Hon Lien and Councilmember William Lam to attend the League of California Cities <i>2025 Annual Conference and Expo</i> to be held on October 8 - 10, 2025, for a combined estimated total amount of \$8,736 budgeted under the Individual Elected Official allocation for Conferences/Meetings/Trainings; and (2) Appoint Mayor Carmen Montano as the City's primary voting delegate and Councilmembers Evelyn Chua and Hon Lien as the alternate voting delegates for the 2025 Annual California League of Cities Conference and Expo.

BACKGROUND:

The League of California Cities (League) is holding its 2025 Annual Conference and Expo (Conference) in Long Beach, CA from October 8, 2025 to October 10, 2025. The Conference features several sessions focused on important topics and policy challenges being faced by California cities. Additionally, there are numerous opportunities at the Conference for peer-to-peer connections to foster relationships and build connections that will serve the City as we continue to face common challenges. Included in this agenda packet is the preliminary agenda for this Conference as Attachment (a).

ANALYSIS:

The City of Milpitas Travel and Expense Policy requires the City Council to approve all travel for the elected officials and City Manager. The City Council approval of the travel request will allow Mayor Carmen Montano, Councilmember Evelyn Chua, Councilmember Hon Lien, and Councilmember William Lam to gain additional knowledge from other California policymakers and bring it back to share with their colleagues. Continued conference participation and attendance also ensure the Milpitas community is fully represented at the regional, state, and national levels.

Additionally, the League will hold its General Assembly during the conference. This is an important opportunity where city officials can directly participate in the development of Cal Cities policy. Every city has one voting delegate at the General Assembly. League bylaws require that a city's voting delegate and up to two alternates be designated by its City Council and submitted to Cal Cities prior to the conference. It is recommended Mayor Carmen Montano be designated as the City's voting delegate. Additionally, should scheduling conflict occurs for the Mayor, it is recommended both Councilmember Evelyn Chua and Councilmember Hon Lien be designated as alternate voting delegates. The recommendation of the alternates is based on time served in their current seat as a City Councilmember. As Councilmember Evelyn Chua has the longest tenure in her current City Council seat, it is recommended she be the first alternate.

POLICY ALTERNATIVE(S):

N/A

FISCAL IMPACT:

The estimated individual expenses for the Long Beach, CA League of Cities Annual Conference and Expo, including the registration fee, lodging, meals, transportation, and incidental reimbursements, are \$2,184 for

each elected official. Each elected official has sufficient funding remaining in their allocated travel budget for Fiscal Year 2025-2026 for this conference, as shown in Attachment (b).

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action is an organizational or administrative activity of the City government that will not result in direct or indirect physical changes in the environment and is not a project pursuant to Cal. Code of Regs., tit. 14, § 15378.

ATTACHMENT(S):

- (a) League of California Cities Conference Schedule
- (b) Council Travel Budget Tracking

Attachment (a) - League of California Cities Conference Schedule

(Schedule is subject to change.)

Tuesday, Oct. 7

Various Times

Pre-Conference Tours and Workshops *(additional registration required)*

Wednesday, Oct. 8

8:00 a.m. - 6:00 p.m.

Registration open/Voting Delegates Booth open

8:00 a.m. - 12:30 p.m.

Pre-Conference Tours and Workshops *(additional registration required)*

9:30 - 11:30 a.m.

AB 1234 Ethics Training

10:30 a.m. - 1:00 p.m.

Regional Division Lunches, Department and Caucus Meetings**

12:30 - 1:00 p.m.

First-Time Attendee Orientation

1:15 - 3:00 p.m.

Opening General Session*

3:00 - 4:00 p.m.

Expo Hall Grand Opening*

4:00 - 5:30 p.m.

Concurrent Sessions, Expo Hall Open, and Department and Caucus Meetings**

5:15 - 7:30 p.m.

Host City Reception

7:30 - 9:30 p.m.

CitiPAC Event

Thursday, Oct. 9

7:30 a.m. - 4:00 p.m.

Registration open/Voting Delegates Booth open

8:30 a.m.

Petition Resolutions Due

8:30 - 9:45 a.m.

Concurrent Sessions and Caucus Meetings**

9:00 a.m. - 4:00 p.m.

Expo Hall Open

10:00 - 11:30 a.m.

General Session*

11:30 a.m. - 1:00 p.m.

Attendee Lunch in Expo Hall

11:30 a.m. - 1:00 p.m.

Regional Division Lunches**

1:00 - 2:30 p.m.

Resolutions Committee

1:00 - 5:15 p.m.

Concurrent Sessions; Department, Issues Group, and Caucus Meetings**

Evening

Regional Division and Caucus Events**

Friday, Oct. 10

7:30 - 11:30 a.m.

Registration open

7:00 - 8:15 a.m.

Regional Division Breakfasts**

8:00 - 10:45 a.m.

Concurrent Sessions

8:30 - 10:30 a.m.

General Assembly

8:45 - 10:45 a.m.

AB 1661 Sexual Harassment Prevention Training

11:00 a.m. - 12:30 p.m.

Closing General Session*

**No competing events may be scheduled during this time.*

***Check with the staff assigned to your group for the specific day/time for this event. Additional registration may be required.*

Council Conferences/Trainings FY 25-26 Budget Tracking Sheet

Mayor Montano				
	Training/Travel Event	FY24-25 Amount Expended/Estimates	Total \$ 5,384.00	Remaining Balance \$ 4,616.00
1	NALEO 42nd Annual Conference	\$3,200.00	estimates only	
2	Cal Cities City 2025 Annual Conference and Expo registration	\$2,184.00	estimates only	

Vice Mayor Barbadillo				
	Training/Travel Event	FY24-25 Amount Expended/Estimates	Total \$ 0.00	Remaining Balance \$ 10,000.00

Councilmember Chua				
	Training/Travel Event	FY24-25 Amount Expended/Estimates	Total \$ 2,184.00	Remaining Balance \$ 7,816.00
1	Cal Cities City 2025 Annual Conference and Expo registration	\$2,184.00	estimates only	

Councilmember Lien				
	Training/Travel Event	FY24-25 Amount Expended/Estimates	Total \$ 2,184.00	Remaining Balance \$ 7,816.00
1	Cal Cities City 2025 Annual Conference and Expo registration	\$2,184.00	estimates only	

Councilmember Lam				
	Training/Travel Event	FY24-25 Amount Expended/Estimates	Total \$ 2,184.00	Remaining Balance \$ 7,816.00
1	Cal Cities City 2025 Annual Conference and Expo registration	\$2,184.00	estimates only	



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Delegating Authority to the City Manager, or Designee, to Approve and Execute Project-Related Documents and Urgent Administrative Items During the City Council Summer Recess (Staff Contact: Matt Cano, Assistant City Manager, 408-586-3012)
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	6/17/2025
Recommendation:	Adopt a resolution delegating authority to the City Manager, or designee, to approve and execute project-related documents, including contract documents and urgent administrative items during the City Council and City of Milpitas Housing Authority summer recess from June 18, 2025 through August 12, 2025.

BACKGROUND:

The City Council and City of Milpitas Housing Authority have a scheduled recess between June 18, 2025 and August 12, 2025, during which no regular City Council meetings will take place. To ensure critical services and projects continue and are completed on time, it may be necessary to take action during Council recess. Therefore, it is requested the City Council and City of Milpitas Housing Authority authorize the City Manager, or their designee, to take appropriate action during the recess.

ANALYSIS:

Authorizing the City Manager, or their designee, to take appropriate actions, including signing contracts within City Council financial authority under the Municipal Code, will ensure projects stay on schedule and that the City continues to provide vital services to the community. Deferring these actions until after the Council recess could lead to additional costs or delays to projects or services. A report summarizing any actions taken during the recess by the City Manager or their designee under this delegated authority will be presented to the City Council on August 12, 2025.

POLICY ALTERNATIVE(S):

Alternative: Do not approve the requested delegation of authority

Pros: Retains Council approval authority

Cons: Will not enable timely action on urgent project and administrative needs to ensure continued provision of vital services to the community.

Reason for not Recommending: Will not allow timely action to ensure the continued delivery of services to the community and time sensitive actions on projects during the Council recess.

FISCAL IMPACT:

Approval of any potential agreements or contracts are anticipated to be within the Council approved budget therefore, there is no fiscal impact.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The City Council delegation of authority is exempt from CEQA pursuant to CEQA Guideline 15061(b)(3) as it can be seen with certainty that the delegation does not have the potential to cause a significant effect on the environment as it does not involve the approval of any particular project. Further, this action is exempt pursuant to CEQA Guideline 15378 as a governmental fiscal or general policy and procedure activity which does involve any commitment to any specific project. Although the delegation may involve various projects, those projects received sufficient and appropriate CEQA review at the time of approval.

ATTACHMENT(S):

(a) Resolution

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS AND
THE HOUSING AUTHORITY TEMPORARILY DELEGATING AUTHORITY
TO THE CITY MANAGER OR DESIGNEE TO APPROVE AND EXECUTE
PROJECT-RELATED DOCUMENTS AND URGENT ADMINISTRATIVE ITEMS
DURING THE CITY COUNCIL SUMMER RECESS**

WHEREAS, the City Council and the Housing Authority have a scheduled recess between the last City Council meeting in June and August 12, 2025, during which no regular City Council meetings will take place; and

WHEREAS, it is necessary to ensure that critical services and projects continue and are completed on time during the Council recess; and

WHEREAS, authorizing the City Manager, or their designee, to take appropriate actions, including signing contracts within the financial authority of the City Council and Housing Authority under the Municipal Code and other applicable law, will ensure projects stay on schedule and that the City and Housing Authority continue to provide vital services to the community; and

WHEREAS, deferring these actions until after the Council and Authority recess could lead to additional costs or delays to projects or services; and

WHEREAS, a report summarizing any actions taken by the City Manager or their designee during the recess under this delegated authority will be presented to the City Council and Housing Authority on August 12, 2025.

NOW, THEREFORE, the City Council of the City of Milpitas and the Housing Authority hereby finds, determines, and resolves as follows:

1. The City Manager, or their designee, is authorized to take appropriate actions, including the approval and execution of project-related documents and urgent administrative items exceeding \$100,000, during the City Council and Housing Authority summer recess from June 18, 2025, the last City Council and Housing Authority regular meeting held in June, through August 12, 2025.
2. A report summarizing any actions taken by the City Manager or their designee during the recess under this delegated authority will be presented to the City Council and Housing Authority on August 12, 2025.

PASSED AND ADOPTED this 17th day of June 2025, by the following vote:

AYES: (0)

NOES: (0)

ABSENT: (0)

ABSTAIN: (0)

ATTEST:

APPROVED:

Suzanne Guzzetta, City Clerk

Carmen Montano, Mayor

APPROVED AS TO FORM:

Christopher Creech, Acting City Attorney



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Authorize a Commercial Lease Agreement for Carstar Espana's at 1488 South Main Street (Staff Contact: Alex Andrade, Economic Development & Strategic Initiatives Director, 408-586-3046)
Category:	Consent Calendar-Community Development
Meeting Date:	6/17/2025
Recommendation:	Authorize the City Manager, or their designee, to negotiate and execute a Commercial Lease Agreement with Carstar Espana's on City-owned property located at 1488 South Main Street in the amount of \$269,280 for a 3-year term.

BACKGROUND:

The action before the City Council is the consideration of a commercial lease agreement by and between the City of Milpitas and Carstar Espana's for a City property located at 1488 South Main Street (APN 083-41-003).

When the City purchased this property in 2012, Milpitas Auto Body occupied the building and housed their offices, repair, and storage areas there until they vacated the site in May 2018. This building measures approximately 6,800 square feet and consists of offices and a repair area with three bays and paint booths. Hazardous materials associated with the prior automotive business (i.e., petroleum distillates, paint, sodium hydroxide, chromium, lead, motor oil, antifreeze, and surfactants) were properly removed and disposed off-site. The Milpitas Fire Department granted closure of the environmental cleanout in April 2020.

While this property is a valuable City asset, the building has been sitting idle and vacant for approximately seven (7) years. There is an opportunity for revenue generation that would result in \$269,280 of net new revenues during a 3-year lease term with Carstar Espana's to operate an auto collision repair business. City staff have been engaged in due diligence and good faith negotiations with Carstar Espana's representatives since the City Council closed session on [March 18, 2025](#), where price and terms of payment were reviewed.

Staff recommends that the City Council authorize the City Manager to negotiate and execute business terms for a commercial lease agreement with Carstar Espana's for business operations on the City-owned property (1488 South Main Street).

ANALYSIS:

The 1488 South Main Street property is zoned as R-4 (Multi-Family Residential). Residential redevelopment on this site is anticipated in the future, potentially along with the adjacent properties owned by the Milpitas Housing Authority and the City. Parcel 1 is owned by the Housing Authority (1432-1444 South Main Street), and Parcels 2-3 (1452-1466 and 1474-1488 South Main Street, respectively) are owned by the City. The subject site at 1488 South Main Street is located on Parcel 3. At present this site remains a City asset that can be used for revenue generation while other potential public uses are pursued.

Key business terms and conditions from the proposed commercial lease agreement include, but are not limited to, the following:

Property and Proposed Use: Carstar Espana's is requesting to utilize the building located at 1488 South Main Street for auto collision repairs. Aside from the building use, the tenant shall have the exclusive right to use the gated surface parking lot perpendicular to the building, which would be considered part of the leased premises. To reestablish the prior automotive use, Carstar Espana would need to receive approval through a conditional use permit pursuant to Section XI-10-56.03(B) of the Milpitas Municipal Code and obtain all other necessary permits and approvals.

Lease Term and Rent: The proposed lease term is for three (3) years from the commencement of the executed lease at a rate of \$1.10 per square foot, which totals \$7,480 per month. The tenant may request lease extensions as follows: one six-month lease extension at the rate of \$1.15 per square foot and a subsequent six-month lease extension at a rate of \$1.20 per square foot. While the term of the lease would be for at least three years, it would include a term waiving relocation benefits after the conclusion of the lease.

Annual lease revenues equal \$89,760, and the total for the three-year lease results in \$269,280 of net new revenues for the city. If the landlord and tenant agree to lease extensions, additional revenue would be realized. An initial six-month lease extension would result in additional revenues of \$46,920. A potential subsequent six-month lease extension would result in added revenues of \$48,960.

Security Deposit and Advanced Rent: The security deposit is equal to one month's rent of \$7,480. In addition, advanced rent will consist of the first and last month's rent of \$14,960 for a total of \$22,440 due at lease signing.

Insurance and Expenses: If the City Council approves the proposed commercial lease agreement, Carstar Espana's shall be responsible for providing and maintaining the City's required Certificate of Liability Insurance naming the Landlord as an Additional Insured. Carstar Espana's shall also obtain and furnish proof of coverage for property insurance, liability insurance, automobile liability insurance, and workers' compensation. Carstar Espana's will pay for PG&E, water, garbage, and an equal percentage cost of landscaping with other tenants. The tenant is also responsible for a property management fee up to 5% of the rental per month, property taxes, and any other property expenses while the lease term is in effect.

Environmental Indemnity: The tenant will indemnify, defend, and hold harmless the City from and against any claims, liabilities, losses, damages, costs, and expenses relating to any potential release of hazardous substances. The environmental indemnification shall survive the expiration or termination of this lease. This includes, and is not limited to, the environmental remediation of the property.

Tenant Request: Carstar Espana's proposes a 90-day allowance for roof repairs and tenant improvements without paying rent to the City.

Benefits of Executing a Commercial Lease Agreement

There are various benefits to proceeding with a commercial lease agreement with Carstar Espana's.

- **Net New Revenues:** Aside from meeting the Economic Development Strategy's Implementation Action 32.2, the 2040 General Plan's Economic Development Element's Action ED-3b of undertaking strategic initiatives to attract private investment in well-located properties that are currently vacant and/or underutilized will be met. The annual lease revenue equals \$89,760, and under the three-year term, a total of \$269,280 of net new revenues will be realized for essential community services. The anticipated improvements to the building, including roof repairs and tenant improvements, will increase the property value of the City asset.
- **Building Improvements:** The tenant will invest at least \$30,000 to repair the building's roof and has committed at least \$45,000 to \$50,000 of tenant improvements for the auto body repair business at the site.
- **Business and Job Creation:** The proposed real estate transaction will located a new business and create new jobs in Milpitas.
- **Property Activation Deters Criminal Activity:** The rear of Parcel 3 will be activated with new business operations and employee parking, which will deter any potential criminal activity associated with vacant buildings and properties.

FISCAL IMPACT:

An approved commercial lease agreement would net the City of Milpitas approximately \$269,280 in rent income for the use of 1488 South Main Street property under a three (3) year lease agreement. The annual lease revenue equals \$89,760 and the rate is \$1.10 per square foot, totaling \$7,480 per month. Potential lease extensions include one six-month term at the rate of \$1.15 per square foot and a subsequent six-month term at a rate of \$1.20 per square foot. If the landlord and tenant agree to lease extensions, additional revenue is expected. An initial six-month lease extension would result in additional revenues of \$46,920, and a subsequent six-month lease extension would result in supplementary revenues of \$48,960. As stated, the tenant will invest at least \$30,000 to repair the roof and has committed \$45,000 of tenant improvements, potentially increasing the property value.

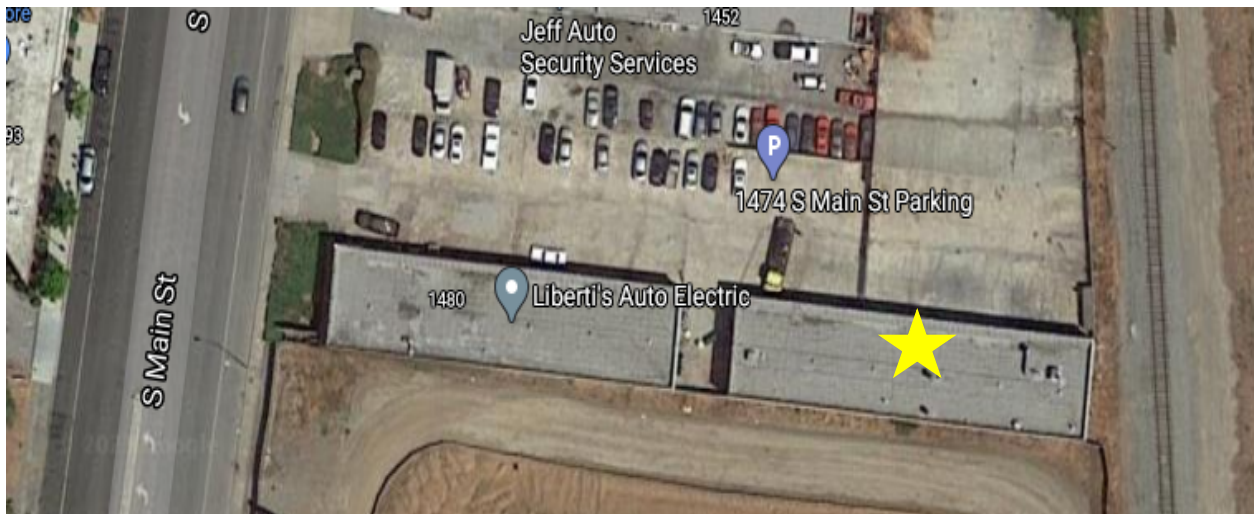
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

This proposed commercial lease agreement is exempt under CEQA Guideline 15301 (Existing Facilities). Section 15301 of the State CEQA Guidelines provides an exemption for “the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use.” The proposed lease would reestablish a former use on existing facilities with negligible or no expansion of that former use.

ATTACHMENTS:

(a) Aerial Site Map

Attachment A – Site Map





CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt Resolutions to Approve the Continued Investment of Monies in the Local Agency Investment Fund and Designation of Officers Authorized to Sign on the Account (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111)
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	6/17/2025
Recommendation:	(1) Adopt a resolution of the Milpitas City Council to authorize the continued investment of monies in the Local Agency Investment Fund and designation of officers authorized to sign on the respective accounts; and (2) Adopt a resolution of the Board of Directors of the Milpitas Public Financing Authority to approve continued investment of monies in the Local Agency Investment Fund and designation of officers authorized to sign on the respective accounts.

BACKGROUND:

The City of Milpitas and the Milpitas Public Financing Authority (PFA) have been participating in the State of California Local Agency Investment Fund (LAIF) since 1977. The LAIF is a voluntary investment alternative for California local governments and special districts, and is administered by the State Treasurer under Government Code 16429.1 et seq. All securities are purchased under the authority of Government Code 16403 and 16480.4. The LAIF offers local agencies the opportunity to participate in a pooled portfolio which invests billions of dollars, using the investment expertise of the State Treasurer's Office professional investment staff at no additional cost to the taxpayer. Multiple oversight boards and committees monitor the activities of LAIF and transactions are audited daily. The LAIF has grown from 293 participants and \$468 million in 1977 to 2,335 participants and \$19.5 billion at the end of November 2024. As a State of California managed investment pool, the LAIF is an allowed investment under the [City of Milpitas Investment Policy – Fiscal Year 2024-25](#), *Authorized Investments (9)*, last adopted by City Council action at its September 17, 2024 meeting.

LAIF requires the governing body of local agencies adopt a resolution to authorize designated officers to manage deposits and withdrawals from their LAIF accounts. The [most recent update to the LAIF signature authority](#) occurred at a Joint Council Meeting on January 21, 2025, when the City of Milpitas City Council adopted Resolution Number 9382 and the Board of Directors of the Milpitas Public Financing Authority adopted PFA Resolution Number 29, each designating the newly appointed City Manager and Assistant City Manager position as authorized signatories, in accordance with LAIF guidelines.

ANALYSIS:

Periodically it is necessary to update the City LAIF signatory resolutions. This occurs when there is either a change of staffing or a change of member(s) of the Council. The new authorization includes the newly appointed Interim City Manager, in accordance with LAIF instructions and signature authority. The updated resolutions identify the City Manager, the Assistant City Manager, the Finance Director, the Assistant Finance Director and the Budget Manager or their successors in office, as authorized to order the deposit or withdrawals of monies in the respective LAIF and execute any documents necessary or advisable to effectuate these transactions in accordance with LAIF guidelines. By updating these two resolutions, all prior resolutions on file with LAIF will be superseded.

POLICY ALTERNATIVE(S):

Alternative: Do not adopt a Resolution of the Milpitas City Council and a Resolution of the Milpitas Public Financing Authority Board Authorizing the Continued Investment of Monies in the Local Agency Investment Fund and Designating Officers Authorized to Sign on the Account.

Pros: None

Cons: The appropriate designated officers will not be authorized to sign on the respective LAIF accounts.

Reasons not recommended: Not updating City and the Public Finance Authority's account authorizations is inconsistent with LAIF guidelines.

FISCAL IMPACT:

There is no fiscal impact to this recommendation.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The City Council adoption of the resolution is not a "project" under the California Environmental Quality Act (CEQA) pursuant to CEQA Guideline §15378(b)(5) because it is an administrative activity that will not result in a direct or indirect physical change in the environment.

ATTACHMENT(S):

(a) City Council Resolution

(b) Milpitas Public Financing Authority Resolution

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS
AUTHORIZING
INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND**

WHEREAS, Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the City Council does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein is in the best interests of the City of Milpitas.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The City Council does hereby authorize the deposit and withdrawal of Authority monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code as stated herein, and verification by the State Treasurer's Office of all banking information provided in that regard.
3. The following City of Milpitas officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

Deanna Santana, City Manager

Matt Cano, Assistant City Manager

Luz Cofresi-Howe, Finance Director

Gabrielle Tsang, Assistant Finance Director

Alice Vurich, Budget Manager

City Manager_____ Deanna Santana

_____ Finance Director_____ Luz Cofresi-Howe

_____ Assistant Finance Director_____ Gabrielle Tsang

_____ Assistant City Manager_____ Matt Cano

Budget Manager

Alice Vurich

1. ~~The City Council does hereby authorize the deposit and withdrawal of City of Milpitas monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code as stated herein, and verification by the State Treasurer's Office of all banking information provided in that regard.~~

~~The following City of Milpitas officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:~~

City Manager

Assistant City Manager

Director of Finance

Assistant Finance Director

Budget Manager

PASSED AND ADOPTED this ____ day of _____, 2025, by the following vote:

AYES: ()

NOES: ()

ABSENT: ()

ABSTAIN: ()

~~ATTEST:~~ ~~APPROVED:~~

ATTEST: APPROVED:

Suzanne Guzzetta, City Clerk

Carmen Montano, Mayor

APPROVED AS TO FORM:

Christopher Creech, Acting City Attorney

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MILPITAS PUBLIC FINANCING AUTHORITY AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND

WHEREAS, Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Directors of the Milpitas Public Financing Authority (“Authority”) does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein is in the best interests of the Authority.

NOW, THEREFORE, the Board of Directors of the Milpitas Public Financing Authority hereby finds, determines, and resolves as follows:

1. The Board of Directors has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The Board of Directors does hereby authorize the deposit and withdrawal of Authority monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code as stated herein, and verification by the State Treasurer’s Office of all banking information provided in that regard.
3. The following Authority officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

Deanna Santana, Authority Director

Matt Cano, Assistant Authority Director

Luz Cofresí-Howe, Treasurer

Gabrielle Tsang, Assistant Finance Director

Alice Vurich, Budget Manager

PASSED AND ADOPTED this ____ day of _____, 2025, by the following vote:

AYES: ()

NOES: ()

ABSENT: ()

ABSTAIN: ()

ATTEST:

Suzanne Guzzetta, Authority Secretary

APPROVED:

Carmen Montano, Mayor

APPROVED AS TO FORM:

Christopher Creech, Acting City Attorney



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	FY 2024-25 3rd Quarter Financial Status Report for the Quarter Ended March 31, 2025 (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111)
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	6/17/2025
Recommendation:	Review the FY 2024-25 Quarterly Financial Status Report for the quarter ended March 31, 2025.

BACKGROUND:

On June 4, 2024, the City Council approved the Fiscal Year (FY) 2024-25 Adopted Operating Budget in the amount of \$249.8 million, and the General Fund Budget in the amount of \$138.5 million. After adoption of the budget, staff monitors revenues and expenditures for all funds on an on-going basis, with an emphasis on the General Fund and Enterprise Funds and provides a Quarterly Financial Status Report for City Council review.

ANALYSIS:

This staff report provides a quarterly update on budget versus actual revenues and expenditures of the General, Water and Sewer Funds, the City's major operating funds. The summary information below, as well as the attachments, comprise the FY 2024-25 Quarterly Financial Status Report for the quarter ended March 31, 2025. Major revenue sources and expenditures for these funds are discussed below. The attachments provide a detailed summary of budget versus actual revenues and expenditures for the third quarter of FY 2024-25 as well as prior year actuals for comparison purposes.

General Fund

On [June 4, 2024](#), the City Council approved the FY 2024-25 Adopted Operating General Fund Budget in the amount of \$138.5 million. As of March 31, 2025, the City received \$80.5 million in revenues, or 58.9% of the FY 2024-25 amended revenue budget, and incurred \$109.1 million in expenditures, or 74.6% of the FY 2024-25 amended expenditure budget.

Revenues and expenditures are seasonal, with cash flow fluctuations due to timing of revenue receipts and respective City services rendered. As such, actual percentage of revenues may not match that of expenditures (e.g., 58.9% revenues vs. 74.6% expenditures through March 31, 2025).

General Fund Revenues

As noted above, the nine months ending March 31, 2025, the General Fund has received \$80.5 million, or 58.9% of the FY 2024-25 amended revenue budget of \$142.0 million, which includes \$2.5 million in Facilities Replacement Reserve for the FY 2024-25 appropriation of the FY 2025-29 Capital Improvement Program approved by City Council on [April 16, 2024](#)¹, the appropriation of \$1,288,745 of Public Employees Retirement (PERS) Rate Stabilization Reserve through the [June 4, 2024](#) City Council adoption of the FY 2024-25 Operating Budget, the \$532,404 use of Future Deficit Reserve approved by Council on [November 19, 2024](#) to fund economic incentives in an adopted Memorandum of Understanding between the City of Milpitas and International Association of Firefighters, the \$521,061 use of the Facilities Replacement Reserve approved by Council on [January 7, 2025](#) to fund critical Library elevator repairs, the \$241,521 the use of the Contingency Reserve and the \$241,521 use of the Budget Stabilization Reserve approved by Council on [March 4, 2025](#) to fund various actions in the 2024-2025 Mid-Year Budget Report. The FY 2024-25 Adopted Budget assumed a slight recovery in revenue, which is discussed further below by major categories.

¹ CIP 2494 City Hall Air Handlers \$2.5 million

General Fund Revenues	FY2024-25 Adopted Budget	FY2024-25 Adjusted Budget	FY2024-25 Receipts 03/31/2025	Outstanding Favorable/ (Unfavorable)	% Receipts	FY2023-24 Receipts 03/31/2024	FY2024-25 vs FY2023-24 % Increase/ (Decrease)
Property Tax	\$50,091,338	\$50,091,338	\$27,017,554	\$(23,073,784)	53.9%	\$25,821,942	4.6%
Sales and Use Tax	29,562,305	29,562,305	17,866,548	(11,695,757)	60.4%	16,761,780	6.6%
Sales and Use Tax - Measure F	7,340,550	7,340,550	4,107,954	(3,232,596)	56.0%	4,107,324	0.0%
Transient Occupancy Tax	13,032,550	13,032,550	8,361,384	(4,671,166)	64.2%	7,293,660	14.6%
Licenses, Permits & Fines	9,231,121	9,231,121	7,104,041	(2,127,080)	77.0%	5,713,637	24.3%
Operating Transfer In	8,478,722	8,478,722	3,602,792	(4,875,931)	42.5%	3,849,100	(6.4)%
Charges for Services	7,957,721	8,053,571	5,108,420	(2,945,151)	63.4%	4,587,986	11.3%
Franchise Fees	5,990,422	5,990,422	2,358,372	(3,632,050)	39.4%	2,594,210	(9.1)%
Use of Money and Property	1,179,201	1,179,201	1,586,205	407,004	134.5%	827,680	91.6%
Other Taxes	1,135,518	1,135,518	767,467	(368,051)	67.6%	825,276	(7.0)%
Intergovernmental	399,201	2,282,504	2,216,608	(65,896)	97.1%	571,412	287.9%
Other Revenues	288,309	288,309	442,522	154,213	153.5%	1,230,867	(64.0)%
Total General Fund Revenue¹	\$134,686,958	\$136,666,111	\$80,539,867	(\$56,126,244)	58.9%	\$74,184,874	8.6%

¹ Total General Fund Revenue does not include the use of \$3.0 million in Facilities Replacement Reserve, \$1.3 million of Public Employees Retirement (PERS) Rate Stabilization Reserve, \$532,404 of the Future Deficit Reserve, \$241,521 of the Contingency Reserve, and \$241,521 of the Budget Stabilization Reserve.

- **Property Taxes and Redevelopment Property Tax Trust Fund:** The significant majority of property tax revenue is received in December and April, following the payment of property taxes by taxpayers. The 2024-25 Adopted revenue forecast estimates \$50.1 million in total property tax revenue for the City of Milpitas based on County of Santa Clara (County) projections. The County's most recent update on May 9, 2025 forecasts property tax projections to be \$1.2 million higher than the adopted budget.
- **Sales & Use Tax:** Sales tax is distributed to municipalities two quarters in arrears from the State of California Department of Tax and Fee Administration (CDTFA). As of March 31, 2025, the City received seven months of sales tax receipts, July through January. Revenues are 6.6% higher than last year at the same time.
- **Sales & Use Tax – Measure F:** This voter-approved district tax, which became operative April 1, 2021 and sunset on March 31, 2029, was extended to March 31, 2037 by Measure J on November 5, 2024 by approximately 80.1% of Milpitas voters. As of March 31, 2025, the City has received seven months of sales tax receipts, July through January, for Measure F. Revenue trends are consistent with those of the same time last year.
- **Franchise Fees:** Revenue is trending 9.1% lower compared to last year. Sanitation franchise fees are typically received one month in arrears.
- **Hotel/Motel (Transient Occupancy Tax [TOT]) Tax:** Revenues are 14.6% higher than last year at the same time. TOT is typically received a month in arrears. Hotel operators are beginning to see higher TOT revenues although the City has received 64.2% of the adopted budget this quarter.
- **License, Permits & Fines:** Revenues are 24.4% higher than last year at the same time. Developer and builder project-delivery timelines vary on a case-by-case basis and are seldom within City's control.

- **Charges for Services:** Revenues are 11.3% higher than last year at the same time. This is largely due to an increase in Recreation and Community Services program revenues.
- **Use of Money and Property:** Revenues are 86.3% higher than last year at the same time, as the City's investment portfolio is earning significantly higher income than last year. This uptick in investment income is primarily due to higher yield rates in the short-term portfolio, given sustained high interest market rates through most of the fiscal quarter.

Expenditures

For the nine months ending March 31, 2025, the General Fund has utilized \$109.1 million (including encumbrances of \$4.7 million), or 74.6%, of the FY 2024-25 amended operating budget of \$146.2 million. The adjusted operating budget represents \$138.5 million of the adopted appropriation and \$2.2 million of carryover encumbrances and \$5.5 million in amendments. As of March 31, 2025, General Fund expenditures are consistent with the prior year as a percentage expended of the budget.

Departments	FY2024-25 Adopted Budget	FY2024-25 Carryover Encumbran ce /Grants	FY2024-25 Adjusted Budget ²	Expenditure	Encumbrance	Total YTD Expenditure + Encumbrances	% of Adjusted Budget	FY2023-24 Expenditure Including Encumbrance	FY2024- 25 vs. FY2023- 24 Increase/ (Decrease)
City Attorney	1,214,142	35,160	1,252,007	818,960	61,020	879,980	70.29%	849,922	3.54%
City Clerk	634,488	0	636,452	440,858	0	440,858	69.27%	388,231	13.56%
City Council	631,378	48,509	680,173	343,957	48,284	392,241	57.67%	334,572	17.24%
City Manager	2,196,244	168,380	2,329,440	1,520,217	194,589	1,714,806	73.62%	1,608,292	6.62%
Economic Development	1,229,397	65,853	1,348,608	786,491	102,934	889,425	65.95%	622,696	42.83%
Engineering	4,721,478	75,013	4,896,247	2,796,078	74,801	2,870,879	58.63%	2,569,662	11.72%
Finance	5,205,109	200,558	5,466,948	3,531,252	327,184	3,858,436	70.70%	3,608,917	6.91%
Fire	31,442,612	192,997	35,946,508	26,251,403	200,556	26,451,959	73.59%	21,698,982	21.90%
Human Resources	2,348,798	55,378	2,409,599	1,604,017	129,079	1,733,096	71.92%	1,450,078	19.52%
Information Technology	5,135,405	290,491	5,437,667	3,127,821	561,748	3,689,569	67.85%	3,132,785	17.77%
Non- Departmental	6,971,506	272,338	6,808,736	7,915,187	618,678	8,533,865	125.36%	8,006,056	6.59%
Office of Building Safety ¹	5,209,329	105,326	5,373,072	3,793,311	46,396	3,839,707	71.46%	5,025,395	-18.49%
Office of Housing ¹	316,778	0	317,261	256,457	0	256,457	80.83%		
Planning	3,346,853	62,932	3,442,955	2,286,445	154,013	2,440,458	70.88%	1,598,680	52.65%
Police	45,836,039	226,591	46,423,093	31,510,046	467,115	31,977,161	68.88%	29,987,974	6.63%
Public Works	11,709,439	329,592	12,264,841	8,381,766	1,381,532	9,763,298	79.60%	8,826,583	10.61%
Recreation & Community Services	6,981,060	93,787	7,189,238	5,064,816	287,805	5,352,621	74.45%	5,044,515	6.11%
Transfers In/Out/Revenue	3,345,645	0	3,991,706	3,991,706	0	3,991,706	100.00%	3,243,817	23.06%
Grand Total	\$138,475,700	\$2,222,905	\$146,214,551	\$104,420,788	\$4,655,734	\$109,076,522	74.60%	\$97,997,157	11.31%

¹ The Department of Building Safety and Housing was realigned in FY 2024-25. The Department was separated into two functions – Office of Building Safety and Office of Housing – under the governance of the City Manager's Office. Code Enforcement was merged into the Planning Department. Due to this restructuring, direct comparison of FY 2023-24 expenses and percentage changes to FY2024-25 is not feasible.

² The Adjusted Budget includes budget amendments of \$5.5 million made throughout FY 2024-25 and the grant and encumbrance carryover balance of \$2.2 million.

Grants and Donations

In accordance with City Council approved Budget Guidelines, the City Manager has the authority to accept grants and donations up to \$100,000. Staff is reporting acceptance of the following grant for quarter ending March 31, 2025.

- Office of Traffic Safety Selective Traffic Enforcement Program Grant - \$96,000

Unanticipated Expenditure Reserve

In accordance with the City Council approved Budget Guidelines, as part of the quarterly financial status reports, staff is reporting on the Unanticipated Expenditure Reserve for this quarter.

Unanticipated Expenditure Reserve Use	
Liebert Cassidy Whitmore (Labor Contract Negotiations)	\$16,191
Admail-Express, Inc. (Measure J Material Printing Services)	\$10,005
TOTAL for the Quarter Ending March 31, 2025	\$ 26,196

Water Maintenance & Operation (M&O) Fund Financial Status

Revenues: For the nine months ended March 31, 2025, \$26.8 million of charges for services, or 81.2%, of the \$33.0 million amended budget has been received. Total revenue received amounts to \$27.6 million, or 82.3%, of the \$33.6 million amended budget.

Expenditures: For the nine months ended March 31, 2025, \$36.2 million, or 89.3%, of the \$40.6 million amended budget has been spent and/or encumbered. The Santa Clara Valley Water District and San Francisco Water Department wholesale water purchase contract encumbrances were posted for the full year in the first quarter of FY 2024-25.

Sewer Maintenance & Operation (M&O) Fund Financial Status

Revenues: For the nine months ended March 31, 2025, \$19.5 million of charges for services, or 78.6%, of the \$24.8 million amended budget has been received. Total revenue received amounts to \$19.9 million, or 79.0%, of the \$25.2 million amended budget.

Expenditures: For the nine months ended March 31, 2025, \$13.7 million, or 75.5%, of the \$17.6 million amended budget has been spent and/or encumbered. The City of San José wastewater treatment contract encumbrance was posted for the full year in the first quarter of FY 2024-25.

POLICY ALTERNATIVE(S)

Alternative 1: Do not review the report.

Pros: There are no pros to not reviewing the report.

Cons: Not reviewing the report may be interpreted that the data is incorrect.

Reason not recommended: Staff is reporting actual unaudited financial data to inform the Council and the public on the City's financial status.

FISCAL IMPACT

There is no fiscal impact to this informational report, which is intended to provide a financial update of the City's General, Water and Sewer funds for the quarter ended March 31, 2025.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

This item is not a Project under CEQA exempt under CEQA Guideline 15378(b)(4) as it is a government fiscal activity that does not involve a commitment to any specific project which may result in a potentially significant physical impact on the environment.

ATTACHMENT(S):

- (a) FY 2024-25 General Fund Revenue Report
- (b) FY 2024-25 General Fund Expenditures
- (c) FY 2024-25 Water and Sewer Funds Financial Status



CITY OF MILPITAS

Attachment A

General Fund Revenues
For Fiscal Year-To-Date March 31, 2025 (unaudited)

	FY 2025							FY 2024	Percentage Increase/(Decrease)
	Adopted Budget	Budget Amendments	Grant Carryover	Amended Budget	Receipts	Outstanding Favorable/ (Unfavorable)	% Receipt	Receipts 03/31/2024	FY 2024 vs. FY 2025
General Fund Revenues									
Property Tax	\$ 50,091,338			\$ 50,091,338	\$ 27,017,554	\$ (23,073,784)	53.9%	\$ 25,821,942	4.6%
Sales and Use Tax	\$ 29,562,305			\$ 29,562,305	\$ 17,866,548	(11,695,757)	60.4%	\$ 16,761,780	6.6%
Sales and Use Tax - Measure F	\$ 7,340,550			\$ 7,340,550	\$ 4,107,954	(3,232,596)	56.0%	\$ 4,107,324	0.0%
Transient Occupancy Tax	\$ 13,032,550			\$ 13,032,550	\$ 8,361,384	(4,671,166)	64.2%	\$ 7,293,660	14.6%
Licenses, Permits & Fines	\$ 9,231,121			\$ 9,231,121	\$ 7,104,041	(2,127,080)	77.0%	\$ 5,713,637	24.3%
Operating Transfer In	\$ 8,478,722			\$ 8,478,722	\$ 3,602,792	(4,875,931)	42.5%	\$ 3,849,100	-6.4%
Charges for Services	\$ 7,957,721	\$ 95,850		\$ 8,053,571	\$ 5,108,420	(2,945,151)	63.4%	\$ 4,587,986	11.3%
Franchise Fees	\$ 5,990,422			\$ 5,990,422	\$ 2,358,372	(3,632,050)	39.4%	\$ 2,594,210	-9.1%
Use of Money and Property	\$ 1,179,201			\$ 1,179,201	\$ 1,586,205	\$ 407,004	134.5%	\$ 827,680	91.6%
Other Taxes	\$ 1,135,518			\$ 1,135,518	\$ 767,467	(368,051)	67.6%	\$ 825,276	-7.0%
Intergovernmental	\$ 399,201	\$ 1,769,276	\$ 114,027	\$ 2,282,504	\$ 2,216,608	(65,896)	97.1%	\$ 571,412	287.9%
Other Revenues	\$ 288,309			\$ 288,309	\$ 442,522	\$ 154,213	153.5%	\$ 1,230,867	-64.0%
Total General Fund Revenue	\$ 134,686,958	\$ 1,865,126	\$ 114,027	\$ 136,666,111	\$ 80,539,867	\$ (56,126,244)	58.9%	\$ 74,184,874	8.6%
Facility & Technology Reserves	\$ 2,500,000	\$ 521,061		\$ 3,021,061					
PERS Stabilization Reserve	\$ 1,288,745			\$ 1,288,745					
Future Deficit Reserve		\$ 532,404		\$ 532,404					
Contingency Reserve		\$ 241,521		\$ 241,521					
Budget Stabilization Reserve		\$ 241,521		\$ 241,521					
Total General Fund Revenues & Reserves	\$ 138,475,703	\$ 3,401,633	\$ 114,027	\$ 141,991,363					



City of Milpitas

General Fund Expenditures By Department Financial Status
For Fiscal Year-To-Date March 31, 2025 (unaudited)

Attachment B

Departments	FY 2025										FY 2024		Percentage Increase/Decrease
	Adopted Budget	Amendments	Grants Carryover	Encumbrances Carryover	Amended Budget	Expenditure	Encumbrance	Total YTD Expenditure	% of Amended Budget	Expenditures Including Encumbrances	% of Amended Budget	FY 2024 vs. FY 2025	
City Attorney	\$ 1,214,142	\$ 2,705	\$ -	\$ 35,160	\$ 1,252,007	\$ 818,960	\$ 61,020	\$ 879,980	70.3%	\$ 849,922	69.4%	3.5%	
City Clerk	\$ 634,488	\$ 1,964	\$ -	\$ -	\$ 636,452	\$ 440,858	\$ -	\$ 440,858	69.3%	\$ 388,231	67.1%	13.6%	
City Council	\$ 631,378	\$ 286	\$ -	\$ 48,509	\$ 680,173	\$ 343,957	\$ 48,284	\$ 392,241	57.7%	\$ 334,572	61.8%	17.2%	
City Manager	\$ 2,196,244	\$ (35,184)	\$ -	\$ 168,380	\$ 2,329,440	\$ 1,520,217	\$ 194,589	\$ 1,714,806	73.6%	\$ 1,608,292	69.5%	6.6%	
Economic Development	\$ 1,229,397	\$ 53,358	\$ -	\$ 65,853	\$ 1,348,608	\$ 786,491	\$ 102,934	\$ 889,425	66.0%	\$ 622,696	61.5%	42.8%	
Engineering	\$ 4,721,478	\$ 99,756	\$ -	\$ 75,013	\$ 4,896,247	\$ 2,796,078	\$ 74,801	\$ 2,870,879	58.6%	\$ 2,569,662	71.8%	11.7%	
Finance	\$ 5,205,109	\$ 61,281	\$ -	\$ 200,558	\$ 5,466,948	\$ 3,531,252	\$ 327,184	\$ 3,858,436	70.6%	\$ 3,608,917	73.4%	6.9%	
Fire	\$ 31,442,612	\$ 4,310,899	\$ -	\$ 192,997	\$ 35,946,508	\$ 26,251,403	\$ 200,556	\$ 26,451,959	73.6%	\$ 21,698,982	72.2%	21.9%	
Human Resources	\$ 2,348,798	\$ 5,423	\$ -	\$ 55,378	\$ 2,409,599	\$ 1,604,017	\$ 129,079	\$ 1,733,096	71.9%	\$ 1,450,078	71.3%	19.5%	
Information Technology	\$ 5,135,405	\$ 11,771	\$ -	\$ 290,491	\$ 5,437,667	\$ 3,127,821	\$ 561,748	\$ 3,689,569	67.9%	\$ 3,132,785	71.5%	17.8%	
Non-Departmental	\$ 6,971,506	\$ (435,108)	\$ -	\$ 272,338	\$ 6,808,736	\$ 7,915,187	\$ 618,678	\$ 8,533,865	125.3%	\$ 8,006,056	70.9%	6.6%	
Office of Building Safety	\$ 5,209,329	\$ 58,417	\$ 46,594	\$ 58,732	\$ 5,373,072	\$ 3,793,311	\$ 46,396	\$ 3,839,707	71.5%	\$ 3,839,707	71.5%		
Office of Housing	\$ 316,778	\$ 483	\$ -	\$ -	\$ 317,261	\$ 256,457	\$ -	\$ 256,457	80.8%	\$ 256,457	77.8%	(18.5)%	
Planning	\$ 3,346,853	\$ 33,170	\$ 16,050	\$ 46,882	\$ 3,442,955	\$ 2,286,445	\$ 154,013	\$ 2,440,458	70.9%	\$ 1,598,680	74.1%	52.7%	
Police	\$ 45,836,039	\$ 360,463	\$ 16,618	\$ 209,973	\$ 46,423,093	\$ 31,510,046	\$ 467,115	\$ 31,977,161	68.9%	\$ 29,987,974	73.0%	6.6%	
Public Works	\$ 11,709,439	\$ 225,810	\$ -	\$ 329,592	\$ 12,264,841	\$ 8,381,766	\$ 1,381,532	\$ 9,763,298	79.6%	\$ 8,826,583	80.2%	10.6%	
Recreation & Community Services	\$ 6,981,060	\$ 114,391	\$ -	\$ 93,787	\$ 7,189,238	\$ 5,064,816	\$ 287,805	\$ 5,352,621	74.5%	\$ 5,044,515	78.9%	6.1%	
Transfers In/Out/Revenue	\$ 3,345,645	\$ 646,061	\$ -	\$ -	\$ 3,991,706	\$ 3,991,706	\$ -	\$ 3,991,706	100.0%	\$ 3,243,817	100.0%	23.1%	
Grand Total	\$ 138,475,700	\$ 5,515,946	\$ 79,262	\$ 2,143,643	\$ 146,214,551	\$ 104,420,788	\$ 4,655,734	\$ 109,076,522	74.6%	\$ 97,997,157	74.1%	11.3%	



City of Milpitas

Attachment C

Water and Sewer Funds Financial Status
For Fiscal Year-To-Date March 31, 2025 (unaudited)

Water Fund

Revenue Categories	Adopted Budget	Amendments	Grants Carryover	Amended Budget	Receipt	Outstanding	% Receipt	Receipt 3/31/2024	% Receipt 3/31/2024
Charges for Services	\$ 32,971,334	\$ -	\$ -	\$ 32,971,334	\$ 26,760,646	\$ 6,210,688	81.2%	\$ 24,417,347	72.3%
Intergovernmental	-	-	-	-	-	-	-	-	-
Licenses, Permits & Fines	-	-	-	-	-	-	-	-	-
Other Revenues	-	-	-	-	\$ 184,658	(184,658)	-	289,876	-
Use of Money and Property	585,286	-	-	585,286	\$ 685,842	(100,556)	117.2%	437,654	102.1%
Grand Total	\$ 33,556,620	\$ -	\$ -	\$ 33,556,620	\$ 27,631,146	\$ 5,925,474	82.3%	\$ 25,144,877	73.6%

Department	Adopted Budget	Amendments	Grants Carryover	Encumbrance Carryover	Amended Budget	Expenditure	Encumbrance	Total YTD Exp.	% of Amended Budget	Total YTD Exp. 3/31/2024	% of Amended Budget 3/31/2024
City Attorney	\$ 9,270	\$ -	\$ -	\$ -	\$ 9,270	\$ -	\$ -	\$ -	-	\$ -	-
City Manager	9,167	-	-	-	9,167	5,500	2,750	8,250	-	-	-
Finance	1,251,174	3,713	-	27,379	1,282,265	851,577	45,252	896,829	69.9%	814,222	73.4%
Non-Departmental	27,032,724	-	-	2,958,353	29,991,077	18,332,698	9,954,574	28,287,272	94.3%	24,621,066	99.1%
Public Works	5,433,833	218,560	-	250,424	5,902,817	3,936,789	476,485	4,413,274	74.8%	3,699,176	73.1%
Transfers In/Out/Revenue	3,363,508	-	-	-	3,363,508	2,603,881	-	2,603,881	77.4%	2,151,974	75.0%
Grand Total	\$ 37,099,676	\$ 222,273	\$ -	\$ 3,236,156	\$ 40,558,104	\$ 25,730,445	\$ 10,479,061	\$ 36,209,506	89.3%	\$ 31,286,438	92.3%

Sewer Fund

Revenue Categories	Adopted Budget	Amendments	Grants Carryover	Amended Budget	Receipt	Outstanding	% Receipt	Receipt 3/31/2024	% Receipt 3/31/2024
Charges for Services	\$ 24,820,533	\$ -	\$ -	\$ 24,820,533	\$ 19,509,763	5,310,770	78.6%	\$ 18,174,468	77.2%
Intergovernmental	-	-	-	-	\$ -	-	-	-	-
Licenses, Permits & Fines	-	-	-	-	\$ 602	(602)	-	559	-
Other Revenues	-	-	-	-	-	-	-	111,293	-
Use of Money and Property	340,742	-	-	340,742	\$ 376,142	(35,400)	110.4%	261,380	91.1%
Grand Total	\$ 25,161,275	\$ -	\$ -	\$ 25,161,275	\$ 19,886,507	5,274,768	79.0%	\$ 18,547,700	77.8%

Department	Adopted Budget	Amendments	Grants Carryover	Encumbrance Carryover	Amended Budget	Expenditure	Encumbrance	Total YTD Exp.	% of Amended Budget	Total YTD Exp. 3/31/2024	% of Amended Budget 3/31/2024
City Manager	\$ 9,167	\$ -	\$ -	\$ -	\$ 9,167	\$ 5,500	\$ 2,750	\$ 8,250	-	\$ -	-
Engineering	-	-	-	-	-	-	-	-	-	-	-
Finance	802,132	1,836	-	27,221	831,189	543,863	45,252	589,115	70.9%	505,872	52.8%
Non-Departmental	11,351,009	-	-	139,547	11,490,556	7,916,008	1,081,527	8,997,535	78.3%	11,753,373	109.6%
Public Works	3,538,201	149,658	-	264,783	3,952,641	2,393,247	240,354	2,633,601	66.6%	2,295,868	38.3%
Transfers In/Out/Revenue	1,908,148	-	-	-	1,908,148	1,512,361	-	1,512,361	79.3%	1,127,717	50.0%
Grand Total	\$ 17,608,657	\$ 151,494	\$ -	\$ 431,551	\$ 18,191,701	\$ 12,370,979	\$ 1,369,883	\$ 13,740,862	75.5%	\$ 15,682,830	86.5%



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Designating Authorized Agents for Certain Federal or State Financial Assistance (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111)
Category:	Consent Calendar-Leadership and Support Services
Meeting Date:	6/17/2025
Recommendation:	Adopt a resolution in the form specified by the California Governor's Office of Emergency Services designating the City Manager, Assistant City Manager and Finance Director as Authorized Agents to receive federal or state financial assistance under the Stafford Act and/or the California Disaster Assistance Act.

BACKGROUND:

The Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) and the California Disaster Assistance Act (CDAA) are each designed to provide disaster relief and recovery assistance and operate at their respective government levels. The Stafford Act is a federal law that establishes the framework for federal disaster response, while the CDAA is a California state law that provides state-level funding and assistance for disaster recovery. The California Governor's Office of Emergency Services (Cal OES) manages the state CDAA and the federal Stafford Act, on behalf of the Federal Emergency Management Agency (FEMA), coordinating disaster recovery efforts and providing financial assistance to various entities, including individuals, businesses and governments such as Milpitas.

To receive federal or state financial assistance for eligible City-incurred expenses from these two funding sources, the City Council must designate authorized agents on its behalf to provide the required assurances and execute agreements with FEMA and Cal OES. A new Cal OES Form 130 resolution is needed if the previous one is older than three years, is invalid, or if authorized agents change positions or titles. The City Council last adopted a Cal OES Form 130 resolution on [April 21, 2020](#), over three years ago.

ANALYSIS:

The City of Milpitas (City) has been granted funding in the past from both these disaster-recovery sources, most recently for the COVID-19 Pandemic disaster declared on March 13, 2020. FEMA approved Stafford Act funding for the City in the amount of \$969,613.36 for the COVID-19 Pandemic disaster, with all but \$46,172.07 in administrative expenses remaining to be reimbursed. For the City to receive its final reimbursement for the COVID-19 disaster, the City Council is required to adopt a new Cal OES Form 130 resolution.

POLICY ALTERNATIVE(S):

Alternative 1: Do not support this resolution

Pros: The City would not receive its final reimbursement of \$46,172.07 and would absorb those costs in its General Fund.

Cons: The City would receive its final reimbursement of \$46,172.07 and relieve its General Fund.

Reason for Not Recommending: Staff recommends the City Council adopt this resolution to enable the receipt of the remaining reimbursement of \$46,172.07.

FISCAL IMPACT:

The City would receive its final reimbursement of \$46,172.07, to be applied to the General Fund.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action is a fiscal or administrative activity of the City government that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment and is not a project pursuant to Cal. Code of Regs., tit. 14, § 15378.

ATTACHMENT(S):

- (a) California Governor's Office of Emergency Services (Cal OES) Form 130, *Designation of Applicant's Agent Resolution Non-State Agencies* OES-FPD-130 (Rev. 10-2022)



Cal OES ID No: _____

DESIGNATION OF APPLICANT'S AGENT RESOLUTION FOR NON-STATE AGENCIES

BE IT RESOLVED BY THE City Council OF THE City of Milpitas
(Governing Body) (Name of Applicant)

THAT City Manager, OR
(Title of Authorized Agent)

Assistant City Manager, OR
(Title of Authorized Agent)

Finance Director
(Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the City of Milpitas,
(Name of Applicant)

a public entity established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining federal financial assistance for any existing or future grant program, including, but not limited to any of the following:

- **Federally declared Disaster (DR), Fire Mitigation Assistance Grant (FMAG), California State Only Disaster (CDAA), Immediate Services Program (ISP), Hazard Mitigation Grant Program (HMGP), Building Resilient Infrastructure and Communities (BRIC), Legislative Pre-Disaster Mitigation Program (LPDM)**, under
- Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.
- **Flood Mitigation Assistance Program (FMA)**, under Section 1366 of the National Flood Insurance Act of 1968.
- **National Earthquake Hazards Reduction Program (NEHRP)** 42 U.S. Code 7704 (b) ((2) (A) (ix) and 42 U.S. Code 7704 (b) (2) (B) National Earthquake Hazards Reduction Program, and also The Consolidated Appropriations Act, 2018, Div. F, Department of Homeland Security Appropriations Act, 2018, Pub. L. No. 115-141
- **California Early Earthquake Warning (CEEW)** under CA Gov Code – Gov, Title 2, Div. 1, Chapter 7, Article 5, Sections 8587.8, 8587.11, 8587.12

That the City of Milpitas,
(Name of Applicant)

laws of the State of California, hereby authorizes its agent(s) to provide to the Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.



Please check the appropriate box below

- ☒ This is a universal resolution and is effective for all open and future disasters/grants declared up to three (3) years following the date of approval.
- ☐ This is a disaster/grant specific resolution and is effective for only disaster/grant number(s): _____

Passed and approved this ____ day of _____, 20 ____

Carmen Montano, Mayor

(Name and Title of Governing Body Representative)

(Name and Title of Governing Body Representative)

(Name and Title of Governing Body Representative)

CERTIFICATION

I, **Suzanne Guzzetta**, duly appointed and **City Clerk** of
(Name) (Title)

City of Milpitas, do hereby certify that the above is a true and
(Name of Applicant)

correct copy of a resolution passed and approved by the **City Council**
(Governing Body)

of the **City of Milpitas** on the ____ day of _____, 20 ____.
(Name of Applicant)

City Clerk

(Signature)

(Title)



Cal OES Form 130 Instructions

A Designation of Applicant's Agent Resolution for Non-State Agencies is required of all Applicants to be eligible to receive funding. A new resolution must be submitted if a previously submitted resolution is older than three (3) years from the last date of approval, is invalid, or has not been submitted.

When completing the Cal OES Form 130, Applicants should fill in the blanks on pages 1 and 2. The blanks are to be filled in as follows:

Resolution Section:

Governing Body: This is the group responsible for appointing and approving the Authorized Agents.

Examples include: Board of Directors, City Council, Board of Supervisors, Board of Education, etc.

Name of Applicant: The public entity established under the laws of the State of California.

Examples include: School District, Office of Education, City, County or Non-profit agency that has applied for the grant, such as: City of San Diego, Sacramento County, Burbank Unified School District, Napa County Office of Education, University Southern California.

Authorized Agent: These are the individuals that are authorized by the Governing Body to engage with the Federal Emergency Management Agency and the California Governor's Office of Emergency Services regarding grants for which they have applied. There are two ways of completing this section:

1. **Titles Only:** The titles of the Authorized Agents should be entered here, not their names. This allows the document to remain valid if an Authorized Agent leaves the position and is replaced by another individual. If "Titles Only" is the chosen method, this document must be accompanied by either a cover letter naming the Authorized Agents by name and title, or the Cal OES AA Names document. The supporting document can be completed by any authorized person within the Agency (e.g., administrative assistant, the Authorized Agent, secretary to the Director). It does not require the Governing Body's signature.
2. **Names and Titles:** If the Governing Body so chooses, the names **and** titles of the Authorized Agents would be listed. A new Cal OES Form 130 will be required if any of the Authorized Agents are replaced, leave the position listed on the document, or their title changes.



Checking Universal or Disaster-Specific Box: A Universal resolution is effective for all past disasters and for those declared up to three (3) years following the date of approval. Upon expiration it is no longer effective for new disasters, but it remains in effect for disasters declared prior to expiration. It remains effective until the disaster goes through closeout unless it is superseded by a newer resolution.

Governing Body Representative: These are the names and titles of the approving Board Members.

Examples include: Chairman of the Board, Director, Superintendent, etc. The names and titles **cannot** be one of the designated Authorized Agents. A minimum of three (3) approving board members must be listed. If less than three are present, meeting minutes must be attached in order to verify a quorum was met.

Certification Section:

Name and Title: This is the individual in attendance who recorded the creation and approval of this resolution.

Examples include: City Clerk, Secretary to the Board of Directors, County Clerk, etc. This person **cannot** be one of the designated Authorized Agents or Approving Board Member. If a person holds two positions (such as City Manager and Secretary to the Board) and the City Manager is to be listed as an Authorized Agent, then that person could sign the document as Secretary to the Board (not City Manager) to eliminate "Self-Certification."



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Authorize the City Manager to Negotiate and Execute an Amendment to the Agreement with WeHOPE for Homeless Outreach, Assessment, and Case Management Services (Staff Contact: Luz Cofresi-Howe, Finance Director, 408-586-3111; and Matt Cano, Assistant City Manager, 408-586-3012)
Category:	Consent Calendar - Community Development
Meeting Date:	6/17/2025
Recommendation:	Authorize the City Manager, or designee, to negotiate and execute an amendment to the Professional Services Agreement (Agreement) with WeHOPE for homeless outreach, assessment, and case management services, extending the term for one additional year through June 30, 2026 in an amount not to exceed \$203,033 for the additional year of service, for a revised total compensation not to exceed amount of \$402,966 for the full two-year term of the Agreement.

BACKGROUND:

In March 2022, the City requested support of one-time funding as part of the Fiscal Year 2022-2023 State budget through Assemblymember Alex Lee's Office. The funding request included establishing a Milpitas resource center as a 2-year pilot program (\$500,000), supporting the continuation and expansion of the City's mobile shower and laundry services, twice a week, for a period of 3 years (\$300,000), and providing rent relief to vulnerable Milpitas residents (\$700,000). In fall 2022, the City received notification of the award of state funding, through Assemblymember Lee's Office, in the amount of \$1,500,000 for homelessness prevention and unhoused services, which was incorporated into the City's Fiscal Year 2023-24 Operating Budget.

On [June 6, 2023](#), as part of the adoption of the FY 2023-24 Operating Budget action, the City Council approved allocating \$150,000 to the mobile shower and laundry services, once a week, for a period of three (3) years. On [August 13, 2024](#), the City Council approved allocating \$763,000 to continuing the City's rent relief program.

Staff have made several attempts over the past year to seek clarification from state representatives on whether there is flexibility in using the funds to support other homelessness prevention and unhoused services than the ones initially requested. On January 12, 2024 the City received an email from the California Department of Housing and Community Development indicating that "there is no directing or intent language on how to utilize the money." Therefore, staff is working under the assumption that if funding is used to support similar goals as the original funding request, i.e. to prevent homelessness and provide services to the unhoused, services to support unhoused individuals in Milpitas are eligible.

As a result, staff recommends utilizing a portion of the unallocated \$611,083.50 for homeless outreach for FY 2025-26. This figure includes approximately \$24,038.50 in accrued interest as of April, 2025.

ANALYSIS:

On [November 10, 2020](#), the City Council approved and directed staff to enter into an agreement for homeless outreach, assessment, and street-based case management services with the Santa Clara County Office of Supportive Housing. The County Homeless Engagement and Access Team (HEAT), via Abode Services, conducted outreach from March 2021 – December 2023.

On April 11, 2024, the City Finance Purchasing Division released Request for Proposal (RFP) No. 24-088, Homeless Outreach Program. The RFP was publicly noticed in accordance with applicable provisions of the City Municipal Code, advertised on the City website, and emailed to companies registered with the City via the City online procurement system (Procurement.OpenGov.com). Upon release, the RFP was viewed 680 times,

and 25 agencies downloaded the RFP documents. Six agencies submitted applications to the RFP by the published closing date of May 2, 2024.

Staff evaluated and scored the RFP responses in two rounds of evaluation. Based on the proposal submitted and subsequent scoring, staff chose WeHOPE, a Bay Area based non-profit organization with over 20 years of experience in helping people become healthy, employed, and housed using innovative solutions, as the contractor for homeless outreach services.

On [June 18, 2024](#), the City executed a one-year Professional Services Agreement with WeHOPE for a not-to-exceed cost of \$199,933 through the Housing and Community Development Permanent Local Housing Allocation grant. Through WeHOPE, the City has two (2) full-time homeless case managers who support the unhoused and at-risk community through various ways, including but not limited to responding to referrals, proactive street outreach, identifying the needs and demographics of Milpitas' unhoused residents, and connecting individuals to resources including medical services and shelters. In the first two quarters of WeHOPE's homeless outreach services, caseworkers responded to 99% of referrals within 48 hours, moved four households into improved living situations, and served 20 unduplicated clients. WeHOPE caseworkers are on track to meet the goals outlined in the professional services agreement.

Staff is currently working on a new competitive Request for Proposal (RFP) for Homeless Outreach, Assessment and Case Management Services. However, the RFP will not be complete with a new contract in place before the current Agreement expires on June 30, 2025. To allow staff sufficient time to complete the RFP process, including Council approval and agreement negotiation and execution, staff is requesting the current Agreement be extended through June 30, 2026. If the new Agreement is finalized before this extension ends, the City may terminate the current Agreement with a 30-day notice to the vendor. In that case, the City will only pay for services rendered up to the termination date.

POLICY ALTERNATIVE(S):

Alternative 1: Do not continue the contract with WeHOPE for homeless outreach, assessment and case management services

Pros: The funding for this contract can be re-directed to other purposes to support our low income and/or unhoused communities, such as rental assistance.

Cons: If this contract is not continued, the City will not have the resources to facilitate transitioning our unhoused community members into transitional and permanent housing and the City will also have limited resources to assist with supporting our unhoused community.

Reason for Not Recommending: It is important to ensure that we continue to support our unhoused community by connecting them to the various resources that will transition them into transitional and permanent housing. By having case workers on the streets of Milpitas on a regular basis we can ensure that we are maximizing our ability to support our unhoused residents.

FISCAL IMPACT:

If the staff recommendation is approved, the fiscal impact to the City will be \$203,033 from the one-time grant funding provided by Assemblymember Lee's Office. The projected unallocated balance for the grant, excluding interest, would be \$384,012.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment and is not a project pursuant to Pub. Resources Code, § 21065 and Cal. Code Regs., tit. 14, § 15378. Even if a project, the action is exempt from further CEQA review pursuant to Cal. Code Regs., tit. 14, § 15061(b)(3) as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

ATTACHMENT(S):

None.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve a Budget Appropriation from the Housing Authority Fund and an Negotiate and Execute an Amendment to the Agreement with HouseKeys for the Administration of the City's Below Market Rate Homeownership Program (Staff Contact: Matt Cano, Assistant City Manager, 408-586-3012)
Category:	Consent Calendar-Community Development
Meeting Date:	6/17/2025
Recommendation:	(1) Authorize the City Manager, or designee, to negotiate and execute an amendment to the Professional Services Agreement (Agreement) with HouseKeys Inc. to exercise the remaining options of the Agreement, extending the term for three (3) additional years through June 30, 2028, in an amount not to exceed \$600,000 for the additional years of service, for a revised total compensation not to exceed amount of \$1,000,000 for the full five-year term of the Agreement; and (2) Approve and appropriate \$200,000 from the Housing Authority Fund for the FY 2025-26 period of the agreement, with funding for the remaining term of the agreement subject to appropriation.

BACKGROUND:

The City of Milpitas Below Market Rate (BMR) Program (Program) aims to assist low- and moderate-income households in becoming first-time homeowners. The Program currently includes a portfolio of 278 homeownership units, which were added with the former Redevelopment Agency financial support to developers in creating affordable housing. In exchange for this financial assistance, developers designated a portion of the units as affordable housing. Historically, the City has managed the purchase and sale of these units.

On [June 19, 2018](#), the City Council adopted an Affordable Housing Ordinance requiring residential developments of ten (10) or more units to allocate 15% of the total units as affordable. As a result of this Ordinance, the City expects to add over 50 homeownership units to its portfolio within the next three years. The time required to sell and monitor these units led the staff to seek external support.

On [September 5, 2023](#), the City Council approved a one-year contract with HouseKeys for \$200,000 to manage the City's homeownership units, with the option to extend the contract for four additional one-year periods at a cost of \$200,000 per year.

On [June 18, 2024](#), the City Council approved one of the four options to renew the contract at a cost of \$200,000 for the Fiscal Year 2024-25.

ANALYSIS:

During the City's initial analysis of service providers offering BMR administrative services, HouseKeys emerged as the only organization in the Bay Area capable of managing Milpitas' homeownership portfolio. Staff researched various BMR program administrators and, given the high level of specialization required, identified only two other potential administrators: Rise Housing and Alta Housing. However, Rise Housing was unable to submit a bid as they lacked the capacity to take on additional public agency services. Additionally, Alta Housing primarily serves cities in the northern part of Santa Clara County, making Milpitas outside their service area.

Consequently, the City Council supported staff's recommendation to enter into a contract with HouseKeys, recognizing their strong infrastructure and excellent ability to meet the City's BMR needs. HouseKeys is currently collaborating with City staff to develop detailed program guidelines and conduct an inventory assessment of the City's BMR homeownership portfolio.

In the past year, HouseKeys has successfully launched the City's BMR homeownership website, which serves as a 24/7 portal for current and prospective BMR owners. This platform allows users to submit documentation and requests at their convenience and access their documents more easily. Furthermore, HouseKeys has initiated the certification process to ensure that homeowners comply with the program guidelines. To date, HouseKeys has sold two BMR units to eligible applicants and is actively working on additional resales.

By exercising the one-year renewal option for fiscal year 2025-26 and authorizing the two (2) additional one-year renewal options, HouseKeys will continue as the transaction coordinator for all real estate transactions which include ensuring affordability deeds are recorded and conducting resale calculations and refinancing requests. HouseKeys will continue to assist with the sale and resale of units, the selection process, collection of Agency fees, and any monitoring, compliance, resolution, or loss mitigation needed. HouseKeys will also ensure Milpitas units under their management are not subject to fraudulent activity from homeowners who are in violation of their agreement to participate in the BMR program.

Staff recommends the authorization of exercising the remaining three of four one-year renewal options with HouseKeys (Attachment 2). The cost for the administration of the program is as follows:

FY 2025-26	\$200,000
FY 2026-27	\$200,000
FY 2027-28	\$200,000
Total Cost for Remaining Renewal Options	\$600,000

POLICY ALTERNATIVE(S):

Alternative 1: Do not execute renewal options with HouseKeys to manage the City's BMR Homeownership portfolio.

Pros: Funds would not be spent on this priority.

Cons: Staff does not have the resources to administer the City BMR homeownership portfolio if renewal options are not exercised, the Office of Housing current and future housing demands and Council priorities may be negatively affected.

Reason not recommended: The City's first residential development to satisfy the Affordable Housing Ordinance added four BMR units to the City's portfolio. In June 2022, City staff completed the sale of four (4) units without third party assistance. These transactions required extraordinary staff resources and time to execute, while operating the Housing work program with limited resources. Staff expect an increase in BMR units in the coming years, and outsourcing the BMR Program allows the Housing team to focus on the increasing workload related to unhoused services and other City Council-related housing objectives.

FISCAL IMPACT:

If the City Council approves staff's recommendation to authorize HouseKeys as the City's Below Market Rate Homeownership Program administrator, the fiscal impact is \$200,000 in FY 2025-26 from the Housing Authority Fund, with the remaining \$200,000 in FY 2026-27 and \$200,000 in FY 2027-28 subject to appropriation through the annual operating budget process. The source of funds for future years is contemplated to be the Housing Authority Fund which, as of the writing of this report, has an approximate balance of \$2,400,000.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment and is not a project pursuant to Pub. Resources Code, § 21065 and Cal. Code Regs., tit. 14, § 15378. Even if a project, the action is exempt from further CEQA

review pursuant to Cal. Code Regs., tit. 14, § 15061(b)(3) as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The action is an organizational or administrative activity of the City government that will not result in direct or indirect physical changes in the environment and is not a project pursuant to Cal. Code of Regs., tit. 14, § 15378.

ATTACHMENT(S):

None.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Authorize the Executive Director of the Milpitas Housing Authority to Exercise the Option to Purchase the Below Market Rate Unit at 1377 Coyote Creek Way and Execute the Necessary Documents (Staff Contact: Matt Cano, Assistant City Manager, 408-586-3012)
Category:	Consent Calendar-Community Development
Meeting Date:	6/17/2025
Recommendation:	Authorize the Executive Director of the Milpitas Housing Authority, or designee, to exercise the option to purchase the Below Market Rate (BMR) Unit at 1377 Coyote Creek Way and execute the necessary documents to repurchase this property.

BACKGROUND

The City of Milpitas Below Market Rate (BMR) Program aims to assist low- and moderate-income households in becoming first-time homeowners. Purchasers of homeownership BMR units must adhere to a Deed Resale Restriction Agreement (Agreement), which is recorded against the properties. The Agreement imposes occupancy and resale restrictions to prevent buyers from using the BMR Program for purposes incompatible with the Affordable Housing Ordinance and realizing unwarranted gains from the sale or lease of the BMR unit. Additionally, the Agreement grants the Successor Agency of the Milpitas Housing Authority (Authority) the option to purchase the BMR unit for a restricted price upon the occurrence of certain events.

The Authority can exercise this option when any of the following events occur:

- i. Receipt of a Notice of Intent to Transfer
- ii. Any actual, attempted or pending sale, conveyance, transfer, lease or other attempted disposition of the Property or any estate or interest therein;
- iii. Any actual, attempted or pending encumbrance of the Property including without limitation by way of mortgage or deed of trust, or by judgement, mechanics, tax or other lien;
- iv. Recordation of a notice of default and/or notice of sale pursuant to California Civil Code section 2924 (or successor provisions) under any deed of trust or mortgage with a power of sale encumbering the Property;
- v. Commencement of a judicial foreclosure proceeding regarding the Property;
- vi. Execution by Owner of any deed in lieu of foreclosure transferring ownership of the Property;
- vii. Commencement of a proceeding or action in bankruptcy, whether voluntary or involuntary, pursuant to Title 11 of the United States Code or other bankruptcy statute, or any other insolvency, reorganization, arrangement, assignment for the benefit of creditors, receivership or trusteeship, concerning the Owner; or
- viii. Any violation by Owner of any provision of the Agreement

ANALYSIS:

The property located at 1377 Coyote Creek Way is a two-bedroom, two-and-a-half-bathroom townhome within the City BMR Homeownership Portfolio. The homeowner issued a Notice of Intent to Transfer to the Authority on April 1, 2025. Based on the Agreement (Attachment 1), the following process is to take place:

- Owner issues a Notice of Intent to Transfer with or without a Proposed Buyer
- Within 60 Days, City must Consent to Transfer to Proposed Buyer or Exercise Purchase Option
- If the proposed buyer is ineligible, Owner must resubmit Notice of Intent to Transfer
- City must respond within 60 days with a Notice of Exercise to the new Notice of Intent to Transfer

- City has 90 days from sending out the Notice of Exercise to execute a purchase agreement and close escrow (estimated at August 28, 2025)
- If City does not close escrow on time, the current homeowner can request a Notice of Abandonment and the City's Option to Purchase is no longer valid
- The Owner is then free to sell to whoever they choose and must pay 85% of the proceeds that exceed the maximum seller's price

On May 28, 2025, the Authority formally responded with a Notice of Exercise, to move forward with its option to transfer or purchase the property. In the initial letter to the homeowner, the Authority assigned its option to purchase the real property located at 1377 Coyote Creek Way to an eligible household. According to the recorded Resale Restriction Agreement and Option to Purchase (Attachment a), the City would normally have 90 days from Notice of Exercise to execute an agreement. This 90-day period ends on August 28, 2025.

HouseKeys, the City BMR management agency, identified an eligible purchaser through its drawing and file submission process, and the property was scheduled to close escrow July 7, 2025 using Fannie Mae-backed financing. However, the purchaser's lender confirmed that the Homeowners Association (HOA) at Coyote Creek is listed as "unapproved" in the Fannie Mae condo project database as of March 2024. This unapproved status is currently preventing loan approval. The homeowner failed to notify and disclose this cloud to title and impediment to sale as required under the Agreement. Until the status is resolved or an alternative financing option is secured, the assigned purchaser is unable to close escrow. If the Authority elected to repurchase this property for future disposition and sale to another qualifying purchaser, this unapproved status might limit the financing options of otherwise qualified purchasers and increase the time for resale of this property.

Additionally, the Authority has received information indicating that the current homeowner is not residing at the property and has not resided at the property for a period in excess of ninety (90) days in violation of the owner occupancy/principal residence requirements of the Agreement. This occurrence would separately constitute an option event allowing the Authority to repurchase the unit or transfer it to another qualified buyer to more expeditiously return this unit to service for a qualifying household.

While staff will continue to work with the owner to attempt to informally resolve these issues, staff recommends that the Authority grant the Executive Director authorization to repurchase the unit in the event an alternative resolution is not immediately forthcoming. If the Authority repurchases the property, HouseKeys will work with Authority staff to resell the property as expeditiously as possible to an income-eligible homeowner. The Authority can hold onto the property until a qualified buyer with suitable financing can be secured.

POLICY ALTERNATIVE(S):

Alternative 1: No Action; allow HouseKeys to continue to work with the purchaser to explore lending alternatives.

Pros: Funds would not be spent on this priority.

Cons: Possible litigation by current homeowner over failure to act and loss of affordable unit in the BMR portfolio.

Reason not recommended: The current homeowner can request to file Notice of Abandonment for the City's Option to Purchase, and seller can sell the unit at fair market value. If this occurs, the City will lose a BMR unit in its Affordable Housing portfolio and therefore lose an affordable unit during severe housing unaffordability within the City and County.

FISCAL IMPACT:

The City will expend funds from its Affordable Housing Fund (295) in the amount of \$450,000 but will recover that amount when the property is resold to an eligible buyer. The fund balance in the Affordable Housing Fund (295) is \$2.1 million.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment and is not a project pursuant to Pub. Resources Code,

§ 21065 and Cal. Code Regs., tit. 14, § 15378. Even if a project, the action is exempt from further CEQA review pursuant to Cal. Code Regs., tit. 14, § 15061(b)(3) as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The action entails the operation and purchase of an existing residential structure, involving negligible or no expansion of existing or former use, and is exempt from CEQA pursuant to Cal. Code Regs., tit. 14, § 15301.

ATTACHMENT(S):

(a) Resale Restriction Agreement and Option to Purchase

DOCUMENT: 2276

Pages: 24



22764082

Fees...	94.00
Taxes...	.00
Copies...	.00
AMT PAID	94.00

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

CITY OF MILPITAS HOUSING AUTHORITY
455 East Calaveras Boulevard
Milpitas, CA 95035

REGINA ALCOMENDRAS
SANTA CLARA COUNTY RECORDER
Recorded at the request of
First American Title Co-PASION

RDE # 005
11/07/2014
11:26 AM

To be recorded without fee.
(Gov. Code, §§ 6103 and 27383.)

(Space Above This Line For Recorder's Use Only)

RESALE RESTRICTION AGREEMENT AND OPTION TO PURCHASE

Owner: Danny Dias

Property: 1377 Coyote Creek Way
Milpitas, California 95035

Name of Development: Coyote Creek

This RESALE RESTRICTION AND OPTION TO PURCHASE AGREEMENT ("Agreement") is entered into by and between the Housing Authority of the City of Milpitas ("the Authority"- former Milpitas Redevelopment Agency) Danny Dias ("Owner") regarding certain improved real property, which is more particularly described in Exhibit A attached hereto and incorporated herein and commonly known as William Lyons Homes, Milpitas, CA 95035 (the "Property") effective as of October 15, 2014 (Effective Date"). Authority and Owner are hereinafter collectively referred to as the "Parties."

RECITALS

A. The Authority pursuant to the previous Community Redevelopment Law (Health & Safety Code section 33000 et seq.) and the previous Authority's Redevelopment Plan maintains an affordable housing fund, which it uses for the purpose encouraging the construction of housing within the Redevelopment Plan Area that is affordable to persons of low, and moderate income ("the Program").

B. Pursuant to the Program, the Authority and Fairview Murphy Road LLC (Developer) entered into a Affordable Housing Regulatory Agreement, dated August 29, 2008 (collectively "the Agreement") under which Developer has agreed to construct and sell 44 homes at prices that are affordable to persons of low and moderate incomes.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

CITY OF MILPITAS HOUSING AUTHORITY
455 East Calaveras Boulevard
Milpitas, CA 95035

To be recorded without fee.
(Gov. Code, §§ 6103 and 27383.)

(Space Above This Line For Recorder's Use Only)

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AND OPTION TO PURCHASE**

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RECITALS

A. The Authority pursuant to the previous Community Redevelopment Law (Health & Safety Code section 33000 et seq.) and the previous Authority's Redevelopment Plan maintains an affordable housing fund, which it uses for the purpose encouraging the construction of housing within the Redevelopment Plan Area that is affordable to persons of low, and moderate income ("the Program").

B. Pursuant to the Program, the Authority and Fairview Murphy Road LLC (Developer) entered into a Affordable Housing Regulatory Agreement, dated August 29, 2008 (collectively "the Agreement") under which Developer has agreed to construct and sell 44 homes at prices that are affordable to persons of low and moderate incomes.

C. Owner is the owner of certain real property located within the City of Milpitas, legally described in Exhibit A and commonly known as Coyote Creek Milpitas, CA 95035 ("the Property"). The Property is one of the affordable homes constructed by Developer pursuant to the Agreement.

D. Owner is an eligible low and moderate-income purchaser under the Program, intends to live in the Property as an owner occupant, and agrees to maintain the Property as Owner's principal residence.

E. In order to maintain and preserve the Property as housing affordable to eligible [very low-, low-, or moderate-]income purchasers, it is necessary to restrict the use and resale of the Property through imposition of the occupancy and resale restrictions set forth in this Agreement. These restrictions are intended to prevent initial and subsequent purchasers from using the Property for purposes incompatible with the Program and realizing unwarranted gains from sales of the Property at unrestricted prices. The terms and conditions of this Agreement are intended to provide the necessary occupancy and resale restrictions to ensure that the Property is used, maintained, and preserved as housing affordable to eligible [very low-, low-, or moderate-]income purchasers. To further serve the purposes of the Program, it is necessary that the Authority be granted an option to purchase the property so that the property may be resold by the Authority to an eligible household.

F. Accordingly, the Parties desire to enter into this Resale Restriction and Option to Purchase Agreement, which provides, generally, that Owner may only sell the property to Eligible Households (i.e. households meeting the household income limitations set forth herein) at a price not to exceed the price equal to the initial purchase price adjusted to reflect increases in median household income since the Property was initially purchased by Owner. Alternatively, the Agreement provides that the City may exercise its option to purchase the Property at the same price.

G. The Property constitutes a valuable community resource by providing decent, safe, and sanitary housing to persons and families of [very low, low, or moderate] income who otherwise would be unable to afford such housing. To protect and preserve this resource it is necessary, proper, and in the public interest for the Authority to administer occupancy and resale controls consistent with the Program by means of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the substantial economic benefits inuring to Owner and the public purposes to be achieved under the Program, Owner and Authority hereby agree as follows:

1. Definitions.

a. "Affordable Unit Cost" shall mean a sales price that results in annual housing costs, including principal payments, interest, property taxes, homeowners' insurance, homeowners' association dues, and mortgage insurance that do not exceed 30% of income level for the Eligible Household.

b. "Area Moderate Income for Santa Clara County" means those income and eligibility levels determined, updated, and published each year by the California Department of Housing and Community Development, based on Santa Clara County median income levels, adjusted for household size.

c. "Persons and families of [very low, low, or moderate] income" means persons and families whose income do not exceed [fifty percent (50%); eighty percent (80%); or one hundred twenty percent (120%)] of the Area Median Income for Santa Clara County, as adjusted for household size.

d. Persons and families meeting the definition set forth in Paragraph 1(b) above shall be referred to as "Eligible Households."

2. Program Requirements.

a. **Affordability Restrictions.** Owner hereby covenants and agrees that during the term of this Agreement all of the requirements and restrictions of this Agreement shall apply, and the Property shall be sold or otherwise transferred only pursuant to the terms and conditions of this Agreement and only to (i) Eligible Households at a price not to exceed the Adjusted Resale Price, as defined in Paragraph 5, (ii) the Authority pursuant to Paragraph 3, or (iii) a permitted transferee pursuant to Paragraph 9.

b. **Disclosure.** DURING THE TERM OF THIS AGREEMENT THERE SHALL BE NO SALE OR OTHER TRANSFER OF THE PROPERTY WITHOUT THE WRITTEN CERTIFICATION BY THE AUTHORITY THAT THE TRANSFeree QUALIFIES AS AN ELIGIBLE HOUSEHOLD AND THAT THE PROPERTY IS BEING TRANSFERRED AT A PRICE NOT TO EXCEED THE ADJUSTED RESALE PRICE, WHICH IS CAPPED AT THE AFFORDABLE UNIT COST AS DEFINED IN PARAGRAPH 1.a. ANY SALE OR OTHER TRANSFER OF THE PROPERTY IN VIOLATION OF THIS COVENANT SHALL BE VOID.

c. **Principal Residence Requirement.** OWNER COVENANTS AND AGREES THAT HE/SHE/THEY SHALL OCCUPY THE PROPERTY AS HIS/HER/THEIR PRINCIPAL RESIDENCE FOR THE DURATION OF HIS/HER/THEIR OWNERSHIP AND SHALL NOT RENT OR LEASE THE PROPERTY OR PORTION THEREOF DURING THE TERM OF THIS AGREEMENT. Without limiting the generality of the foregoing, any absence from the Property by Owner for a period of ninety (90) or more days shall be deemed an abandonment of the Property as the principal residence of Owner in violation of the conditions of this Paragraph. Upon request by the Authority made from time to time, the Owner of the Property shall submit an affidavit to the Authority certifying that the Property is the Owner's principal residence and provide such documents and other evidence as may be requested to verify Owner's compliance with this requirement. Abandonment of the Property shall constitute an Option Event (as defined in Paragraph 3.c below) and shall entitle the Authority to exercise its Option to purchase the Property.

3. Option to Purchase.

a. **Grant of Option to Purchase.** Owner hereby grants to the Authority an option ("Option") to purchase all of Owner's right, title and interest in and to the Property upon the occurrence of an Option Event (defined in Paragraph 3.c below), subject to the terms and conditions contained herein.

b. **Assignment of the Option.** The Authority may assign the Option to another government entity, a non-profit affordable housing provider or a person or family that qualifies as an Eligible Household. The Authority's assignment of the Option shall not extend any time limits contained herein with respect to the exercise period of the Option or the period within which the Property must be purchased.

c. **Events Giving Rise to Right to Exercise Option.** The Authority shall have the right to exercise its Option upon the occurrence of any of the following events (each, an "Option Event"):

i. Receipt of a Notice of Intent to Transfer (defined in Paragraph 3.d.i below);

ii. Any actual, attempted or pending sale, conveyance, transfer, lease or other attempted disposition of the Property or of any estate or interest therein, except as provided in Paragraph 10 below;

iii. Any actual, attempted or pending encumbrance of the Property, including without limitation by way of mortgage or deed of trust, or by judgment, mechanics, tax or other lien, except as provided in Paragraph 9 below;

iv. Recordation of a notice of default and/or notice of sale pursuant to California Civil Code section 2924 (or successor provisions) under any deed of trust or mortgage with a power of sale encumbering the Property;

v. Commencement of a judicial foreclosure proceeding regarding the Property;

vi. Execution by Owner of any deed in lieu of foreclosure transferring ownership of the Property;

vii. Commencement of a proceeding or action in bankruptcy, whether voluntary or involuntary, pursuant to Title 11 of the United States Code or other bankruptcy statute, or any other insolvency, reorganization, arrangement, assignment for the benefit of creditors, receivership or trusteeship, concerning the Owner; or

viii. Any violation by Owner of any provision of this Agreement including, without limitation, the conditions set forth in Paragraph 2 above.

d. **Method of Exercising the Option.**

i. **Notice of Intent to Transfer.** If Owner desires to sell, convey, transfer (other than pursuant to Paragraph 9), lease, encumber (other than pursuant to Paragraph

10) or otherwise dispose of the Property or of any estate or interest therein, no less than 60 days prior to the date of such proposed sale, conveyance, transfer, lease, encumbrance or disposition, Owner shall notify Authority in writing to that effect (the "Notice of Intent to Transfer"). The Notice of Intent to Transfer shall be in substantially the form attached hereto as Exhibit B. In the case of a proposed sale of the Property to an identified prospective purchaser, the Owner shall submit to the Authority, together with the Notice of Intent to Transfer, a copy of the prospective purchaser's income certification, a list of all assets owned by the prospective purchaser, and other financial information reasonably requested by Authority, in a form approved by the Authority, along with the income certification to be provided to any lender making a loan to the prospective purchaser. The Authority may require documentation evidencing and supporting the income and other financial information contained in the certifications.

ii. **Notice of Exercise.** Upon the occurrence of any Option Event, the Authority may exercise its Option by delivering notice, pursuant to Paragraph 16 and within the time period specified in Paragraph 3(d)(iv), to Owner of Authority's intent to exercise such Option pursuant to the terms of this Agreement ("Notice of Exercise"). The Notice of Exercise may be in the form attached hereto and incorporated herein as Exhibit C, or in such other form as the Authority may from time to time adopt. If the Option Event relates to the potential foreclosure of a mortgage under Paragraphs 3.c.iv, 3.c.v, or 3.c.vi, then the Authority shall also deliver the Notice of Exercise to the mortgagee or beneficiary under such mortgage, at such mortgagee's or beneficiary's address of record in the Office of the Recorder of Santa Clara County.

iii. **Notice of Consent to Transfer.** If the Authority does not exercise the Option, it may give its consent to the occurrence of the Option Event ("Consent to Transfer"). If the Option Event involves a proposed sale of the Property to a prospective purchaser, the Authority's consent shall be conditioned upon (i) the proposed purchaser's qualification as an Eligible Household; (ii) the sale of the Property at a price not to exceed the Adjusted Resale Price; (iii) the proposed purchaser's execution of a Disclosure Statement in the form attached hereto as Exhibit F or such other form or forms as may be promulgated by the Authority; and (iv) the proposed purchaser's assumption of Owner's duties and obligations under this Agreement pursuant to a written assumption agreement in a form acceptable to Authority, or execution of an agreement substantially similar to this Agreement, within sixty (60) days after the Consent to Transfer has been delivered to Owner and recordation of such assumption agreement or substitute agreement. If the prospective purchaser (i) fails to qualify as an Eligible Household, (ii) fails to execute and deliver the Disclosure Statement to the Authority, or (iii) fails to execute and deliver to the Authority an assumption agreement or an agreement substantially similar to this Agreement within such sixty (60) day period, then the Consent to Transfer shall expire and the Authority may, at its option, either notify Owner of the disqualification, thereby entitling Owner to locate another purchaser who qualifies as Eligible Household, or exercise the Option, as if no Consent to Transfer had been delivered.

iv. **Time Period for Notice.** The Authority shall deliver a Consent to Transfer, if applicable, not later than sixty (60) days after the date that it receives notification of an Option Event. The Authority shall deliver a Notice of Exercise, if applicable, on or before the date which is the later to occur of the following: (i) sixty (60) days after the date that the Authority receives notification of an Option Event or (ii) thirty (30) days after a Consent to

Transfer has expired. For purposes of computing commencement of the delivery periods, the Authority shall be deemed to have received notification of an Option Event on the date of delivery of a Notice of Intent to Transfer, pursuant to the terms of Paragraph 16 below or on the date it actually receives notice of default, summons and complaint or other pleading, or other writing specifically stating that an Option Event has occurred. The Authority shall have no obligation to deliver a Notice of Exercise or Consent to Transfer, and the applicable time period for exercise of the Option shall not commence to run, unless and until the Agency has received notification of an Option Event in the manner specified in this subparagraph. If there is a stay or injunction imposed by court order precluding the Authority from delivering its Consent to Transfer or Notice of Exercise within the applicable time period, then the running of such period shall cease until such time as the stay is lifted or the injunction is dissolved and the Authority has been given written notice thereof, at which time the period for delivery of a Consent to Transfer or Notice of Exercise shall again begin to run.

v. **Notice of Abandonment.** If the Authority fails to deliver a Notice of Exercise or Consent to Transfer within the time periods set forth in paragraph 3.d.iv, upon request by Owner, the Authority shall cause to be filed for recordation in the Office of the Recorder of Santa Clara County, a notice of abandonment, which shall declare that the provisions of the Option are no longer applicable to the Property. Unless Owner requests recordation of notice of abandonment within 30 days of the Authority's failure to deliver Notice of Exercise or Consent to Transfer, the Authority shall have no obligation to record the notice of abandonment. Upon recordation of a notice of abandonment, the Option shall terminate and have no further force and effect. If the Authority fails to record a notice of abandonment, the sole remedy of Owner shall be to obtain a judicial order instructing prompt recordation of such a notice.

vi. **Right to Reinstatement.** If the Option Event is the recordation of a notice of default, then the Agency shall be deemed to be Owner's successor in interest under California Civil Code Section 2924c (or successor section) solely for purposes of reinstatement of any mortgage on the Property that has led to the recordation of the notice of default. As Owner's deemed successor in interest, the Authority shall be entitled to pay all amounts of principal, interest, taxes, assessments, homeowners' association fees, insurance premiums, advances, costs, attorneys' fees and expenses required to cure the default. If the Agency exercises the Option, then any and all amounts paid by the Authority pursuant to this Paragraph shall be treated as Adjustments to the Base Resale Price for the Property, as defined in Paragraph 5 below.

vii. **Inspection of Property.** After receiving a Notice of Intent to transfer or delivering a Notice of Exercise, the Authority shall be entitled to inspect the Property one or more times prior to the close of escrow to determine the amount of any Adjustments to the Base Resale Price. Before inspecting the Property, the Authority shall give Owner not less than forty-eight (48) hours' written notice of the date, time and expected duration of the inspection. The inspection shall be conducted between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday, excluding court holidays, unless the parties mutually agree in writing to another date and time. Owner shall make the Property available for inspection on the date and at the time specified in the Authority's request for inspection.

viii. **Escrow.** Promptly after delivering a Notice of Exercise, the Authority shall open an escrow account for its purchase of the Property. Close of escrow shall take place on the date that is the later to occur of the following, (a) ninety (90) days after a Notice of Exercise has been delivered, or (b) ten (10) days after Owner has performed all acts and executed all documents required for close of escrow. Prior to the close of escrow, the Authority shall deposit into escrow with a title company of Authority's choosing, an amount equal to the Adjusted Resale Price as defined in Paragraph 5 below and all escrow fees and closing costs to be paid by Authority. Commissions (not to exceed 6% of the actual sales price), closing costs and title insurance shall be paid pursuant to the custom and practice in the County of Santa Clara at the time of the opening of escrow, or as may otherwise be provided by mutual agreement. Owner agrees to perform all acts and execute all documents reasonably necessary to effectuate the close of escrow and transfer of the Property to the Authority.

ix. **Proceeds of Escrow; Removal of Exceptions to Title.** Prior to close of escrow, Owner shall cause the removal of all exceptions to title to the Property that were recorded after the Effective Date with the exception of (i) taxes for the fiscal year in which the escrow for this transaction closes, which taxes shall be prorated as between Owner and Authority as of the date of close of escrow; (ii) quasi-public utility, public alley, public street easements, and rights of way of record, and (iii) such other liens, encumbrances, reservations and restrictions as may be approved in writing by Authority ("Permitted Exceptions").

The purchase price deposited into escrow by the Authority shall be applied first to the payment of any and all Permitted Encumbrances (as defined in Paragraph 10) recorded against the Property in order of lien priority, and thereafter to the payment of Owner's share of escrow fees and closing costs. Any amounts remaining after the purchase price has been so applied, if any, shall be paid to Owner upon the close of escrow. If the purchase price is insufficient to satisfy all liens and encumbrances recorded against the Property, the Owner shall deposit into escrow such additional sums as may be required to remove said liens and encumbrances. In the event that the Authority agrees to proceed with close of escrow prior to the date that Owner has caused all exceptions to title recorded after the Effective Date other than Permitted Exceptions to be removed, then Owner shall indemnify, defend and hold Authority harmless from any and all costs expenses or liabilities (including attorneys' fees) incurred or suffered by Authority that relate to such exceptions and their removal as exceptions to title to the Property.

4. **Base Resale Price.** Prior to adjustment pursuant to Paragraph 5 the base resale price ("Base Resale Price") of the Property shall be the lowest of: **\$301,000.00**

a. **Median Income.** The original price ("Base Price") paid by Owner for acquisition of the Property pursuant to the Program, increased (but not decreased) by an amount, if any, equal to the Base Price multiplied by the percentage increase in the median household income ("Median Income") for Santa Clara County published by the California Department of Housing and Community Development, Division of Housing Policy Development, between the Effective Date and the date that the Authority receives notification of an Option Event; or

b. **Index Price.** The Base Price increased (but not decreased) by an amount, if any, equal to the Base Price multiplied by the percentage increase in the Consumer Price Index

for All Urban Consumers for the San Francisco-Oakland-San Jose published by the U.S. Department of Labor, Bureau of Labor Statistics ("Index") between the Recording Date and the date that the City receives notification of an Option Event; or

c. **Fair Market Value.** The fair market value of the Property as determined by an appraiser selected and paid for by Owner and approved in writing by the Authority

d. Compute the Base Resale Price, the Authority may use the Base Resale Price Worksheet attached as Exhibit D hereto, or such other form as the Authority may from time to time adopt.

5. **Adjustments to Base Resale Price.** Subject to the Affordable Unit Cost restriction described in subparagraph (d) below, the Base Resale Price shall be increased or decreased, as applicable, by the following adjustment factors ("Adjustment"):

a. **Capital Improvements.** An increase for capital improvements made to the Property, but only if the amount of such improvements has been previously approved in writing by the Authority after Owner has submitted original written documentation of the cost to the Authority for verification. The amount of the Adjustment shall equal the original cost of any such capital improvements.

b. **Damages.** A decrease by the amount necessary to repair damage to the Property, if any, and to place the Property into saleable condition as reasonably determined by the Authority upon Authority's exercise of its Option hereunder, including, without limitation, amounts attributed to cleaning; painting; replacing worn carpeting and draperies; making necessary structural, mechanical, electrical and plumbing repairs; and repairing or replacing built-in appliances and fixtures. Owner hereby covenants to, at Owner's expense, maintain the Property in the same condition as in existence on the date of Authority's Notice of Exercise, reasonable wear and tear excepted.

c. **Advances by the Authority.** A decrease in an amount equal to the sum of all costs advanced by the Authority for the payment of mortgages, taxes, assessments, insurance premiums, homeowner's association fees and/or associated late fees, costs, penalties, interest, attorneys' fees, pest inspections, resale inspections and other expenses related to the Property, which Owner has failed to pay or has permitted to become delinquent.

d. **Adjusted Resale Price Not to Exceed Affordable Unit Cost.** The Base Resale Price as adjusted, is hereinafter referred to as the "Adjusted Resale Price." Notwithstanding any other provision hereof to the contrary, in no event shall the Adjusted Resale Price exceed the Affordable Unit Cost.

6. **Priority and Effectiveness of the Option.**

a. **Recordation.** This Agreement shall be recorded in the Office of the Recorder of the County of Santa Clara on or as soon as practicable after the Effective Date. The Option shall have priority over any subsequent sale, conveyance, transfer, lease or other disposition or encumbrance of the Property, or of any estate or interest therein, and in the event of exercise of

the Option by Authority, the Authority shall take the Property subject only to Permitted Exceptions. Except as otherwise provided in Paragraph 7.a, the exercise of the Option by the Authority at any time and from time to time shall not extinguish the Option or cause a merger of the Option into any estate or other interest in the Property, and the Option shall continue to exist and be effective with respect to the Property against any and all subsequent owners in accordance with the terms and conditions hereof.

b. **Request for Notice of Default.** The Authority shall file a Request for Notice of Default for recordation in the Office of the Recorder of the County of Santa Clara promptly upon execution of this Agreement (see Exhibit E).

7. **Survival of Option Upon Transfer.**

a. **In General.** The Authority's right to exercise the Option shall survive any transfer of the Property by Owner. Each transferee, assignee or purchaser of the Property during the term hereof shall be required to execute an agreement substantially in the form of this Agreement, provided that the term of any such agreement shall be for the duration of the term hereof as of the date of any such transfer, assignment or sale. The Option may be exercised against the Property throughout the term hereof, regardless of whether the Property is owned, possessed or occupied by Owner or any successor, transferee, assignee, heir, executor, or administrator of Owner, regardless of household income (if applicable) including a debtor-in-possession, debtor or trustee pursuant to Title 11 of the United States Code. Notwithstanding the foregoing, the Option shall not survive (i) the sale and transfer of the Property to a third party purchaser pursuant to a judicial or non-judicial foreclosure or a deed-in-lieu of foreclosure under a power of sale contained in a mortgage or deed of trust held by an institutional lender, provided that the Authority has received timely notice of such Option Event and has failed to either reinstate said mortgage or deed of trust or exercise its Option, or (ii) the recording of an instrument conveying Owner's interest in the Property to the Authority, or its assignee, provided the conveyance is in accordance with the terms of this Agreement.

b. **HUD Insured Mortgage.** If Owner has acquired the Property by a mortgage insured by the Secretary of the United States Department of Housing and Urban Development, and a notice of default has been recorded pursuant to California Civil Code Section 2924 (or successor provisions), then this Option shall automatically terminate if title to the Property is transferred by foreclosure or deed-in-lieu of foreclosure, or if the insured mortgage is assigned to the Secretary.

8. **Voidable Transfers.** As long as the Option has not been abandoned pursuant to Paragraph 3.d.v, any actual or attempted sale, conveyance, transfer or other disposition of the Property, or of any estate or interest therein, in violation of the terms and conditions of this Agreement, shall be voidable at the election of the Authority.

9. **Permitted Transfers.** Provided that the transferee assumes, within 30 days of a written request by the Authority, all of Owner's duties and obligations under this Agreement pursuant to a written assumption agreement in a form acceptable to Authority, or at Authority's election, execution of an agreement substantially similar to this Agreement, the following transfers ("Permitted Transfers") of title to the Property, or of any estate or interest therein, shall

not be subject to the Authority's prior approval, shall not trigger the exercise of the Option, and shall not be considered Option Events: (a) a good-faith transfer by gift, devise or inheritance to Owner's spouse or issue; (b) a taking of title by a surviving joint tenant; (c) a court-ordered transfer of title to a spouse as part of a divorce or dissolution proceeding; (d) a transfer by Owner into an inter vivos trust in which the Owner is a beneficiary and the Owner continues to occupy the property as his/her primary residence; (e) an acquisition of title, or of any interest therein, in conjunction with marriage; or (f) any good faith transfer to an Eligible Household. Notwithstanding any Permitted Transfer, the Option shall remain effective with respect to the Property for the duration of the term hereof.

10. Permitted Encumbrances and Refinancing. This Option shall not become exercisable as the result of Owner's encumbering the Property for the purpose of securing financing to purchase the Property pursuant to the Program, to refinance indebtedness incurred to purchase the Property pursuant to the Program, or to make necessary repairs to the Property in an amount approved by Authority pursuant to Paragraph 5a ("Permitted Encumbrances"). The maximum aggregate amount of such encumbrances outstanding at any time (the "Permitted Encumbrance Amount") shall not exceed an amount equal to ninety percent (90%) of the Base Resale Price calculated as provided in Paragraph 4. The Permitted Encumbrance Amount shall be calculated as if the Authority had received notification of an Option Event on the earlier of (a) the date on which the deed of trust or mortgage securing the indebtedness is filed for record in the Office of the Recorder of the County of Santa Clara, or (b) the date the Authority receives Notice of Intent to Transfer pursuant to Paragraph 3.d.i above. Owner hereby covenants and agrees that he/she/they shall use his/her/their best efforts to ensure that any deed of trust or other agreement encumbering the property shall include provisions providing for notice to be delivered to Authority of any default thereunder and for Authority's right to cure such default at Authority's election.

11. Obligation of Owner After Option Abandonment. If the Authority records a notice of abandonment of the Option, then the Property may be sold by Owner to a third party without restriction as to price; however, upon such sale, Owner shall pay to Authority an amount ("Authority's Share") equal to eighty-five percent (85%) of the difference between (a) the actual sales price net of reasonable and customary real estate commissions paid (such commissions not to exceed six percent (6%) of the actual sales price), and (b) the Adjusted Resale Price. The Authority's Share shall be paid to the Authority concurrently with close of escrow on the sale of the Property, or upon receipt by Owner of the sale price for the Property, whichever shall first occur.

12. Limits on Liability. In no event shall the Authority become liable or obligated in any manner to Owner by reason of the assignment of this Agreement or the Option, nor shall Authority be in any way liable or obligated to Owner for any failure of the Authority's assignee to consummate a purchase of the Property or to comply with the terms of this Agreement or the Option, or any escrow instructions or agreement for the purchase of the Property.

13. Insurance Proceeds and Condemnation Award. In the event the Property is destroyed and insurance proceeds are distributed to Owner instead of being used to rebuild the Property, or, in the event of condemnation, if the proceeds thereof are distributed to Owner, any

surplus of proceeds remaining after payment of the senior liens and encumbrances on the Property shall be distributed as follows: that portion of the surplus up to, but not to exceed, the net amount Owner would have received pursuant to Paragraph 3.d.ix had the Authority exercised its Option on the date of the destruction of condemnation valuation date shall be distributed to Owner, and the balance of such surplus, if any, shall be distributed to the Authority.

14. Effective Date. The rights and obligations of the Authority and Owner set forth in this Agreement shall be effective as of the Effective Date.

15. Term of Agreement and Option. The restrictions contained herein and the Authority's option to purchase the Property shall continue for a period of forty-five (45) years commencing on the Effective Date.

16. Notices. Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other Party in accordance with this Section. All such notices shall be sent by:

- (a) personal delivery, in which case notice shall be deemed delivered upon receipt;
- (b) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered two (2) business days after deposit, postage prepaid in the United States mail;
- (c) nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) day after deposit with such courier; or
- (d) facsimile transmission, in which case notice shall be deemed delivered on transmittal, provided that a transmission report is generated reflecting the accurate transmission thereof.

Agency: City of Milpitas Housing Authority
455 Calaveras Boulevard
Milpitas, CA 95035
Attn: Executive Director

Owner: Danny Dias
1377 Coyote Creek Way
Milpitas, CA 95035

17. Remedies Upon Breach.

a. **Specific Performance.** Owner acknowledges that any breach in the performance of its obligations under this Agreement shall cause irreparable harm to the Authority. Owner agrees that the Authority is entitled to equitable relief in the form of specific performance upon its exercise of the Option, and that an award of damages shall not be adequate to compensate the Authority for Owner's failure to perform according to the terms of this Agreement.

b. **Other Remedies.** Authority shall have all of the remedies provided for at law or equity.

18. General Provisions.

a. **Attorneys' Fees.** If either party initiates legal proceedings to interpret or enforce its rights under this Agreement, the prevailing party in such action shall be entitled to an award of reasonable attorneys' fees and costs in additions to any other recovery to which it is entitled under this Agreement.

b. **No Joint Venture; No Third-Party Beneficiary.** No joint venture or other partnership exists or is created between the Parties by virtue of this Agreement. Except as expressly stated herein, this Agreement does not benefit any third party.

c. **Successors; Assignment.** This Agreement shall inure to the benefit of and shall be binding upon the Parties to this Agreement and their respective heirs, executors, administrators, successors and assigns. Authority shall have the right to assign all of its rights and obligations under this Agreement without the consent of Owner.

d. **Entire Agreement; Amendment.** This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof, and supersedes any and all other prior negotiations, correspondence, understandings and agreements with respect thereto. There are no representations, promises, agreements or other understandings between the Parties relating to the subject matter of this Agreement that are not expressed herein. This Agreement may be modified only by an instrument in writing executed by the Parties or their respective successors in interest.

e. **Survival; No Merger.** All of the terms, provisions, representations, warranties and covenants of the Parties under this Agreement shall survive the close of escrow of any sale of the Property and shall not be merged in any deed transferring the Property.

f. **Authority And Execution.** Each Party represents and warrants that it has full power and authority to enter into this Agreement and to undertake all of its obligations hereunder, that each person executing this Agreement on its behalf is duly and validly authorized to do so.

g. **Severability.** The invalidity or unenforceability of any term or provision of this Agreement shall not impair or affect the remainder of this Agreement, and the remaining terms and provisions hereof shall not be invalidated but shall remain in full force and effect.

h. **Waiver; Modification.** No waiver or modification of this Agreement or any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the Party to be charged therewith. No evidence or any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the Parties arising out of or affecting this Agreement or the rights or obligations of any Party hereunder, unless such waiver or modification is in writing and duly executed as aforesaid. The provisions of this section may not be waived except as herein set forth. A waiver or breach of any

covenant, condition or provision of this Agreement shall not be deemed a waiver of any other covenant, condition or provision hereof.

i. **Construction.** The section headings and captions used in this Agreement are for convenience of reference only and shall not modify, define, limit or amplify any of the terms or provisions hereof. This Agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if both Parties have prepared it.

j. **Governing Law.** This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of California.

k. **Time of the Essence.** Time is of the essence in this Agreement as to each provision in which time is an element of performance.

l. **Further Assurances.** Each Party will, upon reasonable request of the other Party, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such further instruments and documents as may be reasonably necessary in order to fulfill the intents and purposes of this Agreement.

m. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and all which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

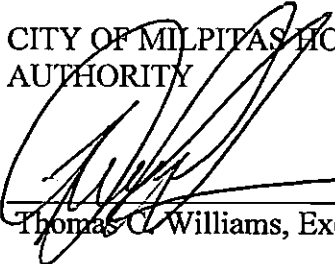
OWNER(S):



Danny Dias

AUTHORITY:

CITY OF MILPITAS HOUSING
AUTHORITY



Thomas C. Williams, Executive Director

ACKNOWLEDGMENT

State of California
County of Santa Clara)

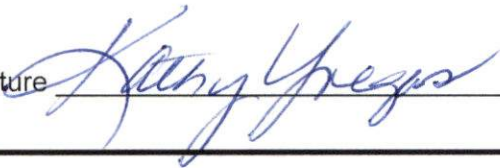
On OCTOBER 15, 2014, before me, Kathy Ynegas, Notary Public
(insert name and title of the officer)

personally appeared Danny Dias
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

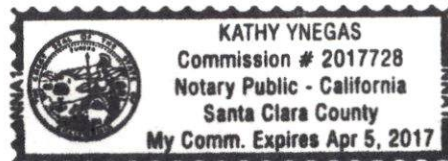
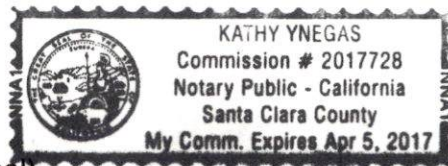
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



ACKNOWLEDGMENT

State of California
County of Santa Clara

On October 15, 2014 before me, Kathy Ynegas, Notary Public
(insert name and title of the officer)

personally appeared THOMAS C. WILLIAMS
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

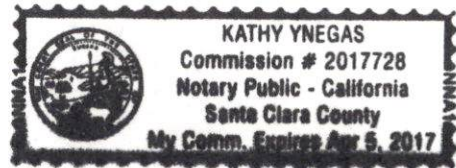
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Kathy Ynegas

(Seal)



CERTIFICATE OF ACCEPTANCE
(Pursuant to Government Code §27281)

This is to certify that the interest in real property conveyed by the Resale Restriction and Option to Purchase Agreement dated October 15, 2014 from Danny Dias to Milpitas Housing Authority is hereby accepted by the undersigned office or agent on behalf of the Milpitas Housing Authority pursuant to authority conferred by the Resolution No. 7714 dated November 6, 2007 consents to recordation thereof by its duly authorized officer.

Dated: OCTOBER 15, 2014

By: 

Its: PRINCIPAL HSG. PLANS

EXHIBIT A

Legal Description of Site

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MILPITAS,
COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, AND IS DESCRIBED AS
FOLLOWS:

ASSESSOR'S PARCEL NO. 086-01-046

EXHIBIT B
FORM: NOTICE OF INTENT TO TRANSFER

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: CITY OF MILPITAS HOUSING AUTHORITY
455 East Calaveras Boulevard
Milpitas, CA 95035
Attn: Authority Executive Director

Date: _____

Re: Notice of Intent to Transfer

Pursuant to the terms of the Resale Restriction and Option to Purchase Agreement, dated _____, the undersigned Owner(s), _____, hereby give(s) notice of his/her/their intent to transfer the property located at _____, Milpitas, California (the "Property"). Owner may be contacted at the Property or at the following address:

Owner's daytime telephone number is () _____

[If applicable: The proposed transfer of the Property is to the following person(s):

Name: _____

Address: _____

Telephone: () _____]

The proposed transfer is (check one):

☐ Sale

☐ Other Specify: _____

Owner(s) signature(s):

EXHIBIT C
FORM: NOTICE OF EXERCISE

Date: _____

To: _____
Owner or Transferee

Address

Re: Notice of Exercise

The City of Milpitas Housing Authority ("Authority") hereby gives notice that it is exercising its option to purchase the real property located at _____, Milpitas, California. The option has been granted to the Authority pursuant to the Resale Restriction and Option to Purchase Agreement between Owner and the Authority dated _____ and recorded on _____ as Instrument No. _____. [The Authority has assigned its option to purchase the real property to _____.] An escrow for the purchase will be opened with the Chicago Title Company.

City of Milpitas Housing Authority

By: _____

Its: _____

EXHIBIT D

BASE RESALE PRICE WORKSHEET

Date: _____
Owner: _____
Address: _____
Purchase Price: _____
Date of Purchase: _____
Years Owned: _____ years

METHOD #1: CALCULATION BASED ON INCREASE IN MEDIAN INCOME***			
Present Median Income: \$ _____ Family of four, County of Santa Clara (at time of sale of unit)	Effective Date: _____		
Original Median Income: \$ _____ Family of four, County of Santa Clara (at time of purchase of unit)	Effective Date: _____		
Amount of Increase: _____ Family of four, County of Santa Clara (Present median income minus original median income)			
Increase in Price: _____	x _____	x _____	= _____
Method #1 Resale Price: _____	+		= _____
METHOD #2: CALCULATION BASED ON INCREASE IN MEDIAN INCOME			
Present CPI: _____	Effective Date: _____		
Original CPI: _____	Effective Date: _____		
Rate of Increase: _____ per annum			
Increase in Price: _____	x _____	x _____	= _____
Method #2 Resale Price: _____	+		= _____
Based on the above, the base resale price as of this date, _____, is: _____			

By: _____

EXHIBIT F

DISCLOSURE STATEMENT

THERE ARE RESTRICTIONS ON THE SALE OF THE PROPERTY YOU ARE BUYING. EXCEPT FOR A TRANSFER TO THE CITY FOLLOWING CITY'S EXERCISE OF ITS OPTION TO PURCHASE, THIS PROPERTY MAY ONLY BE SOLD TO AN "ELIGIBLE HOUSEHOLD" AT A PRICE NOT TO EXCEED THE ADJUSTED RESALE PRICE WHICH IS CAPPED AT AN "AFFORDABLE HOUSING COST."

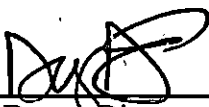
THIS MEANS THAT YOU MAY NOT SELL THE PROPERTY FOR MARKET VALUE TO WHOMEVER YOU LIKE.

THESE RESTRICTIONS WILL BE IN EFFECT UNTIL October 15, 2059
SALE OF THE PROPERTY IN VIOLATION OF THE RESTRICTIONS SHALL BE VOIDABLE AT THE ELECTION OF THE CITY.

TO DETERMINE WHO AN ELIGIBLE HOUSEHOLD IS, AND WHAT THE ADJUSTED RESALE PRICE AND AFFORDABLE HOUSING COST ARE, YOU SHOULD CONTACT THE MILPITAS HOUSING AUTHORITY (FORMER CITY OF MILPITAS REDEVELOPMENT AGENCY).

YOU SHOULD ALSO READ THE RESALE RESTRICTION AND OPTION TO PURCHASE AGREEMENT RECORDED AGAINST THE PROPERTY. YOU MAY OBTAIN A COPY FROM THE MILPITAS HOUSING AUTHORITY OR FROM THE ESCROW COMPANY.

I HAVE READ THE FOREGOING AND I UNDERSTAND WHAT IT MEANS.



BUYER-Danny Dias

BUYER-

EXHIBIT "A"
LEGAL DESCRIPTION

Real property in the City of Milpitas , County of Santa Clara, State of California, described as follows:

PARCEL NO. 1

Unit 226 (the "Unit") as shown and described in the Condominium Plan for Coyote Creek, The Rows (together with any and all amendments and/or restatements thereto, collectively, the "Plan"), recorded May 30, 2013 as Instrument No. 22239552, First Amendment to Condominium Plan, the Rows, recorded August 29, 2013 as Instrument No. 22369269 and Second Amendment to Condominium Plan recorded January 17, 2014 as Instrument No. 22499456, in the Official Records of Santa Clara County, California ("Official Records"), consisting of a portion of Lot 21 of Tract No. 10087, as shown on a Subdivision Map ("Map") filed in Book 852, Pages 38 to 44, of Maps, in the Office of the Santa Clara County Recorder.

EXCEPTING THEREFROM, for the benefit of Grantor, and its successors in interest and assignees, to the extent not already excepted or reserved by instrument of record:

A. Any and all remaining oil rights, mineral rights, natural gas rights and rights to all other hydrocarbons by whatsoever name known, to all geothermal heat and to all products derived from any of the foregoing (collectively, "Subsurface Resources");

B. The perpetual right to drill, mine, explore and operate for and to produce, store and remove any of the Subsurface Resources on or from the Unit, including the right to whipstock or directionally drill and mine from lands other than the Unit, wells, tunnels and shafts into, through or across the subsurface of the Unit, and to bottom such whipstocked or directionally drilled wells, tunnels and shafts within or beyond the exterior limits of the Unit, and to redrill, retunnel, equip, maintain, repair, deepen and operate any such wells or mines, but without the right to drill, mine, explore, operate, produce, store or remove any of the Subsurface Resources through or in the surface or the upper five hundred feet (500') of the subsurface of the Unit; and

C. Any and all water, water rights, if any, including within and underlying the Unit.

RESERVING THEREFROM, for the benefit of Grantor, its successors in interest and assignees, nonexclusive easements for access, ingress, egress, encroachment, maintenance, drainage, support, and for other purposes, all as described in the Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Coyote Creek, recorded on August 16, 2012 as Instrument No. 21796816, First Amendment to Declaration of Covenants, Conditions, Restrictions and Reservation of Easements for Coyote Creek, recorded March 4, 2013 as Instrument No. 22116626 and Supplemental Declaration of Covenants, Conditions, Restrictions and Notice of Addition for Coyote Creek, recorded May 30, 2013 as Instrument No. 22239553 (together with any amendments and supplements thereto, collectively, the "Declaration"), in Official Records.

FURTHER RESERVING THEREFROM, for the benefit of Grantor, its successors in interest and assignees, the right to enter the Unit (i) to comply with requirements for the recordation of subdivision maps or lot line adjustments in the Community or Annexable Area, (ii) for repair of Improvements in accordance with the provisions of the "Right to Repair Law" at California Civil Code Sections 895 through 945.5, (iii) to accommodate grading or construction activities, (iv) to comply with requirements of applicable governmental agencies, and (v) as may be reasonably necessary to complete Improvements as determined by Grantor in its sole discretion. Grantor shall provide reasonable notice to Grantee before such entry. The term of this reservation of right of entry shall automatically expire on the date that is twelve (12) years from the last Close of Escrow for the sale of a Unit in the Community.

FURTHER RESERVING THEREFROM, for the benefit of Grantor, its successors and assigns, together with

the right to gain and transfer all or a portion of the same, the right to place on, under or across the Unit, Telecommunications Facilities for the provision of Telecommunications Services to the Community, and thereafter to own and convey such Telecommunications Facilities, and the right to enter upon the Community to service, maintain, operate, repair, reconstruct and replace the Telecommunications Facilities; provided, however, that the exercise of such rights shall not unreasonably interfere with Grantee's reasonable use and enjoyment of the Unit.

PARCEL NO. 2

An undivided one-twelfth (1/12th) fee simple interest as a tenant in common in and to the Common Area described in the Plan.

PARCEL NO. 3

Exclusive use easements for the benefit of the Unit appurtenant to Parcel Nos. 1 and 2 described above, for decks, entry porches (all as applicable and shown in the Plan), for placement and maintenance of air conditioning compressor pad and for internal and external telephone wiring purposes, as applicable, over those portions of the Association Property shown in the Plan or as described in the Declaration.

PARCEL NO. 4

Nonexclusive easements for access, drainage, encroachment, maintenance, repair, and for other purposes, all as may be shown on the Plan and the Map, and as described in the Declaration.

APN: 086-73-079

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

CITY OF MILPITAS HOUSING AUTHORITY
455 East Calaveras Boulevard
Milpitas, CA 95035

To be recorded without fee.
(Gov. Code, §§ 6103 and 27383.)

(Space Above This Line For Recorder's Use Only)

**RESALE RESTRICTION AGREEMENT
AND OPTION TO PURCHASE**

Owner: Danny Dias

Property: 1377 Coyote Creek Way
Milpitas, California 95035

Name of Development: Coyote Creek

This RESALE RESTRICTION AND OPTION TO PURCHASE AGREEMENT ("Agreement") is entered into by and between the Housing Authority of the City of Milpitas ("the Authority"- former Milpitas Redevelopment Agency) Danny Dias ("Owner") regarding certain improved real property, which is more particularly described in Exhibit A attached hereto and incorporated herein and commonly known as William Lyons Homes, Milpitas, CA 95035 (the "Property") effective as of October 15, 2014 (Effective Date"). Authority and Owner are hereinafter collectively referred to as the "Parties."

RECITALS

A. The Authority pursuant to the previous Community Redevelopment Law (Health & Safety Code section 33000 et seq.) and the previous Authority's Redevelopment Plan maintains an affordable housing fund, which it uses for the purpose encouraging the construction of housing within the Redevelopment Plan Area that is affordable to persons of low, and moderate income ("the Program").

B. Pursuant to the Program, the Authority and Fairview Murphy Road LLC (Developer) entered into a Affordable Housing Regulatory Agreement, dated August 29, 2008 (collectively "the Agreement") under which Developer has agreed to construct and sell 44 homes at prices that are affordable to persons of low and moderate incomes.

C. Owner is the owner of certain real property located within the City of Milpitas, legally described in Exhibit A and commonly known as Coyote Creek Milpitas, CA 95035 ("the Property"). The Property is one of the affordable homes constructed by Developer pursuant to the Agreement.

D. Owner is an eligible low and moderate-income purchaser under the Program, intends to live in the Property as an owner occupant, and agrees to maintain the Property as Owner's principal residence.

E. In order to maintain and preserve the Property as housing affordable to eligible [very low-, low-, or moderate-]income purchasers, it is necessary to restrict the use and resale of the Property through imposition of the occupancy and resale restrictions set forth in this Agreement. These restrictions are intended to prevent initial and subsequent purchasers from using the Property for purposes incompatible with the Program and realizing unwarranted gains from sales of the Property at unrestricted prices. The terms and conditions of this Agreement are intended to provide the necessary occupancy and resale restrictions to ensure that the Property is used, maintained, and preserved as housing affordable to eligible [very low-, low-, or moderate-]income purchasers. To further serve the purposes of the Program, it is necessary that the Authority be granted an option to purchase the property so that the property may be resold by the Authority to an eligible household.

F. Accordingly, the Parties desire to enter into this Resale Restriction and Option to Purchase Agreement, which provides, generally, that Owner may only sell the property to Eligible Households (i.e. households meeting the household income limitations set forth herein) at a price not to exceed the price equal to the initial purchase price adjusted to reflect increases in median household income since the Property was initially purchased by Owner. Alternatively, the Agreement provides that the City may exercise its option to purchase the Property at the same price.

G. The Property constitutes a valuable community resource by providing decent, safe, and sanitary housing to persons and families of [very low, low, or moderate] income who otherwise would be unable to afford such housing. To protect and preserve this resource it is necessary, proper, and in the public interest for the Authority to administer occupancy and resale controls consistent with the Program by means of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the substantial economic benefits inuring to Owner and the public purposes to be achieved under the Program, Owner and Authority hereby agree as follows:

1. Definitions.

a. "Affordable Unit Cost" shall mean a sales price that results in annual housing costs, including principal payments, interest, property taxes, homeowners' insurance, homeowners' association dues, and mortgage insurance that do not exceed 30% of income level for the Eligible Household.

b. "Area Moderate Income for Santa Clara County" means those income and eligibility levels determined, updated, and published each year by the California Department of Housing and Community Development, based on Santa Clara County median income levels, adjusted for household size.

c. "Persons and families of [very low, low, or moderate] income" means persons and families whose income do not exceed [fifty percent (50%); eighty percent (80%); or one hundred twenty percent (120%)] of the Area Median Income for Santa Clara County, as adjusted for household size.

d. Persons and families meeting the definition set forth in Paragraph 1(b) above shall be referred to as "Eligible Households."

2. Program Requirements.

a. **Affordability Restrictions.** Owner hereby covenants and agrees that during the term of this Agreement all of the requirements and restrictions of this Agreement shall apply, and the Property shall be sold or otherwise transferred only pursuant to the terms and conditions of this Agreement and only to (i) Eligible Households at a price not to exceed the Adjusted Resale Price, as defined in Paragraph 5, (ii) the Authority pursuant to Paragraph 3, or (iii) a permitted transferee pursuant to Paragraph 9.

b. **Disclosure.** DURING THE TERM OF THIS AGREEMENT THERE SHALL BE NO SALE OR OTHER TRANSFER OF THE PROPERTY WITHOUT THE WRITTEN CERTIFICATION BY THE AUTHORITY THAT THE TRANSFEREE QUALIFIES AS AN ELIGIBLE HOUSEHOLD AND THAT THE PROPERTY IS BEING TRANSFERRED AT A PRICE NOT TO EXCEED THE ADJUSTED RESALE PRICE, WHICH IS CAPPED AT THE AFFORDABLE UNIT COST AS DEFINED IN PARAGRAPH 1.a. ANY SALE OR OTHER TRANSFER OF THE PROPERTY IN VIOLATION OF THIS COVENANT SHALL BE VOID.

c. **Principal Residence Requirement.** OWNER COVENANTS AND AGREES THAT HE/SHE/THEY SHALL OCCUPY THE PROPERTY AS HIS/HER/THEIR PRINCIPAL RESIDENCE FOR THE DURATION OF HIS/HER/THEIR OWNERSHIP AND SHALL NOT RENT OR LEASE THE PROPERTY OR PORTION THEREOF DURING THE TERM OF THIS AGREEMENT. Without limiting the generality of the foregoing, any absence from the Property by Owner for a period of ninety (90) or more days shall be deemed an abandonment of the Property as the principal residence of Owner in violation of the conditions of this Paragraph. Upon request by the Authority made from time to time, the Owner of the Property shall submit an affidavit to the Authority certifying that the Property is the Owner's principal residence and provide such documents and other evidence as may be requested to verify Owner's compliance with this requirement. Abandonment of the Property shall constitute an Option Event (as defined in Paragraph 3.c below) and shall entitle the Authority to exercise its Option to purchase the Property.

3. Option to Purchase.

a. **Grant of Option to Purchase.** Owner hereby grants to the Authority an option ("Option") to purchase all of Owner's right, title and interest in and to the Property upon the occurrence of an Option Event (defined in Paragraph 3.c below), subject to the terms and conditions contained herein.

b. **Assignment of the Option.** The Authority may assign the Option to another government entity, a non-profit affordable housing provider or a person or family that qualifies as an Eligible Household. The Authority's assignment of the Option shall not extend any time limits contained herein with respect to the exercise period of the Option or the period within which the Property must be purchased.

c. **Events Giving Rise to Right to Exercise Option.** The Authority shall have the right to exercise its Option upon the occurrence of any of the following events (each, an "Option Event"):

i. Receipt of a Notice of Intent to Transfer (defined in Paragraph 3.d.i below);

ii. Any actual, attempted or pending sale, conveyance, transfer, lease or other attempted disposition of the Property or of any estate or interest therein, except as provided in Paragraph 10 below;

iii. Any actual, attempted or pending encumbrance of the Property, including without limitation by way of mortgage or deed of trust, or by judgment, mechanics, tax or other lien, except as provided in Paragraph 9 below;

iv. Recordation of a notice of default and/or notice of sale pursuant to California Civil Code section 2924 (or successor provisions) under any deed of trust or mortgage with a power of sale encumbering the Property;

v. Commencement of a judicial foreclosure proceeding regarding the Property;

vi. Execution by Owner of any deed in lieu of foreclosure transferring ownership of the Property;

vii. Commencement of a proceeding or action in bankruptcy, whether voluntary or involuntary, pursuant to Title 11 of the United States Code or other bankruptcy statute, or any other insolvency, reorganization, arrangement, assignment for the benefit of creditors, receivership or trusteeship, concerning the Owner; or

viii. Any violation by Owner of any provision of this Agreement including, without limitation, the conditions set forth in Paragraph 2 above.

d. **Method of Exercising the Option.**

i. **Notice of Intent to Transfer.** If Owner desires to sell, convey, transfer (other than pursuant to Paragraph 9), lease, encumber (other than pursuant to Paragraph

10) or otherwise dispose of the Property or of any estate or interest therein, no less than 60 days prior to the date of such proposed sale, conveyance, transfer, lease, encumbrance or disposition, Owner shall notify Authority in writing to that effect (the "Notice of Intent to Transfer"). The Notice of Intent to Transfer shall be in substantially the form attached hereto as Exhibit B. In the case of a proposed sale of the Property to an identified prospective purchaser, the Owner shall submit to the Authority, together with the Notice of Intent to Transfer, a copy of the prospective purchaser's income certification, a list of all assets owned by the prospective purchaser, and other financial information reasonably requested by Authority, in a form approved by the Authority, along with the income certification to be provided to any lender making a loan to the prospective purchaser. The Authority may require documentation evidencing and supporting the income and other financial information contained in the certifications.

ii. **Notice of Exercise.** Upon the occurrence of any Option Event, the Authority may exercise its Option by delivering notice, pursuant to Paragraph 16 and within the time period specified in Paragraph 3(d)(iv), to Owner of Authority's intent to exercise such Option pursuant to the terms of this Agreement ("Notice of Exercise"). The Notice of Exercise may be in the form attached hereto and incorporated herein as Exhibit C, or in such other form as the Authority may from time to time adopt. If the Option Event relates to the potential foreclosure of a mortgage under Paragraphs 3.c.iv, 3.c.v, or 3.c.vi, then the Authority shall also deliver the Notice of Exercise to the mortgagee or beneficiary under such mortgage, at such mortgagee's or beneficiary's address of record in the Office of the Recorder of Santa Clara County.

iii. **Notice of Consent to Transfer.** If the Authority does not exercise the Option, it may give its consent to the occurrence of the Option Event ("Consent to Transfer"). If the Option Event involves a proposed sale of the Property to a prospective purchaser, the Authority's consent shall be conditioned upon (i) the proposed purchaser's qualification as an Eligible Household; (ii) the sale of the Property at a price not to exceed the Adjusted Resale Price; (iii) the proposed purchaser's execution of a Disclosure Statement in the form attached hereto as Exhibit F or such other form or forms as may be promulgated by the Authority; and (iv) the proposed purchaser's assumption of Owner's duties and obligations under this Agreement pursuant to a written assumption agreement in a form acceptable to Authority, or execution of an agreement substantially similar to this Agreement, within sixty (60) days after the Consent to Transfer has been delivered to Owner and recordation of such assumption agreement or substitute agreement. If the prospective purchaser (i) fails to qualify as an Eligible Household, (ii) fails to execute and deliver the Disclosure Statement to the Authority, or (iii) fails to execute and deliver to the Authority an assumption agreement or an agreement substantially similar to this Agreement within such sixty (60) day period, then the Consent to Transfer shall expire and the Authority may, at its option, either notify Owner of the disqualification, thereby entitling Owner to locate another purchaser who qualifies as Eligible Household, or exercise the Option, as if no Consent to Transfer had been delivered.

iv. **Time Period for Notice.** The Authority shall deliver a Consent to Transfer, if applicable, not later than sixty (60) days after the date that it receives notification of an Option Event. The Authority shall deliver a Notice of Exercise, if applicable, on or before the date which is the later to occur of the following: (i) sixty (60) days after the date that the Authority receives notification of an Option Event or (ii) thirty (30) days after a Consent to

Transfer has expired. For purposes of computing commencement of the delivery periods, the Authority shall be deemed to have received notification of an Option Event on the date of delivery of a Notice of Intent to Transfer, pursuant to the terms of Paragraph 16 below or on the date it actually receives notice of default, summons and complaint or other pleading, or other writing specifically stating that an Option Event has occurred. The Authority shall have no obligation to deliver a Notice of Exercise or Consent to Transfer, and the applicable time period for exercise of the Option shall not commence to run, unless and until the Agency has received notification of an Option Event in the manner specified in this subparagraph. If there is a stay or injunction imposed by court order precluding the Authority from delivering its Consent to Transfer or Notice of Exercise within the applicable time period, then the running of such period shall cease until such time as the stay is lifted or the injunction is dissolved and the Authority has been given written notice thereof, at which time the period for delivery of a Consent to Transfer or Notice of Exercise shall again begin to run.

v. **Notice of Abandonment.** If the Authority fails to deliver a Notice of Exercise or Consent to Transfer within the time periods set forth in paragraph 3.d.iv, upon request by Owner, the Authority shall cause to be filed for recordation in the Office of the Recorder of Santa Clara County, a notice of abandonment, which shall declare that the provisions of the Option are no longer applicable to the Property. Unless Owner requests recordation of notice of abandonment within 30 days of the Authority's failure to deliver Notice of Exercise or Consent to Transfer, the Authority shall have no obligation to record the notice of abandonment. Upon recordation of a notice of abandonment, the Option shall terminate and have no further force and effect. If the Authority fails to record a notice of abandonment, the sole remedy of Owner shall be to obtain a judicial order instructing prompt recordation of such a notice.

vi. **Right to Reinstatement.** If the Option Event is the recordation of a notice of default, then the Agency shall be deemed to be Owner's successor in interest under California Civil Code Section 2924c (or successor section) solely for purposes of reinstatement of any mortgage on the Property that has led to the recordation of the notice of default. As Owner's deemed successor in interest, the Authority shall be entitled to pay all amounts of principal, interest, taxes, assessments, homeowners' association fees, insurance premiums, advances, costs, attorneys' fees and expenses required to cure the default. If the Agency exercises the Option, then any and all amounts paid by the Authority pursuant to this Paragraph shall be treated as Adjustments to the Base Resale Price for the Property, as defined in Paragraph 5 below.

vii. **Inspection of Property.** After receiving a Notice of Intent to transfer or delivering a Notice of Exercise, the Authority shall be entitled to inspect the Property one or more times prior to the close of escrow to determine the amount of any Adjustments to the Base Resale Price. Before inspecting the Property, the Authority shall give Owner not less than forty-eight (48) hours' written notice of the date, time and expected duration of the inspection. The inspection shall be conducted between the hours of 9:00 a.m. and 5:00 p.m., Monday through Friday, excluding court holidays, unless the parties mutually agree in writing to another date and time. Owner shall make the Property available for inspection on the date and at the time specified in the Authority's request for inspection.

viii. **Escrow.** Promptly after delivering a Notice of Exercise, the Authority shall open an escrow account for its purchase of the Property. Close of escrow shall take place on the date that is the later to occur of the following, (a) ninety (90) days after a Notice of Exercise has been delivered, or (b) ten (10) days after Owner has performed all acts and executed all documents required for close of escrow. Prior to the close of escrow, the Authority shall deposit into escrow with a title company of Authority's choosing, an amount equal to the Adjusted Resale Price as defined in Paragraph 5 below and all escrow fees and closing costs to be paid by Authority. Commissions (not to exceed 6% of the actual sales price), closing costs and title insurance shall be paid pursuant to the custom and practice in the County of Santa Clara at the time of the opening of escrow, or as may otherwise be provided by mutual agreement. Owner agrees to perform all acts and execute all documents reasonably necessary to effectuate the close of escrow and transfer of the Property to the Authority.

ix. **Proceeds of Escrow; Removal of Exceptions to Title.** Prior to close of escrow, Owner shall cause the removal of all exceptions to title to the Property that were recorded after the Effective Date with the exception of (i) taxes for the fiscal year in which the escrow for this transaction closes, which taxes shall be prorated as between Owner and Authority as of the date of close of escrow; (ii) quasi-public utility, public alley, public street easements, and rights of way of record, and (iii) such other liens, encumbrances, reservations and restrictions as may be approved in writing by Authority ("Permitted Exceptions").

The purchase price deposited into escrow by the Authority shall be applied first to the payment of any and all Permitted Encumbrances (as defined in Paragraph 10) recorded against the Property in order of lien priority, and thereafter to the payment of Owner's share of escrow fees and closing costs. Any amounts remaining after the purchase price has been so applied, if any, shall be paid to Owner upon the close of escrow. If the purchase price is insufficient to satisfy all liens and encumbrances recorded against the Property, the Owner shall deposit into escrow such additional sums as may be required to remove said liens and encumbrances. In the event that the Authority agrees to proceed with close of escrow prior to the date that Owner has caused all exceptions to title recorded after the Effective Date other than Permitted Exceptions to be removed, then Owner shall indemnify, defend and hold Authority harmless from any and all costs expenses or liabilities (including attorneys' fees) incurred or suffered by Authority that relate to such exceptions and their removal as exceptions to title to the Property.

4. **Base Resale Price.** Prior to adjustment pursuant to Paragraph 5 the base resale price ("Base Resale Price") of the Property shall be the lowest of: **\$301,000.00**

a. **Median Income.** The original price ("Base Price") paid by Owner for acquisition of the Property pursuant to the Program, increased (but not decreased) by an amount, if any, equal to the Base Price multiplied by the percentage increase in the median household income ("Median Income") for Santa Clara County published by the California Department of Housing and Community Development, Division of Housing Policy Development, between the Effective Date and the date that the Authority receives notification of an Option Event; or

b. **Index Price.** The Base Price increased (but not decreased) by an amount, if any, equal to the Base Price multiplied by the percentage increase in the Consumer Price Index

for All Urban Consumers for the San Francisco-Oakland-San Jose published by the U.S. Department of Labor, Bureau of Labor Statistics ("Index") between the Recording Date and the date that the City receives notification of an Option Event; or

c. **Fair Market Value.** The fair market value of the Property as determined by an appraiser selected and paid for by Owner and approved in writing by the Authority

d. Compute the Base Resale Price, the Authority may use the Base Resale Price Worksheet attached as Exhibit D hereto, or such other form as the Authority may from time to time adopt.

5. **Adjustments to Base Resale Price.** Subject to the Affordable Unit Cost restriction described in subparagraph (d) below, the Base Resale Price shall be increased or decreased, as applicable, by the following adjustment factors ("Adjustment"):

a. **Capital Improvements.** An increase for capital improvements made to the Property, but only if the amount of such improvements has been previously approved in writing by the Authority after Owner has submitted original written documentation of the cost to the Authority for verification. The amount of the Adjustment shall equal the original cost of any such capital improvements.

b. **Damages.** A decrease by the amount necessary to repair damage to the Property, if any, and to place the Property into saleable condition as reasonably determined by the Authority upon Authority's exercise of its Option hereunder, including, without limitation, amounts attributed to cleaning; painting; replacing worn carpeting and draperies; making necessary structural, mechanical, electrical and plumbing repairs; and repairing or replacing built-in appliances and fixtures. Owner hereby covenants to, at Owner's expense, maintain the Property in the same condition as in existence on the date of Authority's Notice of Exercise, reasonable wear and tear excepted.

c. **Advances by the Authority.** A decrease in an amount equal to the sum of all costs advanced by the Authority for the payment of mortgages, taxes, assessments, insurance premiums, homeowner's association fees and/or associated late fees, costs, penalties, interest, attorneys' fees, pest inspections, resale inspections and other expenses related to the Property, which Owner has failed to pay or has permitted to become delinquent.

d. **Adjusted Resale Price Not to Exceed Affordable Unit Cost.** The Base Resale Price as adjusted, is hereinafter referred to as the "Adjusted Resale Price." Notwithstanding any other provision hereof to the contrary, in no event shall the Adjusted Resale Price exceed the Affordable Unit Cost.

6. **Priority and Effectiveness of the Option.**

a. **Recordation.** This Agreement shall be recorded in the Office of the Recorder of the County of Santa Clara on or as soon as practicable after the Effective Date. The Option shall have priority over any subsequent sale, conveyance, transfer, lease or other disposition or encumbrance of the Property, or of any estate or interest therein, and in the event of exercise of

the Option by Authority, the Authority shall take the Property subject only to Permitted Exceptions. Except as otherwise provided in Paragraph 7.a, the exercise of the Option by the Authority at any time and from time to time shall not extinguish the Option or cause a merger of the Option into any estate or other interest in the Property, and the Option shall continue to exist and be effective with respect to the Property against any and all subsequent owners in accordance with the terms and conditions hereof.

b. **Request for Notice of Default.** The Authority shall file a Request for Notice of Default for recordation in the Office of the Recorder of the County of Santa Clara promptly upon execution of this Agreement (see Exhibit E).

7. Survival of Option Upon Transfer.

a. **In General.** The Authority's right to exercise the Option shall survive any transfer of the Property by Owner. Each transferee, assignee or purchaser of the Property during the term hereof shall be required to execute an agreement substantially in the form of this Agreement, provided that the term of any such agreement shall be for the duration of the term hereof as of the date of any such transfer, assignment or sale. The Option may be exercised against the Property throughout the term hereof, regardless of whether the Property is owned, possessed or occupied by Owner or any successor, transferee, assignee, heir, executor, or administrator of Owner, regardless of household income (if applicable) including a debtor-in-possession, debtor or trustee pursuant to Title 11 of the United States Code. Notwithstanding the foregoing, the Option shall not survive (i) the sale and transfer of the Property to a third party purchaser pursuant to a judicial or non-judicial foreclosure or a deed-in-lieu of foreclosure under a power of sale contained in a mortgage or deed of trust held by an institutional lender, provided that the Authority has received timely notice of such Option Event and has failed to either reinstate said mortgage or deed of trust or exercise its Option, or (ii) the recording of an instrument conveying Owner's interest in the Property to the Authority, or its assignee, provided the conveyance is in accordance with the terms of this Agreement.

b. **HUD Insured Mortgage.** If Owner has acquired the Property by a mortgage insured by the Secretary of the United States Department of Housing and Urban Development, and a notice of default has been recorded pursuant to California Civil Code Section 2924 (or successor provisions), then this Option shall automatically terminate if title to the Property is transferred by foreclosure or deed-in-lieu of foreclosure, or if the insured mortgage is assigned to the Secretary.

8. **Voidable Transfers.** As long as the Option has not been abandoned pursuant to Paragraph 3.d.v, any actual or attempted sale, conveyance, transfer or other disposition of the Property, or of any estate or interest therein, in violation of the terms and conditions of this Agreement, shall be voidable at the election of the Authority.

9. **Permitted Transfers.** Provided that the transferee assumes, within 30 days of a written request by the Authority, all of Owner's duties and obligations under this Agreement pursuant to a written assumption agreement in a form acceptable to Authority, or at Authority's election, execution of an agreement substantially similar to this Agreement, the following transfers ("Permitted Transfers") of title to the Property, or of any estate or interest therein, shall

not be subject to the Authority's prior approval, shall not trigger the exercise of the Option, and shall not be considered Option Events: (a) a good-faith transfer by gift, devise or inheritance to Owner's spouse or issue; (b) a taking of title by a surviving joint tenant; (c) a court-ordered transfer of title to a spouse as part of a divorce or dissolution proceeding; (d) a transfer by Owner into an inter vivos trust in which the Owner is a beneficiary and the Owner continues to occupy the property as his/her primary residence; (e) an acquisition of title, or of any interest therein, in conjunction with marriage; or (f) any good faith transfer to an Eligible Household. Notwithstanding any Permitted Transfer, the Option shall remain effective with respect to the Property for the duration of the term hereof.

10. Permitted Encumbrances and Refinancing. This Option shall not become exercisable as the result of Owner's encumbering the Property for the purpose of securing financing to purchase the Property pursuant to the Program, to refinance indebtedness incurred to purchase the Property pursuant to the Program, or to make necessary repairs to the Property in an amount approved by Authority pursuant to Paragraph 5a ("Permitted Encumbrances"). The maximum aggregate amount of such encumbrances outstanding at any time (the "Permitted Encumbrance Amount") shall not exceed an amount equal to ninety percent (90%) of the Base Resale Price calculated as provided in Paragraph 4. The Permitted Encumbrance Amount shall be calculated as if the Authority had received notification of an Option Event on the earlier of (a) the date on which the deed of trust or mortgage securing the indebtedness is filed for record in the Office of the Recorder of the County of Santa Clara, or (b) the date the Authority receives Notice of Intent to Transfer pursuant to Paragraph 3.d.i above. Owner hereby covenants and agrees that he/she/they shall use his/her/their best efforts to ensure that any deed of trust or other agreement encumbering the property shall include provisions providing for notice to be delivered to Authority of any default thereunder and for Authority's right to cure such default at Authority's election.

11. Obligation of Owner After Option Abandonment. If the Authority records a notice of abandonment of the Option, then the Property may be sold by Owner to a third party without restriction as to price; however, upon such sale, Owner shall pay to Authority an amount ("Authority's Share") equal to eighty-five percent (85%) of the difference between (a) the actual sales price net of reasonable and customary real estate commissions paid (such commissions not to exceed six percent (6%) of the actual sales price), and (b) the Adjusted Resale Price. The Authority's Share shall be paid to the Authority concurrently with close of escrow on the sale of the Property, or upon receipt by Owner of the sale price for the Property, whichever shall first occur.

12. Limits on Liability. In no event shall the Authority become liable or obligated in any manner to Owner by reason of the assignment of this Agreement or the Option, nor shall Authority be in any way liable or obligated to Owner for any failure of the Authority's assignee to consummate a purchase of the Property or to comply with the terms of this Agreement or the Option, or any escrow instructions or agreement for the purchase of the Property.

13. Insurance Proceeds and Condemnation Award. In the event the Property is destroyed and insurance proceeds are distributed to Owner instead of being used to rebuild the Property, or, in the event of condemnation, if the proceeds thereof are distributed to Owner, any

surplus of proceeds remaining after payment of the senior liens and encumbrances on the Property shall be distributed as follows: that portion of the surplus up to, but not to exceed, the net amount Owner would have received pursuant to Paragraph 3.d.ix had the Authority exercised its Option on the date of the destruction of condemnation valuation date shall be distributed to Owner, and the balance of such surplus, if any, shall be distributed to the Authority.

14. Effective Date. The rights and obligations of the Authority and Owner set forth in this Agreement shall be effective as of the Effective Date.

15. Term of Agreement and Option. The restrictions contained herein and the Authority's option to purchase the Property shall continue for a period of forty-five (45) years commencing on the Effective Date.

16. Notices. Except as otherwise specified in this Agreement, all notices to be sent pursuant to this Agreement shall be made in writing, and sent to the Parties at their respective addresses specified below or to such other address as a Party may designate by written notice delivered to the other Party in accordance with this Section. All such notices shall be sent by:

- (a) personal delivery, in which case notice shall be deemed delivered upon receipt;
- (b) certified or registered mail, return receipt requested, in which case notice shall be deemed delivered two (2) business days after deposit, postage prepaid in the United States mail;
- (c) nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) day after deposit with such courier; or
- (d) facsimile transmission, in which case notice shall be deemed delivered on transmittal, provided that a transmission report is generated reflecting the accurate transmission thereof.

Agency: City of Milpitas Housing Authority
455 Calaveras Boulevard
Milpitas, CA 95035
Attn: Executive Director

Owner: Danny Dias
1377 Coyote Creek Way
Milpitas, CA 95035

17. Remedies Upon Breach.

a. **Specific Performance.** Owner acknowledges that any breach in the performance of its obligations under this Agreement shall cause irreparable harm to the Authority. Owner agrees that the Authority is entitled to equitable relief in the form of specific performance upon its exercise of the Option, and that an award of damages shall not be adequate to compensate the Authority for Owner's failure to perform according to the terms of this Agreement.

b. **Other Remedies.** Authority shall have all of the remedies provided for at law or equity.

18. General Provisions.

a. **Attorneys' Fees.** If either party initiates legal proceedings to interpret or enforce its rights under this Agreement, the prevailing party in such action shall be entitled to an award of reasonable attorneys' fees and costs in additions to any other recovery to which it is entitled under this Agreement.

b. **No Joint Venture; No Third-Party Beneficiary.** No joint venture or other partnership exists or is created between the Parties by virtue of this Agreement. Except as expressly stated herein, this Agreement does not benefit any third party.

c. **Successors; Assignment.** This Agreement shall inure to the benefit of and shall be binding upon the Parties to this Agreement and their respective heirs, executors, administrators, successors and assigns. Authority shall have the right to assign all of its rights and obligations under this Agreement without the consent of Owner.

d. **Entire Agreement; Amendment.** This Agreement constitutes the entire agreement of the Parties with respect to the subject matter hereof, and supersedes any and all other prior negotiations, correspondence, understandings and agreements with respect thereto. There are no representations, promises, agreements or other understandings between the Parties relating to the subject matter of this Agreement that are not expressed herein. This Agreement may be modified only by an instrument in writing executed by the Parties or their respective successors in interest.

e. **Survival; No Merger.** All of the terms, provisions, representations, warranties and covenants of the Parties under this Agreement shall survive the close of escrow of any sale of the Property and shall not be merged in any deed transferring the Property.

f. **Authority And Execution.** Each Party represents and warrants that it has full power and authority to enter into this Agreement and to undertake all of its obligations hereunder, that each person executing this Agreement on its behalf is duly and validly authorized to do so.

g. **Severability.** The invalidity or unenforceability of any term or provision of this Agreement shall not impair or affect the remainder of this Agreement, and the remaining terms and provisions hereof shall not be invalidated but shall remain in full force and effect.

h. **Waiver; Modification.** No waiver or modification of this Agreement or any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the Party to be charged therewith. No evidence or any waiver or modification shall be offered or received in evidence in any proceeding, arbitration, or litigation between the Parties arising out of or affecting this Agreement or the rights or obligations of any Party hereunder, unless such waiver or modification is in writing and duly executed as aforesaid. The provisions of this section may not be waived except as herein set forth. A waiver or breach of any

covenant, condition or provision of this Agreement shall not be deemed a waiver of any other covenant, condition or provision hereof.

i. **Construction.** The section headings and captions used in this Agreement are for convenience of reference only and shall not modify, define, limit or amplify any of the terms or provisions hereof. This Agreement shall not be construed as if it had been prepared by one of the Parties, but rather as if both Parties have prepared it.

j. **Governing Law.** This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of California.

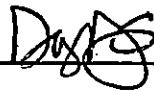
k. **Time of the Essence.** Time is of the essence in this Agreement as to each provision in which time is an element of performance.

l. **Further Assurances.** Each Party will, upon reasonable request of the other Party, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered, such further instruments and documents as may be reasonably necessary in order to fulfill the intents and purposes of this Agreement.

m. **Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, and all which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the date first written above.

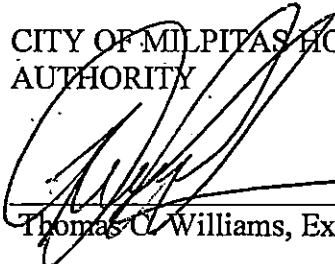
OWNER(S):



Danny Dias

AUTHORITY:

CITY OF MILPITAS HOUSING
AUTHORITY



Thomas C. Williams, Executive Director

ACKNOWLEDGMENT

State of California
County of Santa Clara

On OCTOBER 15, 2014, before me, Kathy Ynegas, Notary Public
(insert name and title of the officer)

personally appeared Danny Dias
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same in
his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

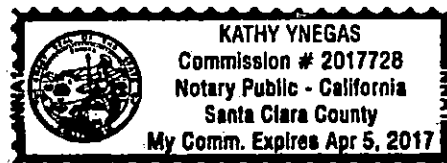
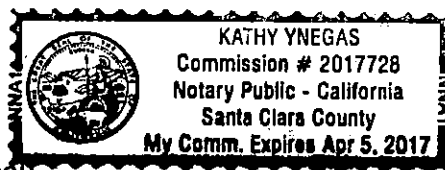
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature

Kathy Ynegas

(Seal)



ACKNOWLEDGMENT

State of California
County of Santa Clara

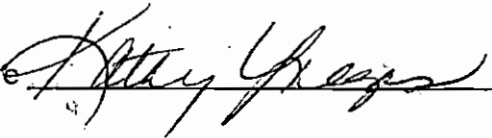
On OCTOBER 15, 2014 before me, Kathy Ynegas, Notary Public
(insert name and title of the officer)

personally appeared THOMAS C. WILLIAMS
who proved to me on the basis of satisfactory evidence to be the person ~~or~~ whose name ~~is~~ is
subscribed to the within instrument and acknowledged to me that he ~~or~~ she she executed the same in
his ~~or~~ her her authorized capacity ~~(ies)~~, and that by his ~~or~~ her her signature ~~(s)~~ on the instrument the
person ~~(s)~~ or the entity upon behalf of which the person ~~(s)~~ acted, executed the instrument.

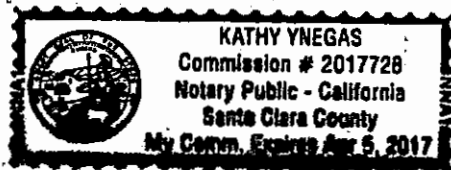
I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

Signature



(Seal)



CERTIFICATE OF ACCEPTANCE
(Pursuant to Government Code §27281)

This is to certify that the interest in real property conveyed by the Resale Restriction and Option to Purchase Agreement dated October 15, 2014 from Danny Dias to Milpitas Housing Authority is hereby accepted by the undersigned office or agent on behalf of the Milpitas Housing Authority pursuant to authority conferred by the Resolution No. 7714 dated November 6, 2007 consents to recordation thereof by its duly authorized officer.

Dated: _____

OCTOBER 15, 2014

By: _____

[Signature]

Its: _____

PRINCIPAL HSG. PLANNING

EXHIBIT A

Legal Description of Site

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MILPITAS,
COUNTY OF SANTA CLARA, STATE OF CALIFORNIA, AND IS DESCRIBED AS
FOLLOWS:

ASSESSOR'S PARCEL NO. 086-01-046

EXHIBIT B
FORM: NOTICE OF INTENT TO TRANSFER

VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

To: CITY OF MILPITAS HOUSING AUTHORITY
455 East Calaveras Boulevard
Milpitas, CA 95035
Attn: Authority Executive Director

Date: _____

Re: Notice of Intent to Transfer

Pursuant to the terms of the Resale Restriction and Option to Purchase Agreement, dated _____, the undersigned Owner(s), _____, hereby give(s) notice of his/her/their intent to transfer the property located at _____, Milpitas, California (the "Property"). Owner may be contacted at the Property or at the following address:

Owner's daytime telephone number is () _____

[If applicable: The proposed transfer of the Property is to the following person(s):

Name: _____

Address: _____

Telephone: () _____

The proposed transfer is (check one):

☐ Sale

☐ Other Specify: _____

Owner(s) signature(s):

EXHIBIT C
FORM: NOTICE OF EXERCISE

Date: _____

To: _____
Owner or Transferee

Address

Re: Notice of Exercise

The City of Milpitas Housing Authority ("Authority") hereby gives notice that it is exercising its option to purchase the real property located at _____, Milpitas, California. The option has been granted to the Authority pursuant to the Resale Restriction and Option to Purchase Agreement between Owner and the Authority dated _____ and recorded on _____ as Instrument No. _____. [The Authority has assigned its option to purchase the real property to _____.] An escrow for the purchase will be opened with the Chicago Title Company.

City of Milpitas Housing Authority

By: _____

Its: _____

EXHIBIT D

BASE RESALE PRICE WORKSHEET

Date: _____
Owner: _____
Address: _____
Purchase Price: _____
Date of Purchase: _____
Years Owned: _____ years

METHOD #1: CALCULATION BASED ON INCREASE IN MEDIAN INCOME***			
Present Median Income: \$ _____ Family of four, County of Santa Clara (at time of sale of unit)	Effective Date: _____		
Original Median Income: \$ _____ Family of four, County of Santa Clara (at time of purchase of unit)	Effective Date: _____		
Amount of Increase: _____ Family of four, County of Santa Clara (Present median income minus original median income)			
Increase in Price: _____	x _____	x _____	= _____
Method #1 Resale Price: _____	+		= _____
METHOD #2: CALCULATION BASED ON INCREASE IN MEDIAN INCOME			
Present CPI: _____	Effective Date: _____		
Original CPI: _____	Effective Date: _____		
Rate of Increase: _____ per annum			
Increase in Price: _____	x _____	x _____	= _____
Method #2 Resale Price: _____	+		= _____
Based on the above, the base resale price as of this date, _____, is: _____			

By: _____

EXHIBIT E
REQUEST FOR NOTICE OF DEFAULT

Order No.
Escrow No.
Loan No.

WHEN RECORDED MAIL TO:

City of Milpitas Housing Authority
455 East Calaveras Boulevard
Milpitas, CA 95035
Attn: Authority Executive Director

(Space Above This Line For Recorder's Use Only)

REQUEST FOR NOTICE UNDER SECTION 2924b CIVIL CODE

In accordance with Section 2924b, Civil Code, request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under the Deed of Trust recorded as Instrument No. _____ on _____, _____, in the Official Records of Santa Clara County, California, and describing land therein as:

executed by _____, as Trustor, in which _____ is named as Beneficiary, and _____, as Trustee, be mailed to the City of Milpitas Housing Authority, 455 Calaveras Boulevard, Milpitas, California _____, Attn: _____.

By: _____

NOTICE: A COPY OF ANY NOTICE OF DEFAULT AND OF ANY NOTICE OF SALE WILL BE SENT ONLY TO THE ADDRESS CONTAINED IN THIS RECORDED REQUEST. IF YOUR ADDRESS CHANGES, A NEW REQUEST MUST BE RECORDED.

STATE OF CALIFORNIA)

COUNTY OF _____)

On _____ before me, _____, a Notary Public in and for said county and state, personally appeared _____

_____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature _____

(This area for official notarial seal)

EXHIBIT F

DISCLOSURE STATEMENT

THERE ARE RESTRICTIONS ON THE SALE OF THE PROPERTY YOU ARE BUYING. EXCEPT FOR A TRANSFER TO THE CITY FOLLOWING CITY'S EXERCISE OF ITS OPTION TO PURCHASE, THIS PROPERTY MAY ONLY BE SOLD TO AN "ELIGIBLE HOUSEHOLD" AT A PRICE NOT TO EXCEED THE ADJUSTED RESALE PRICE WHICH IS CAPPED AT AN "AFFORDABLE HOUSING COST."

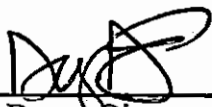
THIS MEANS THAT YOU MAY NOT SELL THE PROPERTY FOR MARKET VALUE TO WHOMEVER YOU LIKE.

THESE RESTRICTIONS WILL BE IN EFFECT UNTIL October 15, 2059
SALE OF THE PROPERTY IN VIOLATION OF THE RESTRICTIONS SHALL BE VOIDABLE AT THE ELECTION OF THE CITY.

TO DETERMINE WHO AN ELIGIBLE HOUSEHOLD IS, AND WHAT THE ADJUSTED RESALE PRICE AND AFFORDABLE HOUSING COST ARE, YOU SHOULD CONTACT THE MILPITAS HOUSING AUTHORITY (FORMER CITY OF MILPITAS REDEVELOPMENT AGENCY).

YOU SHOULD ALSO READ THE RESALE RESTRICTION AND OPTION TO PURCHASE AGREEMENT RECORDED AGAINST THE PROPERTY. YOU MAY OBTAIN A COPY FROM THE MILPITAS HOUSING AUTHORITY OR FROM THE ESCROW COMPANY.

I HAVE READ THE FOREGOING AND I UNDERSTAND WHAT IT MEANS.



BUYER-Danny Dias

BUYER-



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution to Accept the Improvements, Authorize the City Engineer to file a Notice of Completion, and issue a Notice of Final Acceptance after the One-Year Warranty of Council Chamber Audio-Visual System Replacement, CIP No. 3498 (Staff Contact: Daniel Nam, Information Technology Director, 408-586-2712)
Category:	Consent Calendar-Community Development
Meeting Date:	6/17/2025
Recommendation:	Adopt a resolution to accept the improvements, authorize the City Engineer to file a Notice of Completion, and issue a Notice of Final Acceptance after the one-year warranty of Council Chamber Audio-Visual System Replacement, CIP No. 3498.

BACKGROUND:

On December 12, 2023, the City Council awarded a construction contract to PCD Inc. for the Council Chamber AV Replacement Project, Project No. 3498 (Project), in the amount of \$835,768.08 and authorized the City Manager to execute contract change orders in an aggregate amount not to exceed \$79,231.92. The Project is included in the adopted 2025-2029 Capital Improvement Program (CIP), which provides for the removal of the outdated audio-visual (AV) system and the implementation of a modern AV system to ensure efficient and reliable public access to Council meetings and other public meetings held in the City's Council Chamber. In addition, the City Council also approved enhancements to the AV systems in other public areas, including the Committee Meeting Room, the City Hall lobby, and the pre-function space adjacent to the Council Chamber.

ANALYSIS:

The AV system construction began on July 1, 2024, and core AV capabilities were available in time for the September 3, 2024, City Council meeting. The project was completed successfully on an expedited timeframe and within budget. The upgraded Council Chamber now features state-of-the-art display technology, audio conferencing, and live streaming capabilities. Significant improvements were also made to the Committee conference room, including the addition of multiple presentation displays to enable optimal use of space, projection screens, accessibility-compliant equipment, and automation capabilities to improve ease of use. Enhancements in the Council Chamber, Committee Meeting Room, and the City Hall Lobby area are now complete and fully operational. Staff recommends the City Council adopt a Resolution (Attachment a) granting acceptance of the Project and authorizing the City Engineer to file a Notice of Completion (Attachment b) in accordance with the provisions of Section 9204 of the Civil Code. Staff further recommends the City Council authorize the City Engineer to issue a notice of final acceptance after the one-year warranty period without further City Council action, provided that all warranty work is completed to the satisfaction of the Information Technology Director.

POLICY ALTERNATIVE(S):

Alternative: Do not adopt Resolution and deny Project acceptance, deny filing a notice of completion.

Pros: None.

Cons: A denial would result in the City being unable to release any funds remaining back into the Project budget.

Reason for Not Recommending: Denial would result in the City being unable to close out the Project and release any funds remaining back into the Project budget.

FISCAL IMPACT:

No additional funding is requested for the Project as the Project is now complete. The Information Technology Department will be responsible for the maintenance and operation of the improved system and has sufficient budget and vendor support for Fiscal Year 2025-2026. Any additional funding required for ongoing maintenance will be requested through future budget appropriations when the City Council adopts the annual operating budget for the Department.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

Per the definition provided in the California Environmental Quality Act (CEQA) Guidelines Section 15378, the replacement of new AV systems does not qualify as a project for the purpose of CEQA as this action has no potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Based on staff's findings, this project is under categorical exemption (Class 1 – Existing Facilities) from the requirement of CEQA.

ATTACHMENT(S):

- (a) Resolution
- (b) Notice of Completion

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS GRANTING
ACCEPTANCE OF THE COUNCIL CHAMBER AV REPLACEMENT, CIP NO. 3498**

WHEREAS, the City of Milpitas has heretofore entered into a contract with PCD Corporation, for the Council Chamber AV Replacement, CIP No. 3498 (“Project”), in the amount of \$835,768.08, and the Information Technology Director of the City of Milpitas has recommended acceptance of said improvement as completed in accordance with plans, specifications and approved change orders and correction lists, and in accordance with the final inspection of the City Engineer.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The City of Milpitas does hereby accept said improvement as completed on this 17th day of June, 2025, and does hereby authorize and direct the City Engineer of the City of Milpitas to file a Notice of Completion in accordance with the provisions of Section 9204 of the Civil Code of the State of California, and does hereby authorize and direct the City Engineer to file a Certificate of Completion in accordance with the provisions of Section 4005 of the Government Code of the State of California, if said work was by day’s labor or force account.
3. The City Council authorizes the City Engineer to issue the Notice of Final Acceptance after the one-year warranty period without further City Council action, provided all required warranty repairs are completed to the satisfaction of the Information Technology Director; and nothing herein contained shall in any way be deemed to be a waiver, release or relinquishment by City of any obligations imposed upon the contractor or its surety, or sureties, by law or by the above-referenced improvement contract, save and except those obligations specifically mentioned herein.

PASSED AND ADOPTED this _____ day of _____, 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Suzanne Guzzetta, City Clerk

APPROVED AS TO FORM:

Christopher Creech, Acting City Attorney

APPROVED:

Carmen Montano, Mayor

Recording Requested by and
When Recorded Mail to:

City of Milpitas
455 East Calaveras Boulevard
Milpitas, CA 95035
Attention: City Clerk

Record without fee under
Section 6103 - Government Code
State of California

CITY OF MILPITAS
NOTICE OF COMPLETION
(Civil Code Section 9204)

NOTICE IS HEREBY GIVEN:

1. On or about December 12, 2023, the City Council of the City of Milpitas, a municipal corporation of the State of California, whose address is City Hall, 455 East Calaveras Boulevard, Milpitas, California, 95035 (as owner) entered into a contract for work of: **Council Chamber AV Replacement, Project No. 3498.**
2. A description of the site of which the City is co-owner for said work of improvement is: 455 East Calaveras Blvd. in the City of Milpitas, Santa Clara County, California, more particularly described on the plans.
3. The name and address of the direct contractor is: **PCD Inc., 1032 Maxwell Drive, Santa Rosa, CA 95401.**
4. A general statement of the kind of work done or materials furnished to the City is as follows: The Project provides for installation of a new audio-visual system in the City's Council Chamber and Committee Meeting Room.
5. Said work of improvement was accepted by the Milpitas City Council as complete on June 17, 2025.

I, the undersigned, declare that I am the **City Engineer** of the City of Milpitas and am authorized to execute the foregoing Notice of Completion and this Verification thereof. I have read the foregoing Notice of Completion. I declare under penalty of perjury that the foregoing Notice of Completion is true and correct. Executed on June ____, 2025 at Milpitas, California.

Michael Silveira, City Engineer

City of Milpitas

NOTE: RECORD WITHIN 15 DAYS OF ACCEPTANCE WITH COUNTY RECORDER OF
SANTA CLARA COUNTY

Recording Requested by and
When Recorded Mail to:

City of Milpitas
455 East Calaveras Boulevard
Milpitas, CA 95035
Attention: City Clerk

Record without fee under
Section 6103 - Government Code
State of California

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5. Said work of improvement was accepted by the Milpitas City Council as complete on June 17, 2025.

I, the undersigned, declare that I am the **City Engineer** of the City of Milpitas and am authorized to execute the foregoing Notice of Completion and this Verification thereof. I have read the foregoing Notice of Completion. I declare under penalty of perjury that the foregoing Notice of Completion is true and correct. Executed on June ____, 2025 at Milpitas, California.

Michael Silveira, City Engineer

City of Milpitas

NOTE: RECORD WITHIN 15 DAYS OF ACCEPTANCE WITH COUNTY RECORDER OF
SANTA CLARA COUNTY



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Authorize the City Manager to Negotiate and Execute an Amendment to the Agreement with Ascent Environmental for Consultant Services Related to Preparation of the Gateway-Main Street Specific Plan (Staff Contact: Jay Lee, Planning Director, 408-586-3077)
Category:	Community Development
Meeting Date:	6/17/2025
Recommendation:	(1) Authorize the City Manager, or designee, to negotiate and execute an amendment to the Professional Services Agreement with Ascent Environmental for consulting services related to preparation of the Gateway-Main Street Specific Plan, extending the Agreement end date to June 30, 2026 with a maximum compensation amount for the amendment of \$85,000 and a maximum compensation amount for the entire Agreement of \$1,144,708; and (2) Approve a budget appropriation of \$75,004 from Capital Improvement Program Project, No. 3460 to 3437.

BACKGROUND:

The Milpitas Midtown Specific Plan was originally adopted by City Council in 2002 to maximize land use, transportation, and economic opportunities along the City's historic Main Street and to energize and catalyze mixed-use, transit-oriented development in the Midtown area, also known as the "heart" of Milpitas. Since adoption of the current Midtown Specific Plan, little of the community's vision for this area has been realized, and many potential development sites remain vacant and underutilized, especially along Main Street. As part of the update process, the Midtown Specific Plan will be renamed the "Milpitas Gateway/Main Street Specific Plan" and will provide a new vision and strategic policy framework to guide redevelopment and reinvestment in three focus areas and transform this important gateway into an attractive and vibrant destination for the City and the region.

On [April 6, 2021](#), the City Council adopted the FY2022-26 Capital Improvement Plan (CIP), which included the Milpitas Gateway/Main Street Plan (Midtown Specific Plan Update) as Project No. 3437 with an initial outlay of up to \$960,000 from the Community Planning Fund. On May 26, 2021, the Metropolitan Transportation Commission (MTC) awarded the City of Milpitas an additional \$500,000 through its Priority Development Area (PDA) Planning Grant Program to complete the project.

On March 16, 2021, the Purchasing Division released RFP No. 2515 seeking proposals from qualified vendors with demonstrated experience in municipal planning services to assist the City with the Milpitas Gateway/Main Street Specific Plan (Midtown Specific Plan Update). Following a competitive evaluation process in accordance with the City Municipal Code, the top firm, Ascent Environmental, was invited to continue in the evaluation process by providing a detailed scope of work with the proposed compensation for all services outlined in the RFP.

On [September 21, 2021](#), the City Council authorized the City Manager to execute a master funding agreement with the Metropolitan Transportation Commission to receive funding through the PDA Planning Grant Program and a professional services agreement with Ascent Environmental for consultant services to prepare the Gateway/Main Street Specific Plan.

The initial project budget was \$930,708. Per [Section I-2-3.21](#) of the Milpitas Municipal Code, the Purchasing Agent is authorized to execute amendments up to 10 percent of a contract (over \$100,000) or \$20,000,

whichever is less, and up to \$40,000 in cumulative amendments. As such, the Purchasing Agent twice executed amendments to the Professional Services Agreement with Ascent Environmental to increase the project budget by \$19,500 each time, for a total budget increase of \$39,000, resulting in a project budget of \$969,708. These amendments also extended the termination date from June 30, 2023 to June 30, 2024.

On [April 16, 2024](#), the City Council approved an amendment to the professional services agreement with Ascent Environmental to reallocate budget amounts between tasks and increase the overall project budget by \$90,000, resulting in a new contract amount of \$1,059,708.

On [June 18, 2024](#), the City Council approved an amendment to the professional services agreement with Ascent Environmental to extend the agreement term 12 months, from June 30, 2024 to June 30, 2025, with no change in compensation.

ANALYSIS:

Tasks 1-3, which include existing conditions assessments, extensive community outreach, plan visioning, scenario planning, and preferred plan strategies, have been completed. Task 4 (Specific Plan Drafting) and Task 5 (Environmental Evaluation) are underway, and the Public Draft Plan and Subsequent Environmental Impact Report (EIR) were completed in April 2025. Following public review of the Public Draft Plan and Subsequent EIR, the project team will continue to refine the plan and environmental analysis and aim for adoption hearings in late summer 2025.

An additional amendment to the professional services agreement with Ascent Environmental is needed to increase the not-to-exceed amount by \$85,000. An additional \$60,000 is needed to complete Task 4 (Specific Plan Drafting) and an additional \$25,000 is needed to complete Task 6 (Plan Adoption).

Per Milpitas Municipal Code [Section I-2-3.21](#), contract amendments for contracts greater than \$100,000 resulting in a cumulative increase of 15 percent of the original award or \$40,000, whichever is less, require City Council approval.

The original scope of work, budget, and timeline were initially prepared in 2021. At that time, there were several unknowns regarding the scope of work:

1. The project area and boundary;
2. Preparation and inclusion of specific zoning regulations and development standards within the Specific Plan; and
3. The existing condition of utilities and infrastructure within the plan area.

Throughout the preparation of the plan, the project area has expanded to annex adjacent neighborhoods which would benefit from inclusion into the plan area. An additional redevelopment focus area was also added to maximize the development potential of new opportunity sites. Additionally, City staff determined the scope of work should also include preparing zoning regulations and development standards to ensure consistency between the Specific Plan and Milpitas Zoning Ordinance upon plan adoption rather than amending the zoning map and text later. Furthermore, the existing condition of utilities and infrastructure within the plan area requires additional analysis and utility improvements to ensure that future development will be adequately served.

Due to the added complexity to the scope of work, a prior amendment extended the agreement termination date from June 30, 2024 to June 30, 2025. However, the added complexity to the scope of work also required more extensive revisions to the Administrative and Public Drafts of the Plan than originally anticipated, particularly to Chapters 7 (Infrastructure and Public Services) and 8 (Administration and Implementation) to ensure adequate utilities and infrastructure will be available to accommodate the additional development envisioned in the Plan. Furthermore, the City is currently reviewing several development applications within the Plan area, which has resulted in further revisions to Plan drafts. As such, the agreement termination date needs to be extended from June 30, 2025 to June 30, 2026.

POLICY ALTERNATIVE(S):

Alternative 1: Do not approve and authorize the City Manager to execute an amendment to the Professional

Services Agreement with Ascent Environmental for consultant services related to the preparation of the Gateway-Main St. Specific Plan.

Pros: None.

Cons: Failure to approve and authorize the City Manager to execute an amendment to the professional services agreement with Ascent Environmental would result in the City being unable to finish updating the Midtown Specific Plan and forgoing \$500,000 in approved PDA grant funds, which need to be expended within 36 months of execution of a funding agreement with MTC. Without the Milpitas Gateway/Main Street Specific Plan, the existing Midtown Specific Plan would remain in place. Absent new policies and standards to facilitate catalytic development, the Main Street area and Calaveras Corridor would likely continue to suffer from disinvestment and a lack of identity. The City would potentially miss out on the opportunity to revitalize an important area of the city.

Reason not recommended: In light of the City's anticipated Regional Housing Needs Allocation (RHNA) from the Association of Bay Area Governments (ABAG), the Milpitas Gateway/Main Street Specific Plan is needed to help Midtown realize its full development potential and support regional and state efforts to address critical housing needs. If Midtown is unable to accommodate more housing development, it will be more challenging to meet the City's RHNA obligation. Moreover, the Milpitas Gateway/Main Street Specific Plan is needed to implement the vision of the recently adopted General Plan, which establishes Midtown as a key opportunity area for new economic growth and development in the City.

FISCAL IMPACT:

The proposed contract amendment requires a budget appropriation of \$85,000, with \$75,004 from CIP Project No. 3460 (Comprehensive Zoning Ordinance Update) to 3437 (Gateway-Main St. Specific Plan). Staff anticipates completing the Comprehensive Zoning Ordinance (CZO) Update by late summer of this year and does not expect further amendments to the consultant contract for that project (Lisa Wise Consulting). The remaining \$9,996 will be funded by unused professional services monies for the Housing Opportunity Districts (HODs) scope of work. Therefore, the proposed contract amendment would not require additional funds from the General Fund.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment and is not a project pursuant to Pub. Resources Code, § 21065 and Cal. Code Regs., tit. 14, § 15378. Even if a project, the action is exempt from further CEQA review pursuant to Cal. Code Regs., tit. 14, § 15061(b)(3) as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

ATTACHMENT(S):

None.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve a Waiver to the Competitive Procurement Process for Crossing Guard Services and Authorize the City Manager to Negotiate and Execute an Amendment to the Master Services Agreement for Crossing Guard Services with All-City Management Services, Inc. (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Jared Hernandez, Chief of Police, 408-586-2406)
Category:	Consent Calendar-Public Safety
Meeting Date:	6/17/2025
Recommendation:	(1) Approve a waiver to the competitive procurement process for Crossing Guard Services; and (2) Authorize the City Manager, or designee, to negotiate and execute an amendment to the Master Services Agreement for Crossing Guard Services with All-City Management Services, Inc. to extend the term of the Agreement for one additional year through July 31, 2026 in an amount not to exceed \$873,464 for the additional year of services for a revised total not-to-exceed amount of \$2,482,913 for the full three-year term.

BACKGROUND:

The purpose of the Milpitas Crossing Guard Program is to provide crossing guard assistance to children and pedestrians at intersections along school routes thereby enhancing public safety. The City of Milpitas adopted its current Crossing Guard Program (Program) in 2006 and posts those guards primarily at certain intersections with high volumes of school-age pedestrians and vehicles consistent with the State of California Manual of Traffic Control Devices. Other factors considered for determining which intersections are staffed with crossing guards include vehicle sight distance obstructions, traffic accident history, complex roadway geometry design, safety, City Council support and/or Chief of Police support. The Program has been and remains funded with General Fund monies.

From its adoption through the FY 2022-2023 school year, the Program was managed directly by the Milpitas Police Department. On [June 20, 2023](#), the City Council authorized a one-year agreement (Agreement) with All-City Management Services, Inc. (ACMS) to provide crossing guard services. [Section I-2-3.06](#) of the Milpitas Municipal Code allows the award of contracts without traditional competitive procurement when the Purchasing Agent determines that there are not other available sources for the services or that there is a compelling reason for using only one source. ACMS as a sole source provider was approved by the City Purchasing Agent pursuant to the City Municipal Code [Section I-2-3.06 Sole Source Procurement](#). On July 10, 2023, the City entered into the Agreement with ACMS with a term of July 10, 2023 through July 31, 2024 and a maximum compensation of \$781,858. The Milpitas Police Department still oversees the contract with ACMS.

On [June 4, 2024](#), the City Council approved funding for the Agreement for an additional year. On June 5, 2024, staff issued an Option Notice to ACMS, notifying them of a contract extension through July 31, 2025 and adding \$827,591 to cover costs for the additional year of services. With the Option Notice, the revised maximum compensation for the full two-year term of the agreement is \$1,609,449.

When the City selected ACMS for these services, ACMS was the only provider of full-service crossing guard services in Santa Clara County and the surrounding regions. There are now other crossing guard service providers in the region. However, there is compelling reason for continuing to use ACMS as a sole source provider, as it has not yet been determined if these alternative providers can offer the services necessary in

Milpitas. As the City does not have sufficient time to complete a comprehensive solicitation process for these services by the beginning of the upcoming school year, on June 6, 2025, pursuant to the City [Municipal Code Section I-2-3.06 Sole Source Procurement](#), the City Purchasing Agent approved ACMS as a sole source provider for these services for one additional year pending completion of a competitive procurement.

ANALYSIS:

A school-age pedestrian crossing count data collection study conducted in November 2022 analyzed 34 locations. This study identified 21 intersections that met the criteria for crossing guards. The existing 37-guard model covers 28 intersections and exceeds what would minimally be recommended based on the study findings. A lapse in overall services without an alternative option or sufficient community notice could have a detrimental impact on public safety for the community.

The City plans to conduct a solicitation for these services over the next year. City Council approval of this recommendation will ensure there is no lapse in crossing guard services while the competitive process is completed. As such, the Administration requests the City Council approve a waiver to the competitive procurement process for crossing guard services, pursuant to Milpitas Municipal Code [Section I-2-3.03\(d\) Procurements where competitive methods are not practicable](#) where the City is not required to engage in competitive procurement as authorized by the City Council to be in the best interest of the City, and to extend the current Master Services Agreement with All City Management Services, Inc. for a one-year period at a cost of \$873,464 for Fiscal Year 2025-26.

POLICY ALTERNATIVE(S):

Alternative 1: Do not approve a waiver to the procurement process or authorize the amendment to extend the current Master Services Agreement with ACMS.

Pros: The City has the option to pursue a competitive bidding process for crossing guard services, which could lead to a more favorable agreement with improved terms and conditions. Alternatively, the City could choose to eliminate the contractual services and transition the services back to the Police Department.

Cons: Given the City's limited timeframe to conduct a thorough solicitation process for these services, this approach could lead to a gap or total withdrawal of crossing guard services. Additionally, the Police Department is already facing staffing constraints, making it unlikely there will be sufficient Police resources to assume this responsibility in time.

Reason for Not Recommending:

While pursuing a competitive bidding process for crossing guard services presents the potential for more favorable terms, the risks of transitioning these services back to the Police Department outweigh the benefits. The limited timeframe for a thorough solicitation could result in a gap or complete loss of services, jeopardizing public safety. Furthermore, the Police Department is currently experiencing staffing constraints, making it improbable they would be able to effectively manage crossing guard duties in a timely manner. Therefore, the Administration recommends the City Council approve a waiver to the competitive procurement process for Crossing Guard Services and authorize an amendment to the Agreement for Crossing Guard Services with All-City Management Services, Inc.

FISCAL IMPACT:

Funding in the amount of \$873,464 is included in the Fiscal Year 2025-2026 Adopted, Amended Budget for these services.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment and is not a project pursuant to Pub. Resources Code, § 21065 and Cal. Code Regs., tit. 14, § 15378. Even if a project, the action is exempt from further CEQA review pursuant to Cal. Code Regs., tit. 14, § 15061(b)(3) as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The action is continuing administrative activity related to staffing of certain services and therefore is not a project pursuant to Cal. Code Regs., tit. 14, § 15378.

ATTACHMENT(S):

None.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution to Accept the Improvements, Authorize the City Engineer to File a Notice of Completion and Issue a Notice of Final Acceptance After the One-Year Warranty for ARPA Parks Rehabilitation, CIP Nos. 3500, 3501, 5110; (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)
Category:	Consent Calendar-Community Development
Meeting Date:	6/17/2025
Recommendation:	Adopt a resolution to accept the improvements and Authorizing the City Engineer to file a Notice of Completion and issue a Notice of Final Acceptance after the one-year warranty for ARPA Parks Rehabilitation, CIP Nos. 3500, 3501, 5110.

BACKGROUND:

On [April 2, 2024](#), the City Council awarded a construction contract to Bay Construction Co. (Contractor) for the ARPA Parks Rehabilitation, CIP Nos. 3500, 3501, 5110 (Project) in the amount of \$2,532,000. The Project is included in the FY 2025-2029 Adopted Capital Improvement Program and provides for construction to address health and safety repairs and short-term improvements at thirteen (13) parks including Ben Rodgers, Foothill, Hidden Lake, Murphy, Oliver W. Jones Memorial, Parc Metro West, Robert E. Browne, Sandalwood, Sinnott, Strickroth, Starlite, Sunnyhills Albert Augustine Jr. Memorial, and Tom Evatt. The work included installing ADA-compliant features where feasible, replacing aging site furnishings, improving and repairing picnic areas and pathways, improving fitness station and playground areas, and upgrading restroom fixtures to comply with current Building Codes.

ANALYSIS:

The Project was successfully completed on time and within budget. Staff recommends the City Council adopt a Resolution (Attachment A) granting acceptance of the Project and authorizing the City Engineer to file a Notice of Completion (Attachment B) in accordance with the provisions of Section 9204 of the Civil Code. Staff also recommends the City Council authorize the City Engineer to issue a Notice of Final Acceptance after the one-year warranty period without further City Council action, provided that all warranty work is completed to the satisfaction of the City Engineer.

POLICY ALTERNATIVE:

Alternative: Do not adopt a Resolution for Project acceptance and filing the Notice of Completion to begin the one-year warranty.

Pros: None

Cons: A denial would result in the City being unable to accept the completed improvements and commence the one-year warranty in accordance with the contract documents, release the retention to the Contractor and release any funds remaining back into the Project budget.

Reason not Recommended: Since the Contractor has completed the Project in accordance with the approved contract documents, a denial to accept the Project could be considered as a breach of contract and risk a possible claim by the Contractor.

FISCAL IMPACT:

There is no fiscal impact as the Project has been completed within the approved budget. The Public Works Department will be responsible for maintenance and operations of the improvements. Any required additional

funding for ongoing maintenance will be requested through future budget appropriations as the City Council considers and adopts the annual operating and capital budgets.

CALIFORNIA ENVIRONMENTAL QUALITY ACT:

The Project entails replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced and is therefore exempt from CEQA pursuant to Cal. Code Regs., tit. 14, § 15302.

ATTACHMENTS:

(a) Resolution and Notice of Completion

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS GRANTING
ACCEPTANCE OF THE ARPA PARKS REHABILITATION, CIP NOS. 3500, 3501, 5110**

WHEREAS, the City of Milpitas has heretofore entered into a contract with Bay Construction for the ARPA Parks Rehabilitation, CIP Nos. 3500, 3501, 5110 (“Project”), in the amount of \$2,532,000, and the City Engineer of the City of Milpitas has recommended acceptance of said improvements as completed in accordance with plans, specifications and approved change orders and correction lists, and in accordance with the final inspection of said City Engineer.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The City of Milpitas does hereby accept said improvements as completed on this 17th day of June, 2025, and does hereby authorize and direct the City Engineer of the City of Milpitas to file a Notice of Completion in accordance with the provisions of Section 9204 of the Civil Code of the State of California, and does hereby authorize and direct the City Engineer to file a Certificate of Completion in accordance with the provisions of Section 4005 of the Government Code of the State of California, if said work was by day’s labor or force account.
3. The City Council authorizes the City Engineer to issue the Notice of Final Acceptance after the one-year warranty period without further City Council action, provided all required warranty repairs are completed to the satisfaction of the City Engineer; and nothing herein contained shall in any way be deemed to be a waiver, release or relinquishment by City of any obligations imposed upon the contractor or its surety, or sureties, by law or by the above-referenced improvement contract, save and except those obligations specifically mentioned herein.

PASSED AND ADOPTED this _____ day of _____, 2025 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Suzanne Guzzetta, City Clerk

APPROVED:

Carmen Montano, Mayor

APPROVED AS TO FORM:

Christopher Creech, Acting City Attorney

Recording Requested by and
When Recorded Mail to:

City of Milpitas
455 East Calaveras Boulevard
Milpitas, CA 95035
Attention: City Clerk

Record without fee under
Section 6103 - Government Code
State of California

CITY OF MILPITAS
NOTICE OF COMPLETION
(Civil Code Section 9204)

NOTICE IS HEREBY GIVEN:

1. On or about April 2, 2024, the City Council of the City of Milpitas, a municipal corporation of the State of California, whose address is City Hall, 455 East Calaveras Boulevard, Milpitas, California, 95035 (as owner) entered into a contract for work of: **ARPA Parks Rehabilitation, CIP No. 3500, 3501, 5110.**
2. A description of the site of which the City is co-owner for said work of improvement are located at: **Ben Rodgers, Foothill, Hidden Lake, Murphy, Oliver W. Jones Memorial, Parc Metro West, Robert E. Browne, Sandalwood, Sinnott, Strickroth, Starlite, Sunnyhills Albert Augustine Jr. Memorial, and Tom Evatt Parks** in the City of Milpitas, Santa Clara County, California, more particularly described on the plans.
3. The name and address of the direct contractor is: **Bay Construction, 4026 Martin Luther King Jr. Way, Oakland, CA 94609.**
4. A general statement of the kind of work done or materials furnished to the City is as follows: **The Project provides for health and safety repairs and short-term improvements at 13 City parks.**
5. Said work of improvement was accepted by the Milpitas City Council as complete on **June 17th, 2025.**

I, the undersigned, declare that I am the **City Engineer** of the City of Milpitas and am authorized to execute the foregoing Notice of Completion and this Verification thereof. I have read the foregoing Notice of Completion. I declare under penalty of perjury that the foregoing Notice of Completion is true and correct. Executed on _____, 2025 at Milpitas, California.

—

Michael Silveira, City Engineer
City of Milpitas

NOTE: RECORD WITHIN 15 DAYS OF ACCEPTANCE WITH COUNTY RECORDER OF SANTA CLARA COUNTY



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Authorize the City Manager to Execute the Improvement Agreement with Stratford School, Inc. at 1323 Great Mall Drive (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)
Category:	Consent Calendar-Community Development
Meeting Date:	6/17/2025
Recommendation:	Authorize the City Manager, or designee, to execute the Improvement Agreement with Stratford School, Inc., for the construction of public improvements at 1323 Great Mall Drive.

BACKGROUND:

On August 13, 2024, the City Council approved the Site Development Permit No. SD23-0012, Conditional Use Permit No. UP23-0008, and Environmental Assessment No. EA24-0001 to remodel the existing office building and construct a new gymnasium building, trash enclosure, and associated site improvements at 1323 Great Mall Drive (Project) by Stratford School, Inc. (Developer).

ANALYSIS:

The Developer has agreed to enter into an Improvement Agreement (Attachment A) with the City for the construction of public improvements for the Project which will be constructed concurrently with the on-site work. The public improvements to be constructed and accepted by the City include the installation of a new fire water service and irrigation recycled water service, and other miscellaneous items of work identified on the public improvement plans. The improvements will be completed within one year from the date of the Improvement Agreement, and the work is guaranteed by bonds or similar securities to be posted by the Developer in the amount of \$77,000.

The City Engineer has reviewed the public improvement plans (2-1469) and is recommending the City Council approve the Improvement Agreement to allow for the construction of public improvements to proceed.

POLICY ALTERNATIVE(S):

Alternative: Deny approval of Improvement Agreement.

Pros: None

Cons: The denial of approval of the Improvement Agreement will cause construction of the offsite public improvements to be delayed and will prevent the Developer from occupying the newly remodeled and constructed building.

Reason for Not Recommending: Staff recommends the approval of the Improvement Agreement for construction of the offsite public improvements.

FISCAL IMPACT:

The Developer will reimburse the City for costs associated with plan review, permitting and construction inspection for offsite public improvements constructed by the Developer. The City will have perpetual ownership and maintenance responsibilities of the public improvements following construction and acceptance of the Project after the one-year warranty period has expired. The Public Works Department provides funding for future maintenance of newly accepted City infrastructure through their operating budget which is subject to annual appropriations.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The Planning Department completed an environmental impact assessment for the project in accordance with the California Environmental Quality Act (CEQA) and based on the assessment, decided to prepare an Initial Study and Mitigated Negative Declaration (IS/MND) for the Project in accordance with CEQA, and State and local guidelines implementing CEQA. On May 29, 2024, the City provided a Notice of Intent (NOI) to adopt a mitigated negative declaration to the public, responsible agencies, trustee agencies, and the County Clerk.

On [June 26, 2024](#), the Planning Commission held a duly noticed public hearing, during which meeting the Planning Commission considered the Initial Study and Mitigated Negative Declaration (IS/MND), heard a presentation from staff, had the opportunity to hear from members of the public and closed the public hearing on the item. The Planning Commission found that its actions are consistent with CEQA and recommended the City Council adopt the proposed Stratford Preparatory School Project IS/MND, found there is neither a fair argument nor substantial evidence that the project, as mitigated, will have a significant effect on the environment, and found the project and the City's approval thereof consistent with CEQA and its implementing guidelines.

On [August 13, 2024](#), the Milpitas City Council, under Resolution 9350, found that it had been presented with the Stratford Preparatory School Project IS/MND, reviewed and considered it, and further found that the IS/MND is an accurate and objective statement that has been completed in full compliance with CEQA, and the City's Local CEQA Guidelines and that the IS/MND reflects the independent judgment and analysis of the City Council. Therefore, the City Council adopted the IS/MND based on the entirety of the record of the proceedings.

ATTACHMENT(S):

(a) Improvement Agreement

RECORDING REQUESTED BY:
WHEN RECORDED RETURN TO:

CITY OF MILPITAS
455 E. Calaveras Blvd
MILPITAS, CA 95035
ATTN: Engineering Department

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Exempt from recording fee, per Government Code
Section 6103

CITY OF MILPITAS, CALIFORNIA

By: _____
City Clerk

AGREEMENT FOR COMPLETION OF PUBLIC IMPROVEMENTS

1323 GREAT MALL DRIVE

between

CITY OF MILPITAS

a California municipal corporation

and

STRATFORD SCHOOL, INC.

a California corporation

**AGREEMENT FOR COMPLETION OF PUBLIC IMPROVEMENTS
STRATFORD PREPARATORY, 1323 GREAT MALL DRIVE**

I. PARTIES AND DATE.

This Agreement for the Completion of Public Improvements ("Agreement") is entered into as of this ____ day of _____, 2025 by and between the City of MILPITAS, a California municipal corporation ("City") and Stratford School, Inc. a California corporation with its principal office located at 1615 West Chester Pike, Suite 200, West Chester, PA 19382 ("Developer"). City and Developer are sometimes hereinafter individually referred to as "Party" and hereinafter collectively referred to as the "Parties."

II. RECITALS.

A. On July 28, 2023, Developer submitted to City an application for approval of a Site Development Permit (P-SD23-0012), Conditional Use Permit (P-UP23-0008), and Environmental Assessment (E-EA24-0001) for the development of a new private middle/high school with a remodeled existing office building, a new gymnasium building, and associated site improvements for Stratford Preparatory (the "Project") for real property located within City, a legal description of which is attached hereto as Exhibit "A" ("Property").

B. On August 13, 2024, the MILPITAS CITY COUNCIL conditionally approved Developer's application for a Site Development Permit (P-SD23-0012), Conditional Use Permit (P-UP23-0008), and Environmental Assessment (E-EA24-0001) for the Project.

C. Developer has not completed all of the work or made all of the public improvements required by Title X, Chapter 1, Section 8 of the City's Municipal Code, the conditions of approval for the Project, or other ordinances, resolutions, or policies of City requiring construction of public improvements in conjunction with the Project.

D. Pursuant to Title X, Chapter 1, Section 8 of the City's Municipal Code, Developer and City enter into this Agreement for the timely construction and completion of the public improvements and the furnishing of the security therefor, acceptable to the City Engineer and City Attorney, for the Project.

E. Developer's execution of this Agreement and the provision of the security are made in consideration of City's approval of the Project.

III. TERMS.

1.0 Effectiveness. This Agreement shall not be effective unless and until the following conditions are satisfied: (a) Developer provides City with security of the type and in the amounts required by this Agreement; and (b) Developer executes and records this Agreement in the Recorder's Office of the County of SANTA CLARA. If the above described conditions are not satisfied within 60 days after the entry date of this Agreement, this Agreement shall automatically terminate without need of further action by either City or Developer.

2.0 Public Improvements. Developer shall construct or have constructed at its own cost, expense, and liability all improvements required by City as part of the approval of the Project, including, but not limited to, all grading, roads, paving, curbs and gutters, pathways, storm drains, sanitary sewers, utilities, drainage facilities, traffic controls, landscaping, street lights, and all other required facilities as shown in detail on the plans, profiles, and specifications which have been prepared by or on behalf of Developer for the Project ("Public Improvements"). The Public Improvements are more specifically described in Exhibit "B," which is attached hereto and incorporated herein by this reference, and as shown on the City-approved Improvement Plan No. 2-1469 on file with the City. Construction of the Public Improvements shall include any transitions and/or other incidental work deemed necessary for drainage or public safety. The Developer shall be responsible for the replacement, relocation, or removal of any component of any irrigation water system in conflict with the construction or installation of the Public Improvements. Such replacement, relocation, or removal shall be performed to the complete satisfaction of the City Engineer and the owner of such water system. Developer further promises and agrees to provide all equipment, tools, materials, labor, tests, design work, and engineering services necessary or required by City to fully and adequately complete the Public Improvements.

2.1 Prior Partial Construction of Public Improvements. Where construction of any Public Improvements has been partially completed prior to this Agreement, Developer agrees to complete such Public Improvements or assure their completion in accordance with this Agreement.

2.2 Permits; Notices; Utility Statements. Prior to commencing any work, Developer shall, at its sole cost, expense, and liability, obtain all necessary permits and licenses and give all necessary and incidental notices required for the lawful construction of the Public Improvements and performance of Developer's obligations under this Agreement. Developer shall conduct the work in full compliance with the regulations, rules, and other requirements contained in any permit or license issued to Developer. Prior to commencing any work, Developer shall file a written statement with the City Clerk and the City Engineer, signed by Developer and each utility which will provide utility service to the Property, attesting that Developer has made all deposits legally required by each utility for the extension and provision of utility service to the Property.

2.3 Pre-approval of Plans and Specifications. Developer is prohibited from commencing work on any Public Improvement until all plans and specifications for such Public Improvement have been submitted to and approved by the City Engineer, or his or her designee. Approval by the City Engineer shall not relieve Developer from ensuring that all Public Improvements conform with all other requirements and standards set forth in this Agreement.

2.4 Quality of Work; Compliance With Laws and Codes. The construction plans and specifications for the Public Improvements shall be prepared in accordance with all applicable federal, state and local laws, ordinances, regulations, codes, standards, and other requirements. The Public Improvements shall be completed in accordance with all approved maps, plans, specifications, standard drawings, and special amendments thereto on file with City, as well as all applicable federal, state, and local laws, ordinances, regulations, codes, standards, and other requirements applicable at the time work is actually commenced.

2.5 Standard of Performance. Developer and its contractors, if any, shall perform all work required to construct the Public Improvements under this Agreement in a skillful and workmanlike manner, and consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Developer represents and maintains that it or its contractors shall be skilled in the professional calling necessary to perform the work. Developer warrants that all of its employees and contractors shall have sufficient skill and experience to perform the work assigned to them, and that they shall have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the work, and that such licenses, permits, qualifications and approvals shall be maintained throughout the term of this Agreement.

2.6 Alterations to Improvements. The Public Improvements in Exhibit "B", and as shown on the City-approved Improvement Plan No. 2-1469 on file with the City, are understood to be only a general designation of the work and improvements to be done, and not a binding description thereof. All work shall be done and improvements made and completed as shown on approved plans and specifications, and any subsequent alterations thereto. If during the course of construction and installation of the Public Improvements it is determined that the public interest requires alterations in the Public Improvements, Developer shall undertake such design and construction changes as may be reasonably required by City. Any and all alterations in the plans and specifications and the Public Improvements to be completed may be accomplished without giving prior notice thereof to Developer's surety for this Agreement.

3.0 Maintenance of Public Improvements and Landscaping. City shall not be responsible or liable for the maintenance or care of the Public Improvements until City approves and accepts them. City shall exercise no control over the Public Improvements until accepted by City pursuant to Section 11.0. Any use by any person of the Public Improvements, or any portion thereof, shall be at the sole and exclusive risk of the Developer at all times prior to City's acceptance of the Public Improvements. Developer shall maintain all the Public Improvements in a state of good repair until they are completed by Developer and approved and accepted by City, and until the security for the performance of this Agreement is released. Maintenance shall include, but shall not be limited to, repair of pavement, curbs, gutters, sidewalks, signals, parkways, water mains, and sewers; maintaining all landscaping in a vigorous and thriving condition reasonably acceptable to City; removal of debris from sewers and storm drains; and sweeping, repairing, and maintaining in good and safe condition all streets and street improvements. It shall be Developer's responsibility to initiate all maintenance work, but if it shall fail to do so, it shall promptly perform such maintenance work when notified to do so by City. If Developer fails to properly prosecute its maintenance obligation under this section, City may do all work necessary for such maintenance and the cost thereof shall be the responsibility of Developer and its surety under this Agreement. City shall not be responsible or liable for any

damages or injury of any nature in any way related to or caused by the Public Improvements or their condition prior to acceptance.

4.0 Construction Schedule. Unless extended pursuant to this Section 4.1 of this Agreement, Developer shall fully and adequately complete or have completed the Public Improvements within one (1) year of the effective date of this Agreement, unless extended pursuant to Section 4.1.

4.1 Extensions. City may, in its sole and absolute discretion, provide Developer with additional time within which to complete the Public Improvements. It is understood that by providing the security required under Section 13.0 et seq. of this Agreement, Developer and its surety consent in advance to any extension of time as may be given by City to Developer, and waives any and all right to notice of such extension(s). Developer's acceptance of an extension of time granted by City shall constitute a waiver by Developer and its surety of all defense of laches, estoppel, statutes of limitations, and other limitations of action in any action or proceeding filed by City following the date on which the Public Improvements were to have been completed hereunder. In addition, as consideration for granting such extension to Developer, City reserves the right to review the provisions of this Agreement, including, but not limited to, the construction standards, the cost estimates established by City, and the sufficiency of the improvement security provided by Developer, and to require adjustments thereto when warranted according to City's reasonable discretion.

4.2 Accrual of Limitations Period. Any limitations period provided by law related to breach of this Agreement or the terms thereof shall not accrue until Developer has provided the City Engineer with written notice of Developer's intent to abandon or otherwise not complete required or agreed upon Public Improvements.

5.0 Grading. Developer agrees that any and all grading done or to be done in conjunction with construction of the Public Improvements shall conform to all federal, state, and local laws, ordinances, regulations, and other requirements, including City's grading regulations. In order to prevent damage to the Public Improvements by improper drainage or other hazards, the grading shall be completed in accordance with the time schedule for completion of the Public Improvements established by this Agreement, and prior to City's approval and acceptance of the Public Improvements and release of the Security as set forth in Sections 11.0 and 13.0 et seq. of this Agreement.

6.0 Utilities. Developer shall provide utility services, including water, power, gas, and telephone service to serve each parcel, lot, or unit of land within the Project in accordance with all applicable federal, state, and local laws, rules, and regulations, including, but not limited to, the regulations, schedules and fees of the utilities or agencies providing such services. Except for commercial or industrial properties, Developer shall also provide cable television facilities to serve each parcel, lot, or unit of land in accordance with all applicable federal, state, and local laws, rules, and regulations, including, but not limited to, the requirements of the cable company possessing a valid franchise with City to provide such service within City's jurisdictional limits. All utilities shall be installed underground.

7.0 Fees and Charges. Developer shall, at its sole cost, expense, and liability, pay all fees, charges, and taxes arising out of construction of the Public Improvements, including, but not limited to, all plan check, design review, engineering, inspection, and other service fees, and any impact or connection fees established by City ordinance, resolution, regulation, or policy, or as established by City relative to the Project.

8.0 City Inspection of Public Improvements. Developer shall, at its sole cost, expense, and liability, and at all times during construction of the Public Improvements, maintain reasonable and safe facilities and provide safe access for inspection by City of the Public Improvements and areas where construction of the Public Improvements is occurring or will occur.

9.0 Default; Notice; Remedies.

9.1 Notice. If Developer neglects, refuses, or fails to fulfill or timely complete any obligation, term, or condition of this Agreement, or if City determines there is a violation of any federal, state, or local law, ordinance, regulation, code, standard, or other requirement, City may at any time thereafter declare Developer to be in default or violation of this Agreement and make written demand upon Developer or its surety, or both, to immediately remedy the default or violation ("Notice"). Developer shall substantially commence the work required to remedy the default or violation within ten (10) days of the Notice. If the default or violation constitutes an immediate threat to the public health, safety, or welfare, City may provide the Notice verbally, and Developer shall substantially commence the required work within twenty-four (24) hours thereof. Immediately upon City's issuance of the Notice, Developer and its surety shall be liable to City for all costs of construction and installation of the Public Improvements and all other administrative costs expenses as provided for in Section 10.0 of this Agreement.

9.2 Failure to Remedy; City Action. If the work required to remedy the noticed default or violation is not diligently prosecuted to a completion acceptable to City within the time frame contained in the Notice, City may complete all remaining work, arrange for the completion of all remaining work, and/or conduct such remedial activity as in its sole and absolute discretion it believes is required to remedy the default or violation. All such work or remedial activity shall be at the sole and absolute cost, expense, and liability of Developer and its surety, without the necessity of giving any further notice to Developer or surety. City's right to take such actions shall in no way be limited by the fact that Developer or its surety may have constructed any, or none of the required or agreed upon Public Improvements at the time of City's demand for performance. In the event City elects to complete or arrange for completion of the remaining work and improvements, City may require all work by Developer or its surety to cease in order to allow adequate coordination by City. Notwithstanding the foregoing, if conditions precedent for reversion to acreage can be met and if the interests of City will not be prejudiced thereby, City may also process a reversion to acreage and thereafter recover from Developer or its surety the full cost and expense incurred.

9.3 Other Remedies. No action by City pursuant to Section 9.0 et seq. of this Agreement shall prohibit City from exercising any other right or pursuing any other legal or equitable remedy available under this Agreement or any federal, state, or local law. City may exercise its rights and remedies independently or cumulatively, and City may pursue inconsistent remedies. City may institute an action for damages, injunctive relief, or specific performance.

10.0 Administrative Costs. If Developer fails to construct and install all or any part of the Public Improvements within the time required by this Agreement, or if Developer fails to comply with any other obligation contained herein, Developer and its surety shall be jointly and severally liable to City for all administrative expenses, fees, and costs, including reasonable attorney's fees and costs, incurred in obtaining compliance with this Agreement or in processing any legal action or for any other remedies permitted by law.

11.0 Acceptance of Improvements by City Council; As-Built or Record Drawings. If the Public Improvements are properly completed by Developer and approved by the City Engineer, and if they comply with all applicable federal, state and local laws, ordinances, regulations, codes, standards, and other requirements, the City Council shall be authorized to accept the Public Improvements. The City Council may, in its sole and absolute discretion, accept fully completed portions of the Public Improvements prior to such time as all of the Public Improvements are complete and reduce the requirement Security amount pursuant to Section 13.0 et seq., which shall not release or modify Developer's obligation to complete the remainder of the Public Improvements within the time required by this Agreement. Upon the total or partial acceptance of the Public Improvements by City, Developer shall file with the Recorder's Office of the County of SANTA CLARA a notice of completion for the accepted Public Improvements in accordance with California Civil Code section 9204, at which time the accepted Public Improvements shall become the sole and exclusive property of City without payment therefor. Issuance by City of occupancy permits for any buildings or structures located on the Property shall not be construed in any manner to constitute City's acceptance or approval of any Public Improvements. Notwithstanding the foregoing, City may not accept any Public Improvements unless and until Developer provides one (1) set of "as-built" or record drawings or plans to the City Engineer for all such Public Improvements. The drawings shall be certified and shall reflect the condition of the Public Improvements as constructed, with all changes incorporated therein.

12.0 Warranty and Guarantee. Developer hereby warrants and guarantees all Public Improvements against any defective work or labor done, or defective materials furnished in the performance of this Agreement, including the maintenance of all landscaping within the Property in a vigorous and thriving condition reasonably acceptable to City, for a period of one (1) year following completion of the Public Improvements and acceptance of them by the City Council ("Warranty"). During the Warranty, Developer shall repair, replace, or reconstruct any defective or otherwise unsatisfactory portion of the Public Improvements, in accordance with the current ordinances, resolutions, regulations, codes, standards, or other requirements of City, and subject to the approval of the City Engineer. All repairs, replacements, or reconstruction during the Warranty shall be at the sole cost, expense, and liability of Developer and its surety. As to any Public Improvements which have been repaired, replaced, or reconstructed during the Warranty, Developer and its surety hereby agree to extend the Warranty for an additional one (1) year period following the City's acceptance of the repaired, replaced, or reconstructed Public Improvements. Nothing herein shall relieve Developer from any other liability it may have under federal, state, or local law to repair, replace, or reconstruct any Public Improvement following expiration of the Warranty or any extension thereof. Developer's warranty obligation under this section shall survive the expiration or termination of this Agreement.

13.0 Improvement Security; Surety Bonds. Prior to this Agreement taking effect as set forth in Section 1.0 above, Developer shall provide City with surety bonds in the amounts and

under the terms set forth below (“Security”). The amount of the Security shall be based on the City Engineer’s approximation of the actual cost to construct the Public Improvements, including the replacement cost for all landscaping (“Estimated Costs”). If City determines, in its sole and absolute discretion, that the Estimated Costs have changed, Developer shall adjust the Security in the amount requested by City. Developer’s compliance with this provision (Section 13.0 et seq.) shall in no way limit or modify Developer’s indemnification obligation provided in Section 16.0 of this Agreement.

13.1 Performance Bond. To guarantee the faithful performance of the Public Improvements and all the provisions of this Agreement, to protect City if Developer is in default as set forth in Section 9.0 et seq. of this Agreement, and to secure Developer’s one-year guarantee and warranty of the Public Improvements, including the maintenance of all landscaping in a vigorous and thriving condition, Developer shall provide City a faithful performance bond in the amount of Seventy Seven Thousand and 0/100 Dollars (\$77,000.00), which sum shall be not less than one hundred percent (100%) of the Estimated Costs. The City Council may, in its sole and absolute discretion and upon recommendation of the City Engineer, partially release a portion or portions of the security provided under this section as portions of the Public Improvements are completed and accepted by the City Council, provided that Developer is not in default on any provision of this Agreement or condition of approval for the Project, and the total remaining security is not less than twenty-five percent (25%) of the Estimated Costs. All security provided under this section shall be released at the end of the Warranty period, or any extension thereof as provided in Section 12.0 of this Agreement, provided that Developer is not in default on any provision of this Agreement or condition of approval for the Project.

13.2 Labor & Material Bond. To secure payment to the contractors, subcontractors, laborers, material men, and other persons furnishing labor, materials, or equipment for performance of the Public Improvements and this Agreement, Developer shall provide City a labor and materials bond in the amount of Seventy Seven Thousand and 0/100 Dollars (\$77,000.00), which sum shall not be less than one hundred percent (100%) of the Estimated Costs. The security provided under this section may be released by written authorization of the City Engineer after six (6) months from the date City accepts the final Public Improvements. The amount of such security shall be reduced by the total of all stop notice or mechanic’s lien claims of which City is aware, plus an amount equal to twenty percent (20%) of such claims for reimbursement of City’s anticipated administrative and legal expenses arising out of such claims.

13.3 Additional Requirements. The surety for any surety bonds provided as Security shall have a current A.M. Best’s rating of no less than A:VIII, shall be licensed to do business in California, and shall be satisfactory to City. As part of the obligation secured by the Security and in addition to the face amount of the Security, the Developer or its surety shall secure the costs and reasonable expenses and fees, including reasonable attorney’s fees and costs, incurred by City in enforcing the obligations of this Agreement. The Developer and its surety stipulate and agree that no change, extension of time, alteration, or addition to the terms of this Agreement, the Public Improvements, or the plans and specifications for the Public Improvements shall in any way affect its obligation on the Security.

13.4 Evidence and Incorporation of Security. Evidence of the Security shall be provided on the forms set forth in Exhibit “C,” unless other forms are deemed acceptable by

the City Engineer and the City Attorney, and when such forms are completed to the satisfaction of City, the forms and evidence of the Security shall be attached hereto as Exhibit "C" and incorporated herein by this reference.

14.0 RESERVED.

15.0 Lien. To secure the timely performance of Developer's obligations under this Agreement, including those obligations for which security has been provided pursuant to Sections 13 et seq. and 14 of this Agreement, Developer hereby creates in favor of City a lien against all portions of the Property not dedicated to City or some other governmental agency for a public purpose. As to Developer's default on those obligations for which security has been provided pursuant to Sections 13 et seq. and 14 of this Agreement, City shall first attempt to collect against such security prior to exercising its rights as a contract lienholder under this section.

16.0 Indemnification. Developer shall defend, indemnify, and hold harmless City, its elected officials, officers, employees, and agents from any and all actual or alleged claims, demands, causes of action, liability, loss, damage, or injury, to property or persons, including wrongful death, whether imposed by a court of law or by administrative action of any federal, state, or local governmental body or agency, arising out of or incident to any acts, omissions, negligence, or willful misconduct of Developer, its personnel, employees, agents, or contractors in connection with or arising out of construction or maintenance of the Public Improvements, or performance of this Agreement. This indemnification includes, without limitation, the payment of all penalties, fines, judgments, awards, decrees, attorneys fees, and related costs or expenses, and the reimbursement of City, its elected officials, officers, employees, and/or agents for all legal expenses and costs incurred by each of them. This indemnification excludes only such portion of any claim, demand, cause of action, liability, loss, damage, penalty, fine, or injury, to property or persons, including wrongful death, which is caused solely and exclusively by the negligence or willful misconduct of Agency as determined by a court or administrative body of competent jurisdiction. Developer's obligation to indemnify shall survive the expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by City, its elected officials, officers, employees, or agents.

16.1 Public Works Determination. Developer has been alerted to the requirements of California Labor Code section 1770 et seq., including, without limitation S.B. 975, which require the payment of prevailing wage rates and the performance of other requirements if it is determined that this Agreement constitutes a public works contract. It shall be the sole responsibility of Developer to determine whether to pay prevailing wages for any or all work required by this Agreement. As a material part of this Agreement, Developer agrees to assume all risk of liability arising from any decision not to pay prevailing wages for work required by this Agreement.

17.0 Insurance.

17.1 Types; Amounts. Developer shall procure and maintain, and shall require its contractors to procure and maintain, during construction of any Public Improvement pursuant to this Agreement, insurance of the types and in the amounts described below ("Required Insurance"). If any of the Required Insurance contains a general aggregate limit, such insurance

shall apply separately to this Agreement or be no less than two times the specified occurrence limit.

17.1.1 General Liability. Developer and its contractors shall procure and maintain occurrence version general liability insurance, or equivalent form, with a combined single limit of not less than \$1,000,000 per occurrence for bodily injury, personal injury, and property damage.

17.1.2 Business Automobile Liability. Developer and its contractors shall procure and maintain business automobile liability insurance, or equivalent form, with a combined single limit of not less than \$1,000,000 per occurrence. Such insurance shall include coverage for the ownership, operation, maintenance, use, loading, or unloading of any vehicle owned, leased, hired, or borrowed by the insured or for which the insured is responsible.

17.1.3 Workers' Compensation. Developer and its contractors shall procure and maintain workers' compensation insurance with limits as required by the Labor Code of the State of California and employers' liability insurance with limits of not less than \$1,000,000 per occurrence, at all times during which insured retains employees.

17.1.4 Professional Liability. For any consultant or other professional who will engineer or design the Public Improvements, liability insurance for errors and omissions with limits not less than \$1,000,000 per occurrence, shall be procured and maintained for a period of five (5) years following completion of the Public Improvements. Such insurance shall be endorsed to include contractual liability.

17.2 Deductibles. Any deductibles or self-insured retentions must be declared to and approved by City. At the option of City, either: (a) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, its elected officials, officers, employees, agents, and volunteers; or (b) Developer and its contractors shall provide a financial guarantee satisfactory to City guaranteeing payment of losses and related investigation costs, claims, and administrative and defense expenses.

17.3 Additional Insured; Separation of Insureds. The Required Insurance shall name City, its elected officials, officers, employees, agents, and volunteers as additional insureds with respect to work performed by or on behalf of Developer or its contractors, including materials, parts, or equipment furnished in connection therewith. The Required Insurance shall contain standard separation of insureds provisions, and shall contain no special limitations on the scope of its protection to City, its elected officials, officers, employees, agents, and volunteers.

17.4 Primary Insurance; Waiver of Subrogation. The Required Insurance shall be primary with respect to any insurance or self-insurance programs covering City, its elected officials, officers, employees, agents, and volunteers. All policies for the Required Insurance shall provide that the insurance company waives all right of recovery by way of subrogation against City in connection with any damage or harm covered by such policy.

17.5 Certificates; Verification. Developer and its contractors shall furnish City with original certificates of insurance and endorsements effecting coverage for the Required Insurance. The certificates and endorsements for each insurance policy shall be signed by a person

authorized by that insurer to bind coverage on its behalf. All certificates and endorsements must be received and approved by City before work pursuant to this Agreement can begin. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

17.6 Term; Cancellation Notice. Developer and its contractors shall maintain the Required Insurance for the term of this Agreement and shall replace any certificate, policy, or endorsement which will expire prior to that date. All policies shall be endorsed to provide that the Required Insurance shall not be suspended, voided, reduced, canceled, or allowed to expire except on 30 days prior written notice to City.

17.7 Insurer Rating. Unless approved in writing by City, all Required Insurance shall be placed with insurers licensed to do business in the State of California and with a current A.M. Best rating of at least A:VIII.

17.8 Completed Operations Coverage. For Construction contracts, Developer and its contractors shall maintain insurance as required by this contract to the fullest amount allowed by law and shall maintain insurance for a minimum of five (5) years following the completion of this project. In the event Developer and its contractors fail to obtain or maintain completed operations coverage as required by this contract, the City, at its sole discretion, may purchase the coverage required, and the Developer and its contractors shall pay the cost.

Any deductibles or self-insured retentions must be declared and are subject to approval by City.

18.0 Signs and Advertising. Developer understands and agrees to City's ordinances, regulations, and requirements governing signs and advertising structures. Developer hereby agrees with and consents to the removal by City of all signs or other advertising structures erected, placed, or situated in violation of any City ordinance, regulation, or other requirement. Removal shall be at the expense of Developer and its surety. Developer and its surety shall indemnify and hold City free and harmless from any claim or demand arising out of or incident to signs, advertising structures, or their removal.

19.0 Relationship Between the Parties. The Parties hereby mutually agree that neither this Agreement nor any other related entitlement, permit, or approval issued by City for the Property shall operate to create the relationship of partnership, joint venture, or agency between City and Developer. Developer's contractors and subcontractors are exclusively and solely under the control and dominion of Developer. Nothing herein shall be deemed to make Developer or its contractors an agent or contractor of City.

20.0 General Provisions.

20.1 Authority to Enter Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority make this Agreement and bind each respective Party.

20.2 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate, or convenient to attain the purposes of this Agreement.

20.3 Construction; References; Captions. It being agreed the Parties or their agents have participated in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days, or period for performance shall be deemed calendar days and not work days. All references to Developer include all personnel, employees, agents, and subcontractors of Developer, except as otherwise specified in this Agreement. All references to City include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

20.4 Notices. All notices, demands, invoices, and written communications shall be in writing and delivered to the following addresses or such other addresses as the Parties may designate by written notice:

CITY OF MILPITAS
455 E. Calaveras Blvd
MILPITAS, CA 95035
Attn: Christian Di Renzo
Public Works Director

STRATFORD SCHOOL, INC.
1615 West Chester Pike, Suite 200
WEST CHESTER, PA 19382
Attn: Deborah Listman
Chief Financial Officer

Depending upon the method of transmittal, notice shall be deemed received as follows: by facsimile, as of the date and time sent; by messenger, as of the date delivered; and by U.S. Mail first class postage prepaid, as of 72 hours after deposit in the U.S. Mail.

20.5 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

20.6 Waiver. City's failure to insist upon strict compliance with any provision of this Agreement or to exercise any right or privilege provided herein, or City's waiver of any breach of this Agreement, shall not relieve Developer of any of its obligations under this Agreement, whether of the same or similar type. The foregoing shall be true whether City's actions are intentional or unintentional. Developer agrees to waive, as a defense, counterclaim or set off, any and all defects, irregularities or deficiencies in the authorization, execution or performance of the Public Improvements or this Agreement, as well as the laws, rules, regulations, ordinances or resolutions of City with regards to the authorization, execution or performance of the Public Improvements or this Agreement.

20.7 Assignment or Transfer of Agreement. Developer shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without prior written consent of City. Any attempt to do so shall be null and void, and any assignee, hypothecatee, or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation, or transfer. Unless specifically stated to the contrary in City's written consent, any assignment, hypothecation, or transfer shall not release or discharge Developer from any duty or responsibility under this Agreement.

20.8 Binding Effect. Each and all of the covenants and conditions shall be binding on and shall inure to the benefit of the Parties, and their successors, heirs, personal representatives, or assigns. This section shall not be construed as an authorization for any Party to assign any right or obligation.

20.9 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

20.10 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

20.11 Consent to Jurisdiction and Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any legal action or proceeding brought to interpret or enforce this Agreement, or which in any way arises out of the Parties' activities undertaken pursuant to this Agreement, shall be filed and prosecuted in the appropriate California State Court in the County of SANTA CLARA, California. Each Party waives the benefit of any provision of state or federal law providing for a change of venue to any other court or jurisdiction including, without limitation, a change of venue based on the fact that a governmental entity is a party to the action or proceeding, or that a federal right or question is involved or alleged to be involved in the action or proceeding. Without limiting the generality of the foregoing waiver, Developer expressly waives any right to have venue transferred pursuant to California Code of Civil Procedure Section 394.

20.12 Counterparts. This Agreement may be executed in counterpart originals, which taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, the day and year first above written.

CITY OF MILPITAS

By: _____
(signature)
Deanna J. Santana
(print name)
Interim City Manager
City of MILPITAS

STRATEQORD SCHOOL, INC.

By:  _____
(signature)
Deborah Listman
(print name)
Chief Financial Officer
(title)

APPROVED AS TO FORM:

By: _____
(signature)
Christopher Creech
(print name)
Acting City Attorney
City of MILPITAS

APPROVED AS TO CONTENT:

By: _____
(signature)
Luz Cofresi-Howe
(print name)
Finance Director/Risk Manager
City of MILPITAS

APPROVED AS TO SUFFICIENCY:

By: _____
(signature)
Christian Di Renzo
(print name)
Public Works Director
City of MILPITAS

NOTE: DEVELOPER'S SIGNATURES SHALL BE DULY NOTARIZED, AND APPROPRIATE ATTESTATIONS SHALL BE INCLUDED AS MAY BE REQUIRED BY THE BYLAWS, ARTICLES OF INCORPORATION, OR OTHER RULES OR REGULATIONS APPLICABLE TO DEVELOPER'S BUSINESS ENTITY.

All Capacity Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF ~~CALIFORNIA~~ Pennsylvania
COUNTY OF Chester

On May 20, 2025, before me, Dorothea R. Doherty, Notary Public, personally appeared Deborah Listman, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Commonwealth of Pennsylvania - Notary Seal
DOROTHEA R DOHERTY - Notary Public
Chester County
My Commission Expires May 19, 2027
Commission Number 1041023

WITNESS my hand and official seal.

Dorothea R. Doherty
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

- ☐ Individual
☐ Corporate Officer
- ☐ Partner ☐ Limited (s)
☐ General
- ☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

DESCRIPTION OF ATTACHED DOCUMENT

Signer is representing:

Name Of Person(s) Or Entity(ies)

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

All Capacity Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF _____

On _____, 20____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
☐ Corporate Officer

Title(s)

Title or Type of Document

- ☐ Partner (s) ☐ Limited
☐ General

Number of Pages

- ☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

Date of Document

Signer is representing:

Name Of Person(s) Or Entity(ies)

Signer(s) Other Than Named Above

EXHIBIT “A”

LEGAL DESCRIPTION OF PROPERTY

STRATFORD PREPARATORY, 1323 GREAT MALL DRIVE

LEGAL DESCRIPTION

Real property in the City of Milpitas, County of Santa Clara, State of California, described as follows:

ALL OF PARCEL 2B, AS SHOWN UPON THAT CERTAIN MAP ENTITLED, "PARCEL MAP THE GREAT MALL-PHASE 3," WHICH MAP WAS FILED FOR RECORD IN THE OFFICE OF THE RECORDER OF THE COUNTY OF SANTA CLARA, STATE OF CALIFORNIA ON DECEMBER 4, 1998 IN BOOK 710 OF MAPS, AT PAGES 20 AND 21.

EXHIBIT “B”

LIST OF PUBLIC IMPROVEMENTS

STRATFORD PREPARATORY, 1323 GREAT MALL DRIVE



STERLING CONSULTANTS

Stratford - 1323 Great Mall Dr (Permit E-EN24-0288)

Preliminary Engineer's Estimate of Probable Construction Costs

Prepared by Sterling Consultants:

Dated: 04/29/2025

Item Description	Item Quantity	Units	Unit Cost	Cost
Public Improvements				
1 Sawcut Existing Pavement	20	LF	\$ 5.00	\$ 100.00
2 Full Depth AC Plug	20	LF	\$ 10.00	\$ 200.00
3 Remove and Replace Existing Concrete Curb & Gutter	20	LF	\$ 50.00	\$ 1,000.00
4 Remove and Replace Existing Concrete Sidewalk	70	SF	\$ 20.00	\$ 1,400.00
Sanitary Sewer				
5 6" SS Lateral (within public utility easement only) ³	5	LF	\$ 150.00	\$ 750.00
6 Connect to Existing 6" SS Lateral (cut-in tee) and Install New Cleanout	1	EA	\$ 1,000.00	\$ 1,000.00
Water and Fire Service				
7 6" Fire Hydrant Assembly (Cut-In-Tee at Main) ³	1	EA	\$ 20,000.00	\$ 20,000.00
8 8" Reduced Pressure Detector Assembly	1	EA	\$ 9,000.00	\$ 9,000.00
9 4" Reduced Pressure Detector Assembly	1	EA	\$ 6,000.00	\$ 6,000.00
10 4" Fire Service (within public utility easement only) ³	22	LF	\$ 200.00	\$ 4,400.00
11 2" Recycled Water Irrigation Service (within public utility easement only) ³	18	LF	\$ 100.00	\$ 1,800.00
12 2" Recycled Water Irr. Meter Box and Reduced Pressure Backflow Device ^{2,4}	1	LF	\$ 5,000.00	\$ 5,000.00
13 Upgrade Existing 3" Water Meter to Latest Radio-Read Meter ⁴	1	EA	\$ 1,000.00	\$ 1,000.00
14 Replace Existing 4" Backflow to Reduced Pressure Backflow Device	1	EA	\$ 2,000.00	\$ 2,000.00
15 Line Stop & Main Line Water Valve ³	1	EA	\$ 10,000.00	\$ 10,000.00
16 Remove Existing 8" Stub and Gate Valve at Main ³	1	EA	\$ 3,000.00	\$ 3,000.00
17 Remove Existing 2" Irrigation Meter & Backflow and Abandon Service at Main ³	1	EA	\$ 3,000.00	\$ 3,000.00

PUBLIC IMPROVEMENTS SUBTOTAL \$ 69,650.00

Contingencies (10%) \$ 7,000.00

GRAND TOTAL (nearest 1000) \$ 77,000.00

Notes:

- Quantities based on offsite improvement plans prepared by Sterling Consultants
- Does not include city connection fee or cross connection specialist testing
- Includes trenching and pavement restoration
- Does not include cost of meter



STERLING
CONSULTANTS

EXHIBIT "C"

SURETY BONDS AND OTHER SECURITY

STRATFORD PREPARATORY, 1323 GREAT MALL DRIVE

As evidence of understanding the provisions contained in this Agreement, and of the Developer's intent to comply with same, the Developer has submitted the below described security in the amounts required by this Agreement, and has affixed the appropriate signatures thereto:

PERFORMANCE BOND PRINCIPAL AMOUNT: \$77,000.00

Surety: SureTec Insurance Company

Attorney-in-fact: MARY SMITH

Address: 3111 Camino del Rio North, Suite 900

San Diego, CA 92108

MATERIAL AND LABOR BOND PRINCIPAL AMOUNT: \$77,000.00

Surety: SureTec Insurance Company

Attorney-in-fact: MARY SMITH

Address: 3111 Camino del Rio North, Suite 900

San Diego, CA 92108

Effective: 05/16/25 - 05/16/27
BOND NO. 4482021
INITIAL PREMIUM: \$1,925.00
SUBJECT TO RENEWAL

CITY OF MILPITAS
STRATFORD PREPARATORY, 1323 GREAT MALL DRIVE IMPROVEMENTS
PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS the City of MILPITAS, California ("City") and Stratford School, Inc., a California Corporation ("Principal"), have executed an agreement for work consisting of, but not limited to, the furnishing all labor, materials, tools, equipment, services, and incidentals for all grading, roads, paving, curbs and gutters, pathways, storm drains, sanitary sewers, utilities, drainage facilities, traffic controls, landscaping, street lights, and all other required facilities for the development of a new private middle/high school with a remodeled existing office building, a new gymnasium building, and associated site improvements for Stratford Preparatory ("Public Improvements");

WHEREAS, the Public Improvements to be performed by Principal are more particularly set forth in that certain Agreement for Completion of Pubic Improvements dated _____, _____ ("Improvement Agreement");

WHEREAS, the Improvement Agreement is hereby referred to and incorporated herein by reference; and

WHEREAS, Principal is required by the Improvement Agreement to provide a good and sufficient bond for performance of the Improvement Agreement, and to guarantee and warranty the Public Improvements constructed thereunder.

NOW, THEREFORE, Principal and SureTec Insurance Company ("Surety"), a corporation organized and existing under the laws of the State of Texas, and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto City in the sum of Seventy Seven Thousand and 0/100 dollars (\$77,000.00), said sum being not less than one hundred percent (100%) of the total cost of the Public Improvements as set forth in the Improvement Agreement, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION is such, that if Principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions, agreements, guarantees, and warranties in the Improvement Agreement and any alteration thereof made as therein provided, to be kept and performed at the time and in the manner therein specified and in all respects according to their intent and meaning, and to indemnify and save harmless City, its officers, employees, and agents,

as stipulated in the Improvement Agreement, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As part of the obligation secured hereby, and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Improvement Agreement, or to any plans, profiles, and specifications related thereto, or to the Public Improvements to be constructed thereunder, shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition.

This bond is executed and filed to comply with Section 66499 et seq. of the Government Code of California as security for performance of the Improvement Agreement and security for the one-year guarantee and warranty of the Public Improvements.

IN WITNESS WHEREOF, the seal and signature of the Principal is hereto affixed, and the corporate seal and the name of the Surety is hereto affixed and attested by its duly authorized Attorney-in-Fact at Pasadena, CA, this 16th day of May, 2025.

(Corporate Seal)

Stratford School, Inc.
Principal
By 
Title CFO

(Corporate Seal)

SureTec Insurance Company
Surety
By 
Attorney-in-Fact MARY SMITH
Title Attorney in Fact

(Attach Attorney-in-Fact Certificate)

The rate of premium on this bond is \$25.00 per thousand. The total amount of premium charges is \$ \$1,925.00.
(The above must be filled in by corporate attorney.)

THIS IS A REQUIRED FORM

Any claims under this bond may be addressed to:

(Name and Address of Surety)	<u>SureTec Insurance Company</u> <u>3111 Camino del Rio North, Suite 900</u> <u>San Diego, CA 92108</u>
(Name and Address of Agent or Representative for service of process in California, if different from above)	<u>Same as above</u> _____ _____
(Telephone number of Surety and Agent or Representative for service of process in California)	<u>619-400-4106</u>

CALIFORNIA ALL-PUPOSE ACKNOWLEDGEMENT ATTACHED

All Capacity Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF Pennsylvania
COUNTY OF Chester

On May 20, 2025, before me, Dorothea R. Doherty, Notary Public, personally appeared Deborah Listman, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Commonwealth of Pennsylvania - Notary Seal
DOROTHEA R DOHERTY - Notary Public
Chester County
My Commission Expires May 19, 2027
Commission Number 1041023

WITNESS my hand and official seal.

Dorothea R. Doherty
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
☐ Corporate Officer

Title(s)
- ☐ Partner ☐ Limited
(s)
☐ General
- ☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

Signer is representing:
Name Of Person(s) Or Entity(ies)

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

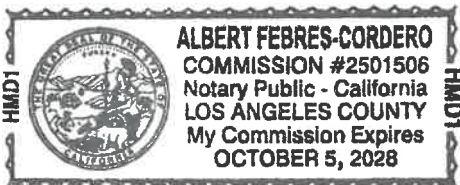
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of Los Angeles)
 On May 16, 2025 before me, Albert Febres-Cordero, Notary Public,
Date Here Insert Name and Title of the Officer
 personally appeared MARY SMITH
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

SureTec Insurance Company

LIMITED POWER OF ATTORNEY

Know All Men by These Presents, That SURETEC INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Mary Smith, Ronald C. Wanglin, Steve Brockmeyer, Emily Preciado

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include waivers to the conditions of contracts and consents of surety for, providing the bond penalty does not exceed

Five Million and 00/100 Dollars (\$5,000,000.00)

and to bind the Company thereby as fully and to the same extent as if such bond were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the SureTec Insurance Company:

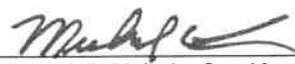
Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

Attorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (Adopted at a meeting held on 20th of April, 1999.)

In Witness Whereof, SURETEC INSURANCE COMPANY has caused these presents to be signed by its President, and its corporate seal to be hereto affixed this 10th day of March, A.D. 2023.

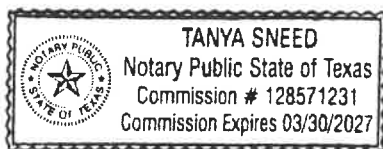
SURETEC INSURANCE COMPANY

By: 
Michael C. Keimig, President



State of Texas SS:
County of Harris

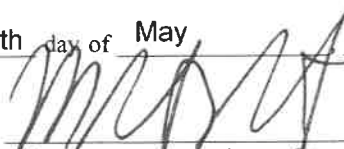
On this 10th day of March, A.D. 2023 before me personally came Michael C. Keimig, to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is President of SURETEC INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.




Tanya Sneed, Notary Public
My commission expires March 30, 2027

I, M. Brent Beaty, Assistant Secretary of SURETEC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; and furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

Given under my hand and the seal of said Company at Houston, Texas this 16th day of May 2025, A.D.


M. Brent Beaty, Assistant Secretary

Any instrument issued in excess of the penalty stated above is totally void and without any validity. 510039
For verification of the authority of this power you may call (713) 812-0800 any business day between 8:30 am and 5:00 pm CST.

Effective: 05/16/25 - 05/16/27

BOND NO. 4482021

INITIAL PREMIUM: Included In Performance Bond
SUBJECT TO RENEWAL

CITY OF MILPITAS

STRATFORD PREPARATORY, 1323 GREAT MALL DRIVE IMPROVEMENTS

LABOR AND MATERIAL BOND

KNOW ALL PERSONS BY THESE PRESENTS:

WHEREAS the City of MILPITAS, California ("City") and Stratford School, Inc., a California Corporation ("Principal"), have executed an agreement for work consisting of, but not limited to, the furnishing all labor, materials, tools, equipment, services, and incidentals for all grading, roads, paving, curbs and gutters, pathways, storm drains, sanitary sewers, utilities, drainage facilities, traffic controls, landscaping, street lights, and all other required facilities for the development of a new private middle/high school with a remodeled existing office building, a new gymnasium building, and associated site improvements for Stratford Preparatory ("Public Improvements");

WHEREAS, the Public Improvements to be performed by Principal are more particularly set forth in that certain Agreement for Completion of Pubic Improvements dated _____, _____ ("Improvement Agreement");

WHEREAS, the Improvement Agreement is hereby referred to and incorporated herein by reference; and

WHEREAS, Principal is required to furnish a bond in connection with the Improvement Agreement providing that if Principal or any of its subcontractors shall fail to pay for any materials, provisions, or other supplies, or terms used in, upon, for, or about the performance of the Public Improvements, or for any work or labor done thereon of any kind, or for amounts due under the provisions of Title 3 (commencing with section 9000) of Part 6 of Division 4 of the California Civil Code, with respect to such work or labor, that the Surety on this bond will pay the same together with a reasonable attorney's fee in case suit is brought on the bond.

NOW, THEREFORE, Principal and SureTec Insurance Company ("Surety"), a corporation organized and existing under the laws of the State of Texas, and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto City and to any and all contractors, subcontractors, material suppliers, persons, companies or corporations furnishing materials, provisions, and other supplies used in, upon, for or about the performance of the Public Improvements, and all persons, companies or corporations renting or hiring teams, or implements or machinery, for or contributing to the Public Improvements to be done, and all persons performing work or labor upon the same and all persons supplying both work and materials as aforesaid excepting the Principal, the sum of Seventy Seven

Thousand and 0/100 dollars, (\$77,000.00), said sum being not less than 100% of the total cost of the Public Improvements under the terms of the Improvement Agreement, we bind ourselves, our heirs, executors and administrators, successors and assigns jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal, his or its subcontractors, heirs, executors, administrators, successors, or assigns, shall fail to pay for any materials, provisions, or other supplies or machinery used in, upon, for or about the performance of the Public Improvements, or for work or labor thereon of any kind, or fail to pay any of the persons named herein, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of the contractor and his subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to such work and labor, and all other applicable laws of the State of California and rules and regulations of its agencies, then said Surety will pay the same in or to an amount not exceeding the sum specified herein.

As part of the obligation secured hereby, and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

This bond is executed and filed to comply with Section 66499 et seq. of the California Government Code as security for payment to contractors, subcontractors, and persons furnishing labor, materials, or equipment for construction of the Public Improvements or performance of the Improvement Agreement. It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the California Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the Improvement Agreement, or to any plans, profiles, and specifications related thereto, or to the Public Improvements to be constructed thereunder, shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration, or addition.

IN WITNESS WHEREOF, the seal and signature of the Principal is hereto affixed, and the corporate seal and the name of the Surety is hereto affixed and attested by its duly authorized Attorney-in-Fact at Pasadena, CA, this 16th day of May, 2025.

(Corporate Seal)

Stratford School, Inc.
Principal

By 

Title CFO

(Corporate Seal)

SureTec Insurance Company
Surety

By 
Attorney-in-Fact MARY SMITH

(Attach Attorney-in-Fact Certificate)

Title Attorney in Fact

The rate of premium on this bond is \$25.00 per thousand. The total amount of premium charges is \$ \$1,925.00.

(The above must be filled in by corporate attorney.)

THIS IS A REQUIRED FORM

Any claims under this bond may be addressed to:

(Name and Address of Surety)

SureTec Insurance Company
3111 Camino del Rio North, Suite 900
San Diego, CA 92108

(Name and Address of Agent or Representative for service of process in California, if different from above)

Same as above

(Telephone number of Surety and Agent or Representative for service of process in California)

619-400-4106

CALIFORNIA ALL-PUPOSE ACKNOWLEDGEMENT ATTACHED

All Capacity Acknowledgment

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF Pennsylvania
COUNTY OF Chester

On May 20, 2025, before me, Dorothea R. Doherty, Notary Public, personally appeared Deborah Listman, who proved to me on the basis of satisfactory

evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Commonwealth of Pennsylvania - Notary Seal
DOROTHEA R DOHERTY - Notary Public
Chester County
My Commission Expires May 19, 2027
Commission Number 1041023

Dorothea R. Doherty
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT

- ☐ Individual
☐ Corporate Officer

Title(s)
- ☐ Partner ☐ Limited
(s)
☐ General
- ☐ Attorney-In-Fact
☐ Trustee(s)
☐ Guardian/Conservator
☐ Other:

Signer is representing:
Name Of Person(s) Or Entity(ies)

Title or Type of Document

Number of Pages

Date of Document

Signer(s) Other Than Named Above

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

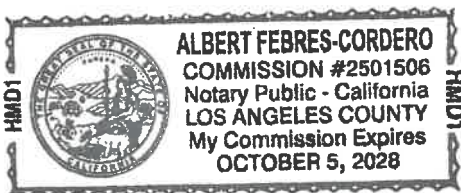
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of Los Angeles)
 On May 16, 2025 before me, Albert Febres-Cordero, Notary Public,
Date Here Insert Name and Title of the Officer
 personally appeared MARY SMITH
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature [Signature]
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____
 Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____	Signer's Name: _____
☐ Corporate Officer — Title(s): _____	☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General	☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact	☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator	☐ Trustee ☐ Guardian or Conservator
☐ Other: _____	☐ Other: _____
Signer Is Representing: _____	Signer Is Representing: _____

SureTec Insurance Company

LIMITED POWER OF ATTORNEY

Know All Men by These Presents, That SURETEC INSURANCE COMPANY (the "Company"), a corporation duly organized and existing under the laws of the State of Texas, and having its principal office in Houston, Harris County, Texas, does by these presents make, constitute and appoint

Mary Smith, Ronald C. Wanglin, Steve Brockmeyer, Emily Preciado

its true and lawful Attorney-in-fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver any and all bonds, recognizances, undertakings or other instruments or contracts of suretyship to include waivers to the conditions of contracts and consents of surety for, providing the bond penalty does not exceed

Five Million and 00/100 Dollars (\$5,000,000.00)

and to bind the Company thereby as fully and to the same extent as if such bond were signed by the President, sealed with the corporate seal of the Company and duly attested by its Secretary, hereby ratifying and confirming all that the said Attorney-in-Fact may do in the premises. Said appointment is made under and by authority of the following resolutions of the Board of Directors of the SureTec Insurance Company:

Be it Resolved, that the President, any Vice-President, any Assistant Vice-President, any Secretary or any Assistant Secretary shall be and is hereby vested with full power and authority to appoint any one or more suitable persons as Attorney(s)-in-Fact to represent and act for and on behalf of the Company subject to the following provisions:

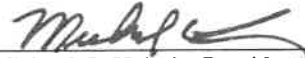
Attorney-in-Fact may be given full power and authority for and in the name of and of behalf of the Company, to execute, acknowledge and deliver, any and all bonds, recognizances, contracts, agreements or indemnity and other conditional or obligatory undertakings and any and all notices and documents canceling or terminating the Company's liability thereunder, and any such instruments so executed by any such Attorney-in-Fact shall be binding upon the Company as if signed by the President and sealed and effected by the Corporate Secretary.

Be it Resolved, that the signature of any authorized officer and seal of the Company heretofore or hereafter affixed to any power of attorney or any certificate relating thereto by facsimile, and any power of attorney or certificate bearing facsimile signature or facsimile seal shall be valid and binding upon the Company with respect to any bond or undertaking to which it is attached. (Adopted at a meeting held on 20th of April, 1999.)

In Witness Whereof, SURETEC INSURANCE COMPANY has caused these presents to be signed by its President, and its corporate seal to be hereto affixed this 10th day of March, A.D. 2023.

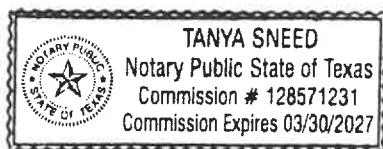


SURETEC INSURANCE COMPANY

By: 
Michael C. Keimig, President

State of Texas SS:
County of Harris

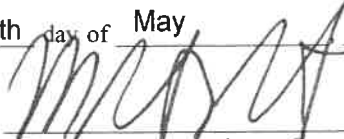
On this 10th day of March, A.D. 2023 before me personally came Michael C. Keimig, to me known, who, being by me duly sworn, did depose and say, that he resides in Houston, Texas, that he is President of SURETEC INSURANCE COMPANY, the company described in and which executed the above instrument; that he knows the seal of said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto by like order.




Tanya Sneed, Notary Public
My commission expires March 30, 2027

I, M. Brent Beaty, Assistant Secretary of SURETEC INSURANCE COMPANY, do hereby certify that the above and foregoing is a true and correct copy of a Power of Attorney, executed by said Company, which is still in full force and effect; and furthermore, the resolutions of the Board of Directors, set out in the Power of Attorney are in full force and effect.

Given under my hand and the seal of said Company at Houston, Texas this 16th day of May, 2025, A.D.


M. Brent Beaty, Assistant Secretary

Any instrument issued in excess of the penalty stated above is totally void and without any validity. 510039
For verification of the authority of this power you may call (713) 812-0800 any business day between 8:30 am and 5:00 pm CST.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Authorize the City Manager to Amend the Purchase Order for On-Call Repairs, and Negotiate and Execute an Amendment to the Agreement with Environmental Systems, Inc. for the City Heating, Ventilation, and Air Conditioning Systems (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Christian Di Renzo, Public Works Director, 408-586-2602)
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	6/17/2025
Recommendation:	Authorize the City Manager, or designee, to (1) Amend the Purchase Order with Environmental Systems, Inc. for as-required repairs of the City heating, ventilation, and air conditioning systems to add \$150,000 for a revised not-to-exceed amount of \$250,000 and extend the term through September 30, 2027, subject to the appropriation of funds; and (2) Negotiate and execute an amendment to the Maintenance Services Agreement for the City heating, ventilation, and air conditioning systems to extend the term of the Agreement through September 30, 2027, subject to the appropriation of funds.

BACKGROUND:

On [September 1, 2020](#), the City Council authorized staff to enter into a Maintenance Services Agreement with Environmental Systems Inc. (ESI), based on the results of a competitive Request for Proposal issued by the City on April 16, 2020. The Agreement was executed on September 14, 2020, has a term of October 1, 2020 through September 30, 2025, and an original not-to-exceed compensation of \$214,708. On [October 5, 2021](#), City Council authorized staff to execute Amendment No. 1 to the Agreement to increase maximum compensation to \$454,198. Amendment No. 1 was executed on October 27, 2021.

On October 17, 2024, the City issued a Purchase Order under the City Manager's contract authority to Environmental Systems Inc. (ESI) for On Call Heating, Ventilation, and Air Conditioning (HVAC) Repair Services for a one-year term beginning October 1, 2024 and ending September 30, 2025 and a maximum compensation of \$100,000. This Purchase Order was approved as a sole source by the Purchasing Agent on September 10, 2024 pursuant to the City's [Municipal Code Section I-2-3.06 Sole Source Procurement](#). To date, a total of \$57,769 has been spent against the Purchase Order for various HVAC repairs throughout the City, leaving a current remaining balance of \$42,231.

ANALYSIS:

The City plans to conduct a solicitation to replace existing HVAC systems at certain City locations within the next two years. The solicitation will cover ongoing maintenance and repair services for the replaced HVAC systems, as well as other HVAC systems, but the solicitation will not be completed before the Purchase Order and Maintenance Services Agreement expire on September 30, 2025.

To provide additional funding for as-required HVAC repair services until the solicitation is complete, staff requests approval to amend the current Purchase Order to extend it for up to two additional years through September 30, 2027, and to increase the Purchase Order by \$150,000 for a revised not-to-exceed amount of \$250,000. The current Maintenance Services Agreement has sufficient funds, but staff is requesting an extension through September 30, 2027 so that these two contracts will continue to be available through the duration of the expected future procurement.

POLICY ALTERNATIVE(S):

Alternative 1: Do not authorize the City Manager, or designee, to amend the Purchase Order and Maintenance Services Agreement with ESI.

Pros: None.

Cons:

1. There would potentially be insufficient funds to address future HVAC repair needs.
2. The Purchase Order and Maintenance Services Agreement will lapse on September 30, 2025, before the new solicitation and associated work are completed thereby leaving staff with no contract vehicle for as-required repairs and maintenance services.

Reason not recommended: Due to the importance of repairing and maintaining the City HVAC infrastructure, especially as the weather becomes warmer, a current and funded Purchase Order for On Call HVAC Repair Services and Maintenance Services Agreement are imperative to maintain facilities in good operational condition.

FISCAL IMPACT:

Approval to amend this Purchase Order would increase the total not-to-exceed amount from \$100,000 to \$250,000. Sufficient funds were included in the Fiscal Year 2025-2026 Capital Improvement Project No. 3462 – Facilities On-Call, that was approved by City Council on [June 3, 2025](#), for this Purchase Order amendment. No additional funds are requested for the Maintenance Services Agreement.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

City Council approval of these amendments is exempt from environmental review pursuant to the California Environmental Quality Act, CEQA Guideline 15301 given that this project amounts to maintenance of existing public structures and facilities involving negligible or no expansion of use.

ATTACHMENT(S):

None.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Approving an Amendment to the Water Supply Agreement Between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	6/17/2025
Recommendation:	(1) Adopt a resolution authorizing the City Manager, or designee, to execute an amendment to the Water Supply Agreement between the City and County of San Francisco and wholesale Customers in Alameda County, San Mateo County, and Santa Clara County; and (2) Adopt a resolution to approve the updated Tier 2 Drought Response Implementation Plan.

BACKGROUND:

The City of Milpitas receives water from two wholesale agencies: San Francisco Public Utilities Commission (SFPUC) and Valley Water (VW). Water from SFPUC is brought through SFPUC's Regional Water System (SF RWS) to the City via two transmission lines, and then delivered to Milpitas customers through the City-maintained distribution system. Approximately 70% of the water purchased by the City is from SFPUC through the Water Supply Agreement.

Water Supply Agreement History

On May 27, 2003, the Bay Area Water Supply and Conservation Agency (BAWSCA) was formed to represent the interests of 24 cities and water districts, and two private utilities, in Alameda, Santa Clara and San Mateo counties that purchase water on a wholesale basis (Wholesale Customers) from the SF RWS. The City of Milpitas is a member of BAWSCA and one of the Wholesale Customers of the SF RWS.

In June 2009, the City entered into a Water Supply Agreement with the City and County of San Francisco (San Francisco) and Wholesale Customers in Alameda County, San Mateo County and Santa Clara County (2009 WSA). The 2009 WSA establishes the terms by which the twenty-six (26) Wholesale Customers purchase water from the RWS.

From time to time, the WSA and associated governing plans are amended to address needed changes identified by either the Wholesale Customers or SFPUC in response to changing conditions. The last amendment to the WSA was approved in 2021.

This report's recommended actions seek to address three main updates negotiated among the SFPUC and Wholesale Customers:

1. Easing the Minimum Purchase Requirements applied to the Original Minimum Purchase Customers;
2. Revising the method for allocating water to individual agencies under the Tier 2 Drought Allocation Plan; and
3. Considering total collective wholesale water purchases in the Tier 1 Drought Allocation Plan excess water use charges

The SFPUC approved these actions at their meeting on [May 13, 2025](#). Each of the Wholesale Customers is in the process of taking these amendments and plan updates to their respective City Councils or Boards for adoption.

ANALYSIS:

Water Supply Agreement Amendment to Adjust Minimum Purchase Requirements

The City of Milpitas is one of the four Original Minimum Purchase Customers; other customers include the cities of Mountain View and Sunnyvale, and the Alameda County Water District. Existing Section 3.07 of the 2021 WSA provides that the Original Minimum Purchase Customers may purchase water from sources other than SFPUC, but are each obligated to purchase a specific minimum annual quantity of water from SFPUC, referred to as a Minimum Purchase Requirement. If a Minimum Purchase Customer does not meet its Minimum Purchase Requirement in a particular fiscal year, it must pay SFPUC for the difference between its metered water purchases during the fiscal year and its minimum annual purchase quantity set forth in Attachment E of the 2021 WSA.

In June 2023, following several years of discussions regarding the Minimum Purchase Requirements, the SFPUC proposed amending the 2021 WSA to reset the existing annual minimum purchase quantities to align with current water consumption trends while protecting investment in the RWS. Through the remainder of 2023, the SFPUC, Original Minimum Purchase Customers, and BAWSCA held multiple meetings to identify amendments that would address challenges related to the Minimum Purchase Requirements. Once the SFPUC and the Original Minimum Purchase Customers finalized their recommended amendments to the Minimum Purchase Requirements, the Original Minimum Purchase Customers presented the proposals to the broader Wholesale Customers group to secure their support. Negotiations among the Wholesale Customers were concluded in Fall 2024.

Through this proposed amendment the following three changes to the Minimum Purchase Requirement are to occur:

1.1 20% Reduction of Annual Minimum Purchase Quantities (MPQ)

MPQs set in the 1984 Settlement Agreement and Master Water Sales Contract were calculated based on 80% of each of the four Original Minimum Purchase Customer's purchases from the RWS in the 1980s. The MPQs were later reduced by 5% as part of the 2009 WSA. Upon adoption of this amendment, the minimum annual purchase quantities of the Original Minimum Purchase Customers will be reset to 80% of each of the Minimum Purchase Customer average purchases from the most recent four (4) non-drought years. While the number of residents and businesses in Milpitas has increased over the last 40 years, water consumption has actually gone down due to a combination of water efficiency technologies, water conservation regulations, programs, and education, and other factors. Consequently, by updating these minimums, the City's current MPQ will decrease by 20%, providing a better buffer as per capita water use decreases due to ongoing water efficiency and conservation as well as providing greater flexibility for the City to purchase or secure necessary water from alternative sources. The amendment will establish a continuing, periodic review of the minimum annual purchase quantities on a 10-year cycle.

1.2 Allow for Drought Rebound Year Minimum Annual Purchase Quantity

Existing Section 3.07.C of the 2021 WSA provides that MPQs will be waived during drought, other periods of water shortage on the RWS, or if the Governor declares a state of emergency that affects water supply use or deliveries from the RWS. Minimum Purchase Requirements are reinstated in the first year immediately following a drought. However, water use does not rebound to pre-drought levels for several years, depending on the level of conservation achieved.

The amendment provides a temporary, one-year reduction in the minimum annual purchase quantities equal to half the demand reduction from pre-drought levels to allow for drought rebound. For example, if a Minimum Purchase Customer's pre-drought use and minimum annual purchase quantity are 10 million gallons per day (MGD) and drought RWS purchases are 8 MGD, the Rebound Year minimum annual purchase quantity will be set at 9 MGD.

1.3 Collective Minimum Annual Purchase Quantities

Existing Section 3.07 of the 2021 WSA provides if a Minimum Purchase Customer does not meet its Minimum Purchase Requirement in a particular fiscal year, it must pay the SFPUC for the difference between its metered water purchases during the fiscal year and its minimum annual purchase quantity. This amendment provides that the collective purchases from all four Original Minimum Purchase Customers will be considered together before an individual Original Minimum Purchase Customer is required to pay the difference between its metered water purchases and its

Minimum Purchase Requirement. If collective purchases are more than the sum of minimum annual purchase quantities, payments to the SFPUC for Original Minimum Purchase Customer(s) who did not meet its Minimum Purchase Requirement will not be required. If collective purchases are less than the sum of minimum annual purchase quantities, payments to the SFPUC for an Original Minimum Purchase Customer(s) who did not meet its Minimum Purchase Requirement will be proportionate to its share of total under-usage.

It is assumed the Minimum Purchase Requirements were originally designed to prevent four (4) specific multi-source agencies from shifting from the RWS to other imported water sources, and were established to provide some level of water demand certainty for planning purposes. However, for SFPUC to meet long term water demand (increasing due to population and economic growth within the service area) and to increase supply reliability during extended droughts, SFPUC also must invest in costly alternative water supplies. The Minimum Purchase Customers are well-positioned to develop their own local, drought-resilient supplies, which would reduce the regional dry-year supply gap, improving reliability of the RWS for all users, but have no incentive to do so if that reduces water purchases from SFPUC below the Minimum Purchase Requirement. These amendments may reduce the perceived existing disincentive to improve efficiency and develop alternative supplies.

The proposed amendments also include some administrative cleanup of language that is not substantive in nature.

Conclusion

The proposed changes to the Minimum Purchase Requirements are favorable to the City of Milpitas. During normal operating conditions, Milpitas SFPUC purchases exceed the City Minimum Purchase Requirement. However, Milpitas has had to pay for not meeting the Minimum Purchase Requirement three times in the past decade. In each case, the respective payment was required immediately after a drought period when water use had not yet rebounded. Under the proposal, Milpitas' Minimum Purchase Requirement would be reset from 5.314 million gallons per day (mgd) to 4.37 mgd. It is projected the City will have no issues meeting the reduced Minimum Purchase Requirement. Additionally, the "drought rebound" and "collective purchases" clauses provide an additional grace period and buffer for the City after periods of water restrictions and heightened conservation actions. Had these clauses already existed in the WSA, the City would not have had to pay the Minimum Purchase penalties in the past and would have saved rate payers from that expense.

Water Allocation During Drought (Tier 1 and Tier 2 Plans)

The WSA governs the water supply guaranteed to Wholesale customers during normal conditions and includes plans for allocating water during drought conditions. The WSA includes water allocation plans for RWS cutbacks of up to 20% of normal available water supply. The WSA refers to these plans as the Tier 1 Plan and Tier 2 Plan. The Tier 1 Plan specifies the method by which available water is allocated between two collective groups: SF retail customers and Wholesale Customers. The Tier 2 Plan specifies how the Wholesale Customers' water is then allocated to the individual member agencies. During mandatory calls for water use reductions, individual agencies that exceed their allocation are subject to "excess use charges." The relationship of these plans and the RWS is illustrated below.

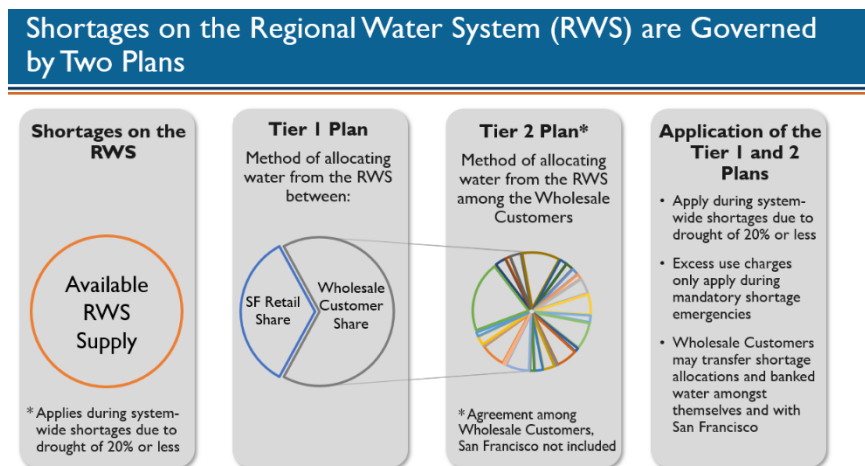


Figure 1. Regional Water System Water Supply and Tier 1 Plan and Tier 2 Plan Relationship

The WSA authorizes the Wholesale Customers to adopt a methodology for allocating the water collectively available from the RWS among the twenty-six Wholesale Customers during system-wide shortages caused by drought (Tier 2 Plan). SFPUC is not a party to the Tier 2 Plan. The existing Tier 2 Plan was adopted in 2011 and originally set to expire in 2018. Since adoption, conditions impacting water use have changed (e.g., water supply sources, water use trends, land use, and customer base). During the 2021 to 2023 drought, the Tier 1 and Tier 2 Plans were implemented for the first time. At that time, it became clear that the existing Tier 2 Plan no longer operated as originally intended and that an update was necessary.

In January 2021, BAWSCA began facilitating an update to the Tier 2 Plan. Between January 2022 and June 2024, BAWSCA and the Wholesale Customers, supported by a consulting firm providing technical and modeling expertise, met at least 62 times, most often for half-day, in-person meetings and smaller virtual sub-group sessions, to negotiate the terms of the updated Tier 2 Plan. In June 2024, the Wholesale Customers concluded negotiations on the updated Tier 2 Plan, and agency representatives collectively agreed that they were ready to recommend the Tier 2 Plan to their governing bodies for adoption. A summary of the key guiding principles and allocation methodology is discussed below.

The updated Tier 2 Plan maintains many of the key elements of the existing Tier 2 Plan, such as a rolling base period that captures service area growth over time and inclusion of an individual Supply Guarantee (ISG). The updated Tier 2 Plan also provides necessary updates to ensure a minimum supply of RWS water for base/indoor use for the portion of each service area where RWS is delivered.

The Wholesale Customers collectively developed four policy principles to guide the development and performance of the updated Tier 2 Plan. These policy principles are outlined below:

- **Policy Principle #1** - Provide sufficient water for the basic health and safety needs of customers.
- **Policy Principle #2** - Minimize economic and other adverse impacts of water shortages on customers and the BAWSCA region.
- **Policy Principle #3** - Provide predictability of drought allocations through consistent and predetermined rules for calculation, while allowing for flexibility to respond to unforeseen circumstances.
- **Policy Principle #4** - Recognize benefits of, and avoid disincentives for, water use efficiency and development of alternative water supply projects.

The updated Tier 2 Plan establishes a sequential allocation formula to determine how the available water from the RWS will be allocated among the individual Wholesale Customers. The allocation formula can generally be described as follows:

- The Minimum and Maximum Cutback establish the upper and lower bounds for each Wholesale Customer's final allocation. The Minimum Cutback is equal to 1/3 of the Overall Average Wholesale Customer Reduction, but no less than 5%. The Maximum Cutback is equal to 1.5 times the Overall Average Wholesale Customer Reduction.
- Each Wholesale Customer is allocated water on a residential per capita basis based on the State Indoor Water Use Efficiency Standard¹ and the portion of each Wholesale Customer's water demand met by the RWS.
- Each Wholesale Customer is allocated water based on its estimated non-residential indoor use by applying a cutback factor equal to half of the Overall Average Wholesale Customer Reduction to each

¹ SB 1157 (Hertzberg), signed into law in September 2022, established the standard for efficient indoor residential water use be 47 gallons per capita per day, lowering to 42 GPCD in 2030.

Wholesale Customer's estimated non-residential indoor demand, also known as Base Period purchase, from the RWS.

- Each Wholesale Customer is allocated water based on its estimated seasonal purchases from the RWS.
- Remaining water is allocated to bring each Wholesale Customer's final allocation as close to its "Target Allocation" as possible, while ensuring that each Wholesale Customer's final allocation is between the Minimum and Maximum Cutback bounds. The Target Allocation is based on a weighted share of (1) the Wholesale Customer's Base Period purchases from the RWS and (2) its ISG.

When the SFPUC declares a water shortage emergency, it determines whether voluntary or mandatory rationing is required. At the end of the 12-month drought period, each Wholesale Customer's purchases from the RWS are compared to their annual drought allocation. Excess use charges are only applied during mandatory rationing periods to Wholesale Customers whose water purchases exceed their annual drought allocation.

During Tier 2 Plan negotiations, agencies expressed concerns with the application of excess use charges since differences in community demographics, housing stock, or industry composition, may make certain communities better positioned to meet calls for water conservation. The new Tier 1 Family Plan ensures that excess use charges are only applied when the collective Wholesale Customer usage exceeds the Tier 1 allocation. If this occurs, excess use charges will be proportionally applied to agencies that exceeded their individual Tier 2 Allocations.

For example, if the twenty-six Wholesale Customers collectively exceed the Tier 1 allocation by 2 MGD, and only two agencies exceed their Tier 2 Allocations by 3 MGD each, then these two agencies will share the excess use charges proportionally.

Conclusion

Milpitas participated in the development of the updated Tier 2 Plan and has reviewed the Tier 2 model formulas and calculations. Staff does not believe there are any significant negative effects on the City's calculated water supply allocation during RWS shortages. Through the model developed by BAWSCA and its consultant, Milpitas' water allocation is not significantly higher than the systemwide cut-backs under different condition scenarios. Additionally, the inclusion of the Tier 1 Family Plan provides additional protection from the application of excess use charges.

POLICY ALTERNATIVE(S):

Alternative 1: Do not adopt the resolutions or approve the amendment to the Water Supply Agreement

Pros: None.

Cons: All parties to the WSA must adopt the amendments and associated plans for the amendments to be executed. If Milpitas does not approve, all agencies will be impacted, and these amendments and plan updates will not be implemented.

Reason for Not Recommending: Not adopting the proposed amendments and changes will result in continued application of the existing Minimum Purchase Requirements, and Milpitas will need to continue to pay when its water purchases do not meet the Minimum Purchase Quantity. This penalty impacts water rates for all City customers.

FISCAL IMPACT:

The proposed changes to the Minimum Purchase Requirements and related provisions will be financially favorable to the City. It will eliminate any payments for water not purchased by the City. The City has incurred Minimum Purchase payments in the past that range from \$10,000 to \$275,000 during three past fiscal years. This will reduce the likelihood of these penalties impacting the operating budget of the Water Fund going forward. Additionally, the proposed Tier 1 "family plan" provision may also buffer the City from potentially incurring excess water usage charges during periods of mandatory water use restrictions.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment and is not a project pursuant to Pub. Resources Code, § 21065 and Cal. Code Regs., tit. 14, § 15378. Even if a project, the action is exempt from further CEQA review pursuant to Cal. Code Regs., tit. 14, § 15061(b)(3) as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The action is a fiscal or administrative activity of the City government that does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment and is not a project pursuant to Cal. Code of Regs., tit. 14, § 15378.

ATTACHMENT(S):

- (a) Resolution for Water Supply Agreement Amendment
- (b) Amendment to the Water Supply Agreement Approval
- (c) Resolution for Updated Tier 2 Plan Drought Response Implementation Plan
- (d) Updated Tier 2 Plan Drought Response Implementation Plan

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF MILPITAS AUTHORIZING THE CITY MANAGER, OR DESIGNEE, TO EXECUTE AN AMENDMENT TO THE AMENDED AND RESTATED WATER SUPPLY AGREEMENT BETWEEN THE CITY AND COUNTY OF SAN FRANCISCO AND WHOLESALE CUSTOMERS IN ALAMEDA COUNTY, SAN MATEO COUNTY, AND SANTA CLARA COUNTY

WHEREAS, water supply agencies in Alameda, San Mateo, and Santa Clara Counties have purchased water from the City and County of San Francisco (San Francisco) for many years; and

WHEREAS, the San Francisco Public Utilities Commission (SFPUC) operates the Regional Water System (RWS), which delivers water to communities in Alameda, San Mateo, and Santa Clara Counties, as well as to customers within San Francisco (collectively, “the Parties”); and

WHEREAS, the Parties entered into the “Settlement Agreement and Master Water Sales Contract between the City and County of San Francisco and Certain Suburban Purchasers in San Mateo County, Santa Clara County and Alameda County” in 1984 (1984 Settlement Agreement and Master Water Sales Contract); and

WHEREAS, in April 2003, water supply agencies in Alameda, San Mateo and Santa Clara Counties (collectively referred to as the Wholesale Customers) established the Bay Area Water Supply and Conservation Agency (BAWSCA), as authorized by Water Code Sections 81300 *et seq.*; and

WHEREAS, upon expiration of the 1984 Settlement Agreement and Master Water Sales Contract, the Parties entered into the “Water Supply Agreement between San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County” (Water Supply Agreement or WSA) on July 1, 2009, authorized by SFPUC Resolution No. 09-0069, dated April 28, 2009; and

WHEREAS, in 2017, the Wholesale Customers directed BAWSCA to act as its authorized representative in discussions and negotiations with San Francisco to amend the Water Supply Agreement to address a number of substantive issues and these negotiations resulted in the Parties' adoption of the Amended and Restated Water Supply Agreement in 2018 authorized by SFPUC Resolution No. 18-0212, dated December 11, 2018; and

WHEREAS, pursuant to WSA Section 3.07, four Wholesale Customers (Alameda County Water District and the Cities of Milpitas, Mountain View, and Sunnyvale, collectively, the “Original Minimum Purchase Customers”) may purchase water from sources other than the SFPUC, but they are each obligated to purchase a specific minimum annual quantity of water from the SFPUC, referred to as a “Minimum Purchase Requirement;” and

WHEREAS, historically, if a Minimum Purchase Customer does not meet its Minimum Purchase Requirement in a particular fiscal year, it must pay the SFPUC for the difference between its metered water purchases during the fiscal year and its minimum annual purchase quantity set forth in WSA Attachment E; and

WHEREAS, some Original Minimum Purchase Customers pay the SFPUC for water that is not delivered due to either insufficient potable demand within their service area or conservation efforts during drought rationing; and

WHEREAS, in 2019, the Wholesale Customers directed BAWSCA to draft a proposed amendment to the 2018 WSA to provide a procedure for expedited and permanent transfers of minimum annual purchase quantities that safeguards the financial and water supply interests of Wholesale Customers not participating in such transfers and these negotiations resulted in the Parties' adoption of the Amended and Restated Water Supply Agreement in 2021, authorized by SFPUC Resolution No. 21-009, dated January 26, 2021; and

WHEREAS, the 2021 WSA provided a significant, but incomplete solution to address the Original Minimum Purchase Customer's concerns with the minimum purchase quantities through a transfer process; and

WHEREAS, 2021 WSA Section 3.11.C. provides that the Tier 1 Shortage Plan (Attachment H to the WSA) will be used, during system-wide shortages of 20% or less, to allocate water from the Regional Water System between Retail and Wholesale Customers ; and

WHEREAS, 2021 WSA Section 3.11.C. further provides that the SFPUC will honor allocations of water among the Wholesale Customers (Tier 2 Allocations) unanimously agreed to by all Wholesale Customers or provided by BAWSCA; and

WHEREAS, in 2021, the SFPUC and BAWSCA implemented the Tier 1 and Tier 2 Plans for the first time; and

WHEREAS, throughout 2022 and 2024, the Wholesale Customers convened at least once per month, most often for half-day in-person workshops, to negotiate an update to the method for sharing water made available from the SFPUC during shortages caused by drought (Tier 2 Plan); and

WHEREAS, each Wholesale Customer appointed a lead negotiator to represent the interests of its agency in the negotiations; and

WHEREAS, during the Tier 2 Plan negotiations, the Original Minimum Purchase Customers renewed discussions among the Wholesale Customers to identify a comprehensive and final solution to concerns about the minimum purchase quantities; and

WHEREAS, during the Tier 2 Plan negotiations, the Wholesale Customers identified, and the SFPUC agreed to, changes to the Tier 1 Plan that would facilitate agreement on the updated Tier 2 Plan; and

WHEREAS, in June 2023, following several years of discussions regarding the Minimum Purchase Requirements, the SFPUC proposed amending the 2021 WSA to reset the existing minimum annual purchase quantities to align with current water consumption trends, while protecting investment in the RWS; and

WHEREAS, in 2024, the SFPUC, the Original Minimum Purchase Customers, and BAWSCA held multiple meetings to identify amendments that would address challenges related to the Minimum Purchase Requirements; and

WHEREAS, once the SFPUC and the Original Minimum Purchase Customers discussed amendments to the Minimum Purchase Requirements, the Original Minimum Purchase Customers presented proposals to the broader Wholesale Customer group to secure their support; and

WHEREAS, in 2024, the negotiating teams for the Wholesale Customers came to a final agreement on a package that includes an updated Tier 2 Plan, amendments to the minimum purchase quantity requirements, and amendments to the Tier 1 Plan; and

WHEREAS, with its Alternative Water Supply Program, the SFPUC is in the early stages of planning for projects to support the Wholesale and Retail Customers' ability to respond to climate change and address future water supply challenges and vulnerabilities, such as regulatory changes, earthquakes, disasters, emergencies, and increases in population and employment; and

WHEREAS, the City of Mountain View approved a Recycled Water Feasibility Study Update Draft Report on March 22, 2022 with seven staff recommendations, including: (1) working with the City of Palo Alto and the Santa Clara Valley Water District on the first phase of an advanced water purification system to improve recycled water quality, (2) planning and siting a recycled water storage reservoir in the City of Mountain View's North Bayshore Area to improve system performance and reliability, and (3) building-out the recycled water distribution system to serve all of North Bayshore and a portion of NASA Ames; and

WHEREAS, the City of Sunnyvale approved an updated Recycled Water Master Plan on September 24, 2024 and directed staff to look into expanding the recycled water system, which currently includes 22 miles of recycled water pipelines, two recycled water pump stations, and a recycled water storage tank with a 2.5-million-gallon capacity; and

WHEREAS, the City of Milpitas continues to promote the use of recycled water to existing and new customers along the recycled water pipeline within the city, and has committed to developing local groundwater supplies to help meet projected long term water demand; and

WHEREAS, since 1995, the Alameda County Water District has invested over \$300 million in water supply reliability initiatives to enhance local water supplies and reduce its dependence on imported supplies, including water conservation, conjunctive use groundwater management, brackish groundwater desalination, and groundwater banking; and

WHEREAS, as of January 2025, the SFPUC has budgeted \$298.3 million over the next ten years to fund water supply projects; and

WHEREAS, the Parties now desire to approve an amendment to the 2021 WSA to reduce the minimum annual purchase quantities to 80% of average purchases from the most recent four (4) non-drought years and establish a continuing, periodic review of the minimum annual purchase quantities on a 10-year schedule; and

WHEREAS, the amendment will also establish a Rebound Year minimum annual purchase quantity calculation for the first year following a waiver of the Minimum Purchase Requirements; and

WHEREAS, the amendment further provides that Imputed Sales will not apply to an Original Minimum Purchase Customer that does not meet its individual Minimum Purchase Requirements if the

collective SFPUC purchases from all Original Minimum Purchase Customers are equal to or greater than the total collective minimum annual purchase quantity; and

WHEREAS, the Parties also desire to adopt an amendment to the Tier 1 Plan to provide that excess use charges will not apply to Wholesale Customers that exceed their individual annual shortage allocation if the Wholesale Customers collective SFPUC purchases are less than the total Tier 1 allocation; and

WHEREAS, the amendment further provides that if the collective Wholesale Customers' SFPUC purchases exceed total Tier 1 allocation, excess use charges will be applied to each Wholesale Customer that exceeded its individual annual allocation, proportional to the collective Wholesale Customer's overuse of the total Tier 1 allocation; and

WHEREAS, the Parties also desire to adopt an amendment to the 2021 WSA to include the following substantive modifications:

- a) update references in Section 2.03.C regarding BAWSCA's authority to amend attachments;
- b) extend the timing of the completion of the WSIP to reflect the currently adopted program completion date (Section 3.09);
- c) correct a reference to a SFPUC resolution number in Section 9.07;
- d) update "Imputed Sales" definition in Attachment A to reference Attachment E;
- e) update "Level of Service Goals and Objectives" definition in Attachment A to reflect updated and expanded Level of Service Goals and Objectives adopted by the SFPUC in November 2023; and

WHEREAS, the SFPUC approved these amendments and authorized the execution of a 2025 Amended and Restated Water Supply Agreement incorporating these amendments on May 13, 2025 pursuant to SFPUC Resolution No. 25-0074; and

WHEREAS, the amendment considered now is not a "project" for the purposes of CEQA as it involves an administrative activity that does not result in a direct change to the environment (see 14 CCR Section 15378(b)(5)), and would not result in a direct or reasonably foreseeable indirect physical change in the environment (see 14 CCR Section 15060(c)(2)); and

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The City Council approves the revisions included in the attached Exhibit A, approves those revisions to be incorporated into a revised WSA titled the "2025 Amended and Restated Water Supply Agreement Between the City and County of San Francisco Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County" dated as of 2025 (2025 Amended and Restated Water Supply Agreement).

3. The City Manager, or designee, is authorized to execute the 2025 Amended and Restated Water Supply Agreement, when final execution copies are prepared and distributed by BAWSCA.

PASSED AND ADOPTED this ____ day of _____, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Suzanne Guzzetta, City Clerk

Carmen Montano, Mayor

APPROVED AS TO FORM:

Christopher Creech, Acting City Attorney

3.07. Restrictions on Purchases of Water from Others; Minimum Annual Purchases

A. Each Wholesale Customer (except for Alameda County Water District and the cities of Milpitas, Mountain View and Sunnyvale) agrees that it will not contract for, purchase or receive, with or without compensation, directly or indirectly, from any person, corporation, governmental agency or other entity, any water for delivery or use within its service area without the prior written consent of San Francisco.

B. The prohibition in subsection A does not apply to:

1. recycled water;
2. water necessary on an emergency and temporary basis, provided that the Wholesale Customer promptly gives San Francisco notice of the nature of the emergency, the amount of water that has been or is to be purchased, and the expected duration of the emergency; or
3. water in excess of a Wholesale Customer's Individual Supply Guarantee.

C. Minimum Annual Purchase Quantities. Alameda County Water District and the cities of Milpitas, Mountain View and Sunnyvale may purchase water from sources other than San Francisco, provided that San Francisco shall require that each purchase a minimum annual quantity of water from San Francisco. -These Minimum Annual Purchase Quantities are set out in Attachment E and shall also be included in the Individual Water Sales Contracts between San Francisco and each of these four Wholesale Customers (collectively referred to as the Original Minimum Purchase Customers). Pursuant to Section 3.04, certain Wholesale Customers may also be required to purchase Temporary Modified Minimum Annual Purchase Quantities, set out in Attachment E-1, from San Francisco. Attachment E will be updated pursuant to Section 3.04 to reflect any reduction in existing Minimum Annual Purchase Quantities and any addition of new Minimum Annual Purchase Quantities when Temporary Modified Minimum Annual Purchase Quantities expire and are removed from Attachment E-1; Individual Water Sales Contracts between San Francisco and any Wholesale Customers who are participants in a transfer under Section 3.04 will similarly be amended, as necessary.

1. Annual Notice. After the end of each fiscal year, the SFPUC will send a written notice to each Wholesale Customer ~~that is subject to the minimum annual purchase requirements of this section~~ with a Minimum Annual Purchase Quantity, or a Temporary Modified Minimum Annual Purchase Quantity with a copy to BAWSCA. -The notice will include: ~~(4~~

(a) the quantity of water delivered to ~~the~~each of those Wholesale ~~Customer~~Customers individually and all of the Original Minimum Purchase Customers collectively during the previous fiscal year; ~~{~~

~~2~~

(b) each Wholesale Customer's individual Minimum Annual Purchase Quantity or Temporary Modified Minimum Annual Purchase Quantity (as adjusted for a Rebound Year, if applicable, under Section 3.07.C.2);

~~)- whether or not the Wholesale Customer met its minimum annual purchase requirement under this section; (3~~

(c) whether or not each Wholesale Customer met its individual Minimum Annual Purchase Quantity or Temporary Modified Minimum Annual Purchase Quantity (as adjusted for a Rebound Year, if applicable);

(d) whether or not the Original Minimum Purchase Customers collectively purchased a volume of water from San Francisco that is equal to or greater than the sum of their four Minimum Annual Purchase Quantities (as adjusted for a Rebound Year, if applicable);

(e) any Imputed Sales charged to the Wholesale ~~Customer~~Customers; and ~~(4~~

(f) the status of any Temporary Modified Minimum Annual Purchase ~~Quantity~~Quantities of the Wholesale ~~Customer, if applicable.~~Customers.

~~C-2.~~ Waiver and Rebound Year. The minimum annual purchase requirements set out in Attachments E and E-1 will be waived during a Drought or other period of water shortage if the water San Francisco makes available to these Wholesale Customers is less than ~~its~~their Minimum Annual Purchase ~~Quantity~~Quantities or Temporary Modified Minimum Annual Purchase Quantities, and may be waived during a state of emergency declared by the Governor of California that impacts water supply use or deliveries from the Regional Water System. Once the waiver is no longer in effect, each of the minimum annual purchase requirements set out in Attachments E and E-1 shall be temporarily set, for one full fiscal year (referred to as the Rebound Year), to the midpoint between (1) the Wholesale Customer's actual San Francisco purchases for the final year in which the waiver was in effect, up to a maximum of the Customer's Minimum Annual Purchase Quantity or Temporary Modified Minimum Annual Purchase Quantity, and (2) the Wholesale Customer's Minimum Annual Purchase Quantity or Temporary Modified Minimum Annual Purchase Quantity set out in Attachment E or Attachment E-1, as applicable. Any fiscal year in which a Wholesale Customer meets its Rebound Year-adjusted Temporary Modified Minimum

Annual Purchase Quantity, but not its standard Temporary Modified Minimum Annual Purchase Quantity, will not count as a fiscal year in which the Wholesale Customer has met or exceeded its Temporary Modified Minimum Purchase Quantity for the purposes of Section 3.04.C(4)(a).

D. Minimum Annual Purchase Quantity Reset. As shown on Attachment E, in Fiscal Year 2025-26, the Parties reset the then-existing Minimum Annual Purchase Quantities of the Original Minimum Purchase Customers to 80% of the average San Francisco purchases of each Customer over the four most recent non-drought years preceding Fiscal Year 2024-25, effective for Fiscal Year 2024-25. If the Parties extend the Term of this Agreement beyond June 30, 2034 pursuant to Section 2.02, the Parties will review the Minimum Annual Purchase Quantities of the Original Minimum Purchase Customers again ten years after the Fiscal Year 2025-26 reset. If the Original Minimum Purchase Customers, or San Francisco, want to propose a reset of the Minimum Annual Purchase Quantities for Fiscal Year 2035-36, they will provide written notice on or before June 30, 2034. The Parties will meet and confer promptly to evaluate written reset proposals. By November 30, 2035, if the Parties have come to an agreement, the SFPUC will calculate the revised Minimum Annual Purchase Quantities based on the agreed upon methodology and provide written notice to the Original Minimum Purchase Customers and BAWSCA. The Original Minimum Purchase Customers will have at least 15 business days to review and meet and confer with the SFPUC with any questions or concerns before the revised quantities are finalized. If the Parties are unable to come to an agreement, the then-existing Minimum Annual Purchase Quantities will remain unchanged. Any changes to the Minimum Annual Purchase Quantities under this Section 3.07.D will be reflected in a revised Attachment E approved with the written concurrence of San Francisco and BAWSCA in accordance with Section 2.03.C. The Parties intend to include a continuing, periodic review of the Minimum Annual Purchase Quantities on a ten-year schedule in the successor to this Agreement.

E. Collective Minimum Annual Purchase Quantities Considered Before Application of Imputed Sales. Imputed Sales will not apply to any of the individual Original Minimum Purchase Customers in a particular fiscal year if those Customers have collectively purchased a volume of water from San Francisco that is equal to or greater than the sum of their four Minimum Annual Purchase Quantities shown in Attachment E (or adjusted for a Rebound Year pursuant to Section 3.07.C.2, if applicable). If the Original Minimum Purchase Customers do not collectively purchase that sum, any Original Minimum Purchase Customer that has not met its standard or Rebound Year-adjusted Minimum Annual Purchase Quantity will be responsible for Imputed Sales proportional to its share of the difference between that sum and the Original Minimum Purchase Customers' total purchases from San Francisco. Examples of this calculation are contained in

[Attachment E-3.](#)

Redline Comparing 2021 Amended and Restated Water Supply Agreement and 2025 Proposed Amendments: Sections 2.03, 3.09, and 9.07, and Attachment A Definitions

2.03. Amendments.

C. Amendments to Attachments. The following attachments may be amended with the written concurrence of San Francisco and BAWSCA on behalf of the Wholesale Customers:

<u>Attachment</u>	<u>Name</u>
C	Individual Supply Guarantees (amendments reflecting Section 3.04 transfers only)
E	Minimum Annual Purchase Quantities (amendments reflecting Section 3.04 transfers and Section 3.07 resets only)
E-1	Temporary Modified Minimum Annual Purchase Quantities
G	Water Quality Notification and Communications Plan (as may be amended)
J	Water Use Measurement and Tabulation
L-1	Identification of WSIP Projects as Regional/Retail
N-1	Balancing Account/Rate Setting Calculation Table
N-2	Wholesale Revenue Requirement Schedules
N-3	Schedule of Projected Water Sales, Wholesale Revenue Requirement and Wholesale Rates
P	Management Representation Letter
R	Classification of Existing System Assets (subject to Section 5.11)

Amendments to these attachments shall be approved on behalf of San Francisco by the Commission and on behalf of BAWSCA by its Board of Directors, unless the Commission by resolution delegates such authority to the General Manager of the SFPUC or the Board of Directors by resolution delegates such authority to the General Manager/CEO of BAWSCA.

3.09. Completion of WSIP

San Francisco will complete construction of the physical facilities in the WSIP by ~~December~~June 30, ~~2021~~2032. The SFPUC agrees to provide for full public review and comment by local and state interests of any proposed changes that delay previously adopted project completion dates or that delete projects. The SFPUC shall meet and consult with BAWSCA before proposing to the Commission any changes in the scope of WSIP projects which reduce their capacity or ability to achieve adopted Level of Service Goals and Objectives. The SFPUC retains discretion to determine whether to approve the physical facilities in the WSIP until after it completes the CEQA process as set forth in Section 4.07.

9.07. City of Brisbane, Guadalupe Valley Municipal Improvement District, Town of Hillsborough

A. The parties acknowledge that San Francisco has heretofore provided certain quantities of water to the City of Brisbane ("Brisbane"), Guadalupe Valley Municipal Improvement District ("Guadalupe") and the Town of Hillsborough ("Hillsborough") at specified rates or without charge pursuant to obligations arising out of agreements between the predecessors of San Francisco and these parties, which agreements are referred to in judicial orders, resolutions of the SFPUC and/or the 1960 contracts between San Francisco and Brisbane, Guadalupe and Hillsborough. The parties intend to continue those arrangements and accordingly agree as follows:

1. Nothing in this Agreement is intended to alter, amend or modify the terms of SFPUC Resolution No. 74-~~0653~~0053 or the indenture of July 18, 1908 between the Guadalupe Development Company and the Spring Valley Water Company.

2. Nothing in this Agreement is intended to alter, amend or modify the Findings of Fact and Conclusions of Law and Judgment dated May 25, 1961 in that certain action entitled City and County of San Francisco v. Town of Hillsborough in the Superior Court of the State of California in and for the County of Marin, No. 23282, as modified by the Satisfaction of Judgment filed October 23, 1961 and the Compromise and Release between Hillsborough and San Francisco dated August 22, 1961. The rights and obligations of Hillsborough under these documents shall continue as therein set forth.

3. Nothing in this Agreement is intended to affect or prejudice any claims, rights or remedies of Guadalupe or of Crocker Estate Company, a corporation, or of Crocker

Land Company, a corporation, or of San Francisco, or of their successors and assigns, respectively, with respect to or arising out of that certain deed dated May 22, 1884, from Charles Crocker to Spring Valley Water Works, a corporation, recorded on May 24, 1884, in Book 37 of Deeds at page 356, Records of San Mateo County, California, as amended by that certain Deed of Exchange of Easements in Real Property and Agreement for Trade in Connection Therewith, dated July 29, 1954, recorded on August 4, 1954, in Book 2628, at page 298, Official Records of said San Mateo County, or with respect to or arising out of that certain action involving the validity or enforceability of certain provisions of said deed entitled City and County of San Francisco v. Crocker Estate Company, in the Superior Court of the State of California in and for the County of Marin, No. 23281.

Attachment A - Definitions

“Imputed Sales” apply when a Wholesale Customer does not meet the minimum annual purchase requirements of Section 3.07.C, [as shown on Attachment E and Attachment E-1](#), except in fiscal years in which a waiver of these requirements is in effect. Imputed Sales are calculated as the difference between (1) a Wholesale Customer’s metered water purchases during a fiscal year, from July 1 to June 30, and (2) the larger of (a) or (b) as follows: (a) the Wholesale Customer’s Minimum Annual Purchase Quantity, as specified in Attachment E [and may be adjusted pursuant to Section 3.07.C.2](#), or (b) the Wholesale Customer’s Temporary Modified Minimum Annual Purchase Quantity, as specified in Attachment E-1 [and may be adjusted pursuant to Section 3.07.C.2](#). If a Wholesale Customer has more than one Temporary Modified Minimum Annual Purchase Quantity, the largest quantity is used for calculating Imputed Sales. Imputed Sales are considered wholesale water usage for the purposes of calculating the Proportional Annual Use, and any fees charged for Imputed Sales are considered wholesale revenues.

“Level of Service Goals and Objectives” refers to the “Phased WSIP Goals and Objectives” adopted by the Commission in Resolution No. 08-0200 dated October 30, 2008 as part of the approval of the WSIP, [as updated and expanded by the "2023 Amended and Updated Water Enterprise Level of Service Goals and Objectives," adopted by the Commission in Resolution No. 23-0210 dated November 28, 2023](#), and any amendments that may be adopted by the Commission.

ATTACHMENT E

MINIMUM ANNUAL PURCHASE QUANTITIES

(Section 3.07.C)

AGENCY	MINIMUM ANNUAL PURCHASE QUANTITY (IN MGD)¹
Alameda County Water District	7.648 <u>6.682</u>
City of Milpitas	5.341 <u>4.371</u>
City of Mountain View	8.930 <u>6.047</u>
City of Sunnyvale	8.930 <u>7.412</u>

¹ In Fiscal Year (FY) 2025-26, the then-existing Minimum Annual Purchase Quantities for Alameda County Water District and the Cities of Milpitas, Mountain View, and Sunnyvale were reset to 80% of each of those four customers' average San Francisco purchases over the four non-drought years preceding FY 2024-25 (FY 2017-18, FY 2018-19, FY 2019-20, and FY 2020-21), effective FY 2024-25. Prior to this reset, from the effective date of this Agreement (July 1, 2009) through FY 2023-24, those four customers had the following Minimum Annual Purchase Quantities:

1. Alameda County Water District: 7.648 MGD
2. City of Milpitas: 5.341 MGD
3. City of Mountain View: 8.930 MGD
4. City of Sunnyvale: 8.930 MGD

ATTACHMENT H

WATER SHORTAGE ALLOCATION PLAN

This ~~Interim~~ Water Shortage Allocation Plan (“Plan”), also known as the Tier 1 Shortage Plan, describes the method for allocating water between the San Francisco Public Utilities Commission (“SFPUC”), on the one hand, and the Wholesale Customers collectively, on the other, during shortages caused by drought. The Plan also implements a method for allocating water among the individual Wholesale Customers, known as the Tier 2 Drought Response Implementation Plan (“Tier 2 Plan”), which has separately been adopted by the Wholesale Customers and does not include the SFPUC. The Plan includes provisions for transfers, banking, and excess use charges. The Plan applies only when the SFPUC determines that a system-wide water shortage due to drought exists, and all references to “shortages” and “water shortages” are to be so understood. This Plan was initially adopted pursuant to Section 7.03(a) of the 1984 Settlement Agreement and Master Water Sales Contract and has been incorporated and updated to correspond to the terminology used in the ~~June~~ 2009 Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County and Santa Clara County (“Agreement”), as amended and restated from time to time.

SECTION 1. SHORTAGE CONDITIONS

1.1. Projected Available SFPUC Water Supply. The SFPUC shall make an annual determination as to whether or not a shortage condition exists. The determination of projected available water supply shall consider, among other things, stored water, projected runoff, water acquired by the SFPUC from non-SFPUC sources, inactive storage, reservoir losses, allowance for carryover storage, and water bank balances, if any, described in Section 3.

1.2. Projected SFPUC Customer Purchases. The SFPUC will utilize purchase data, including volumes of water purchased by the Wholesale Customers and by Retail Customers (as those terms are used in the Agreement) in the year immediately prior to the drought, along with other available relevant information, as a basis for determining projected system-wide water purchases from the SFPUC for the upcoming ~~year.~~Supply Year (defined as the period from July 1 through June 30).

1.3. Shortage Conditions. The SFPUC will compare the projected available water supply (Section 1.1) with projected system-wide water purchases (Section 1.2). A shortage condition exists if the SFPUC determines that the projected available water supply is less than projected system-wide water purchases in the upcoming Supply Year ~~(defined as the period from July 1 through June 30).~~. When a shortage condition exists, SFPUC will determine whether voluntary or mandatory actions will be required to reduce purchases of SFPUC water to required levels.

1.3.1 Voluntary Response. If the SFPUC determines that voluntary actions will be sufficient to accomplish the necessary reduction in water use throughout its service area, the SFPUC and the Wholesale Customers will make good faith efforts to reduce their water purchases to stay within their annual ~~shortage~~Tier 1 and Tier 2 allocations as applicable (see Section 2 of this Attachment H) and associated monthly water use budgets. The SFPUC will not impose excess use charges during periods of voluntary rationing, but may suspend the prospective accumulation of water bank credits, or impose a ceiling on further accumulation of bank credits, consistent with Section 3.2.1 of this Plan.

1.3.2 Mandatory Response. If the SFPUC determines that mandatory actions will be required to accomplish the necessary reduction in water use in the SFPUC service area, the SFPUC may implement excess use charges as set forth in Section 4 of this Plan.

1.4. Period of Shortage. A shortage period commences when the SFPUC determines that a water shortage exists, as set forth in a declaration of water shortage emergency issued by the SFPUC pursuant to California Water Code Sections 350 et seq. Termination of the water shortage emergency will be declared by resolution of the SFPUC.

SECTION 2. SHORTAGE ALLOCATIONS

2.1. Annual [Tier 1](#) Allocations between the SFPUC and the Wholesale Customers. The annual water supply available during shortages will be allocated between the SFPUC and the collective Wholesale Customers as follows:

Level of System Wide Reduction in Water Use Required	Share of Available Water	
	SFPUC Share	Wholesale Customers Share
5% or less	35.5%	64.5%
6% through 10%	36.0%	64.0%
11% through 15%	37.0%	63.0%
16% through 20%	37.5%	62.5%

[This Plan refers to the SFPUC's and Wholesale Customers' respective shares of available water so established as the SFPUC's and Wholesale Customers' Tier 1 allocations.](#) The water allocated to the SFPUC shall correspond to the total allocation for all Retail Customers. In the event that the SFPUC share of the available water supply in the above table results in Retail Customers having a positive allocation (i.e., a supply of additional water rather than a required percentage reduction in water use), the SFPUC's percentage share of the available water supply in the table shall be reduced to eliminate any positive allocation to Retail Customers, with a corresponding increase in the percentage share of the available water supply allocated to the Wholesale Customers. For any level of required reduction in system-wide water use during shortages, the SFPUC shall require Retail Customers to conserve a minimum of 5%, with any resulting reallocated supply credited to storage for inclusion in calculation of projected available water SFPUC water supply in a subsequent year (Section 1.1).

The parties agree to reevaluate the percentages of the available water supply allocated to Retail and Wholesale Customers by May 1, 2028.

2.2 Annual [Tier 2](#) Allocations among the Wholesale Customers. The annual water supply allocated to the Wholesale Customers collectively during system wide shortages of 20 percent or less ([i.e., the Wholesale Customers' Tier 1 allocation](#)) will be apportioned among them based on a methodology, [known as the Tier 2 Plan, that has been separately](#) adopted by all of the Wholesale Customers, [and not the SFPUC](#), as described in Section 3.11(C) of the Agreement. In any year for which the methodology must be applied, the Bay Area Water Supply and Conservation Agency ("BAWSCA") will calculate each Wholesale Customer's individual percentage share of the amount of water allocated to the Wholesale Customers collectively pursuant to Section 2.1. Following the declaration or reconfirmation of a water shortage emergency by the SFPUC, BAWSCA will deliver to the SFPUC General Manager a list, signed by the President of BAWSCA's Board of Directors and its General Manager, showing each Wholesale Customer together with its percentage share and stating that the list has been prepared in accordance with the methodology adopted by the Wholesale Customers. The SFPUC shall allocate water to each Wholesale Customer, as specified in the list. The shortage allocations so established ([known as Tier 2](#)

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[allocations](#)) may be transferred as provided in Section 2.5 of this Plan. If BAWSCA or all Wholesale Customers do not provide the SFPUC with individual allocations, the SFPUC may make a final allocation decision after first meeting and discussing allocations with BAWSCA and the Wholesale Customers.

The [Tier 2 Plan](#) methodology adopted by the Wholesale Customers utilizes the rolling average of each individual Wholesale Customer's purchases from the SFPUC during the three immediately preceding Supply Years. The SFPUC agrees to provide BAWSCA by November 1 of each year a list showing the amount of water purchased by each Wholesale Customer during the immediately preceding Supply Year. The list will be prepared using Customer Service Bureau report MGT440 (or comparable official record in use at the time), adjusted as required for any reporting errors or omissions, and will be transmitted by the SFPUC General Manager or his designee.

2.3. Limited Applicability of Plan to System Wide Shortages Greater Than Twenty Percent. The [Tier 1](#) allocations of water between the SFPUC and the Wholesale Customers collectively, provided for in Section 2.1, apply only to shortages of 20 percent or less. The SFPUC and Wholesale Customers recognize the possibility of a drought occurring which could create system-wide shortages greater than 20 percent despite actions taken by the SFPUC aimed at reducing the probability and severity of water shortages in the SFPUC service area. If the SFPUC determines that a system wide water shortage greater than 20 percent exists, the SFPUC and the Wholesale Customers agree to meet within 10 days and discuss whether a change is required to the allocation set forth in Section 2.1 in order to mitigate undue hardships that might otherwise be experienced by individual Wholesale Customers or Retail Customers. Following these discussions, the Tier 1 ~~water~~ allocations set forth in Section 2.1 of this Plan, or a modified version thereof, may be adopted by mutual written consent of the SFPUC and the Wholesale Customers. If the SFPUC and Wholesale Customers meet and cannot agree on an appropriate Tier 1 allocation within 30 days of the SFPUC's determination of water shortage greater than 20 percent, then (1) the provisions of Section 3.11(C) of the Agreement will apply, unless (2) all of the Wholesale Customers direct in writing that a Tier 2 allocation methodology agreed to by them be used to apportion the water to be made available to the Wholesale Customers collectively, in lieu of the provisions of Section 3.11(C).

The provisions of this Plan relating to transfers (in Section 2.5), banking (in Section 3), and excess use charges (in Section 4) shall continue to apply during system-wide shortages greater than 20 percent.

2.4. Monthly Water Budgets. Within 10 days after adopting a declaration of water shortage emergency, the SFPUC will determine the amount of Tier 1 water allocated to the Wholesale Customers collectively pursuant to Section 2.1. The SFPUC General Manager, using the Tier 2 allocation percentages shown on the list delivered by BAWSCA pursuant to Section 2.2, will calculate each Wholesale Customer's individual annual [Tier 2](#) allocation. The SFPUC General Manager, or his designee, will then provide each Wholesale Customer with a proposed schedule of monthly water budgets based on the pattern of monthly water purchases during the Supply Year immediately preceding the declaration of shortage (the "Default Schedule"). Each Wholesale Customer may, within two weeks of receiving its Default Schedule, provide the SFPUC with an alternative monthly water budget that reschedules its annual Tier 2 ~~shortage~~ allocation over the course of the succeeding Supply Year. If a Wholesale Customer does not deliver an alternative monthly water budget to the SFPUC within two weeks of its receipt of the Default Schedule, then its monthly budget for the ensuing Supply Year shall be the Default Schedule proposed by the SFPUC.

Monthly Wholesale Customer water budgets will be derived from annual Tier 2 allocations for purposes of accounting for excess use. Monthly Wholesale Customer water budgets shall be adjusted during the year to account for transfers of shortage allocation under Section 2.5 and transfers of banked water under Section 3.4.

2.5. Transfers of Shortage Allocations. Voluntary transfers of shortage allocations between the SFPUC and any Wholesale Customers, and between any Wholesale Customers, will be permitted using the same procedure as that for transfers of banked water set forth in Section 3.4. The SFPUC and BAWSCA shall be notified of each transfer. Transfers of shortage allocations shall be deemed to be an emergency transfer and shall become effective on the third business day after notice of the transfer has been delivered to the SFPUC. Transfers of shortage allocations shall be in compliance with Section 3.05 of the Agreement. The transferring parties will meet with the SFPUC, if requested, to discuss any effect the transfer may have on its operations.

SECTION 3. SHORTAGE WATER BANKING

3.1. Water Bank Accounts. The SFPUC shall create a water bank account for itself and each Wholesale Customer during shortages in conjunction with its resale customer billing process. Bank accounts will account for amounts of water that are either saved or used in excess of the shortage allocation for each agency; the accounts are not used for tracking billings and payments. When a shortage period is in effect (as defined in Section 1.4), the following provisions for bank credits, debits, and transfers shall be in force. A statement of bank balance for each Wholesale Customer will be included with the SFPUC's monthly water bills.

3.2. Bank Account Credits. Each month, monthly purchases will be compared to the monthly budget for that month. Any unused shortage allocation by an agency will be credited to that agency's water bank account. Credits will accumulate during the entire shortage period, subject to potential restrictions imposed pursuant to Section 3.2.1. Credits remaining at the end of the shortage period will be zeroed out; no financial or other credit shall be granted for banked water.

3.2.1. Maximum Balances. The SFPUC may suspend the prospective accumulation of credits in all accounts. Alternatively, the SFPUC may impose a ceiling on further accumulation of credits in water bank balances based on a uniform ratio of the bank balance to the annual water allocation. In making a decision to suspend the prospective accumulation of water bank credits, the SFPUC shall consider the available water supply as set forth in Section 1.1 of this Plan and other reasonable, relevant factors.

3.3. Account Debits. Each month, monthly purchases will be compared to the budget for that month. Purchases in excess of monthly budgets will be debited against an agency's water bank account. Bank debits remaining at the end of the fiscal year will be subject to excess use charges (see Section 4).

3.4. Transfers of Banked Water. In addition to the transfers of shortage allocations provided for in Section 2.5, voluntary transfers of banked water will also be permitted between the SFPUC and any Wholesale Customer, and among the Wholesale Customers. The volume of transferred water will be credited to the transferee's water bank account and debited against the transferor's water bank account. The transferring parties must notify the SFPUC and BAWSCA of each transfer in writing (so that adjustments can be made to bank accounts), and will meet with the SFPUC, if requested, to discuss any affect the transfer may have on SFPUC operations. Transfers of banked water shall be deemed to be an emergency transfer and shall become effective on the third business day after notice of the transfer has been delivered to the SFPUC. If the SFPUC incurs extraordinary costs in implementing transfers, it will give written notice to the transferring parties within ten (10) business days after receipt of notice of the transfer. Extraordinary costs means additional costs directly attributable to accommodating transfers and which are not incurred in non-drought years nor simply as a result of the shortage condition itself. Extraordinary costs shall be calculated in accordance with the procedures in the Agreement and shall be subject to the disclosure and auditing requirements in the Agreement. In the case of transfers between Wholesale Customers, such extraordinary costs shall be considered to be expenses chargeable solely to individual Wholesale Customers and shall be borne equally by the parties to the transfer. In the case of

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transfers between the SFPUC and a Wholesale Customer, the SFPUC's share of any extraordinary transfer costs shall not be added to the Wholesale Revenue Requirement.

3.4.1. Transfer Limitations. The agency transferring banked water will be allowed to transfer no more than the accumulated balance in its bank. Transfers of estimated prospective banked credits and the "overdrafting" of accounts shall not be permitted. The price of transfer water originally derived from the SFPUC system is to be determined by the transferring parties and is not specified herein. Transfers of banked water shall be in compliance with Section 3.05 of the Agreement.

SECTION 4. WHOLESALE EXCESS USE CHARGES

4.1. Amount of Excess Use Charges. Monthly excess use charges shall be determined by the SFPUC at the time of the declared water shortage consistent with the calendar in Section 6 and in accordance with Section 6.03 of the Agreement. The excess use charges will be in the form of multipliers applied to the rate in effect at the time the excess use occurs. The same excess use charge multipliers shall apply to the Wholesale Customers and all Retail Customers. The excess use charge multipliers apply only to the charges for water delivered at the rate in effect at the time the excess use occurred.

4.2 Monitoring Suburban Water Use. During periods of voluntary rationing, water usage greater than a customer's allocation (as determined in Section 2) -will be indicated on each SFPUC monthly water bill. During periods of mandatory rationing, monthly and cumulative water usage greater than a Wholesale Customer's shortage allocation and the associated excess use charges will be indicated on each SFPUC monthly water bill.

4.3. Suburban Excess Use Charge Payments. An annual reconciliation will be made of monthly excess use charges according to the calendar in Section 6. Annual excess use charges will be calculated by comparing total annual purchases for each Wholesale Customer with its annual shortage allocation (as adjusted for transfers of shortage allocations and banked water, if any). Excess use charge payments by those Wholesale Customers with net excess use will be paid according to the calendar in Section 6. The SFPUC may dedicate excess use charges paid by Wholesale Customers toward the purchase of water from the State Drought Water Bank or other willing sellers in order to provide additional water to the Wholesale Customers. Excess use charges paid by the Wholesale Customers constitute Wholesale Customer revenue and shall be included within the SFPUC's annual Wholesale Revenue Requirement calculation.

4.4. Tier 1 Family Plan. During periods of mandatory rationing, the SFPUC will not assess excess use charges on any of the Wholesale Customers if the Wholesale Customers' collective cumulative purchases over the course of the Supply Year are less than the Wholesale Customers' Tier 1 allocation, as set forth in Section 2.1. If the Wholesale Customers' collective cumulative purchases exceed the Wholesale Customers' Tier 1 allocation, the SFPUC shall assess excess use charges on each individual Wholesale Customer that exceeded its individual Tier 2 allocation (established in accordance with Section 2.2) over the course of the Supply Year in proportion to each individual Wholesale Customer's share of the collective Wholesale Customers' purchases that exceeded the Wholesale Customers' Tier 1 allocation.

SECTION 5. GENERAL PROVISIONS GOVERNING WATER SHORTAGE ALLOCATION PLAN

5.1. Construction of Terms. This Plan is for the sole benefit of the parties and shall not be construed as granting rights to any person other than the parties or imposing obligations on a party to any person other than another party.

5.2. Governing Law. This Plan is made under and shall be governed by the laws of the State of California.

5.3. Effect on Agreement. This Plan describes the method for allocating water between the SFPUC and the collective Wholesale Customers during system-wide water shortages of 20 percent or less. This Plan also provides for the SFPUC to allocate water among the Wholesale Customers in accordance with directions provided by the Wholesale Customers through BAWSCA under Section 2.2, and to implement a program by which such allocations may be voluntarily transferred among the Wholesale Customers. The provisions of this Plan are intended to implement Section 3.11(C) of the Agreement and do not affect, change or modify any other section, term or condition of the Agreement.

5.4. Inapplicability of Plan to Allocation of SFPUC System Water During Non-Shortage Periods. The SFPUC's agreement in this Plan to a respective share of SFPUC system water during years of shortage shall not be construed to provide a basis for the allocation of water between the SFPUC and the Wholesale Customers when no water shortage emergency exists.

5.5. Termination. This Plan shall expire at the end of the Term of the Agreement~~..~~. The SFPUC and the Wholesale Customers can mutually agree to revise or terminate this Plan prior to that date due to changes in the water delivery capability of the SFPUC system, the acquisition of new water supplies, and other factors affecting the availability of water from the SFPUC system during times of shortage.

SECTION 5. ALLOCATION CALENDAR

6.1. Annual Schedule. The annual schedule for the shortage allocation process is shown below. This schedule may be changed by the SFPUC to facilitate implementation.

6.1.1

In All Years	Target Dates
1. SFPUC delivers list of annual purchases by each Wholesale Customer during the immediately preceding Supply Year	November 1
2. SFPUC meets with the Wholesale Customers and presents water supply forecast for the following Supply Year	February
3. SFPUC issues initial estimate of available water supply	February 1
4. SFPUC announces potential first year of drought (if applicable)	February 1
5. SFPUC and Wholesale Customers meet upon request to exchange information concerning water availability and projected system-wide purchases	February 1-May 31
6. SFPUC issues revised estimate of available water supply, and confirms continued potential shortage conditions, if applicable	March 1
7. SFPUC issues final estimate of available water supply	April 15 th or sooner if adequate snow course measurement data is available to form a robust estimate on available water supply for the coming year.
8. SFPUC determines amount of water available to Wholesale Customers collectively	April 15 th or sooner if adequate snow course measurement data is available to form a robust estimate on available water

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supply for the coming year.

In Drought Years	Target Dates
9. SFPUC formally declares the existence of water shortage emergency (or end of water shortage emergency, if applicable) under Water Code Sections 350 et. seq.	April 15-30
10. SFPUC declares the need for a voluntary or mandatory response	April 15-30
11. BAWSCA submits calculation to SFPUC of individual Wholesale Customers' percentage shares of water allocated to Wholesale Customers collectively	April 15- 30
12. SFPUC determines individual shortage allocations, based on BAWSCA's submittal of individual agency percentage shares to SFPUC, and monthly water budgets (Default Schedule)	April 25—May 10
13. Wholesale Customers submit alternative monthly water budgets (optional)	May 8-May 24
14. Final drought shortage allocations are issued for the Supply Year beginning July 1 through June 30	June 1
15. Monthly water budgets become effective	July 1
16. Excess use charges indicated on monthly Suburban bills	August 1 (of the beginning year) through June 30 (of the succeeding year)
17. Excess use charges paid by Wholesale Customers for prior year	August of the succeeding year

3.07. Restrictions on Purchases of Water from Others; Minimum Annual Purchases

A. Each Wholesale Customer (except for Alameda County Water District and the cities of Milpitas, Mountain View and Sunnyvale) agrees that it will not contract for, purchase or receive, with or without compensation, directly or indirectly, from any person, corporation, governmental agency or other entity, any water for delivery or use within its service area without the prior written consent of San Francisco.

B. The prohibition in subsection A does not apply to:

1. recycled water;
2. water necessary on an emergency and temporary basis, provided that the Wholesale Customer promptly gives San Francisco notice of the nature of the emergency, the amount of water that has been or is to be purchased, and the expected duration of the emergency; or
3. water in excess of a Wholesale Customer's Individual Supply Guarantee.

C. Minimum Annual Purchase Quantities. Alameda County Water District and the cities of Milpitas, Mountain View and Sunnyvale may purchase water from sources other than San Francisco, provided that San Francisco shall require that each purchase a minimum annual quantity of water from San Francisco. These Minimum Annual Purchase Quantities are set out in Attachment E and shall also be included in the Individual Water Sales Contracts between San Francisco and each of these four Wholesale Customers (collectively referred to as the Original Minimum Purchase Customers). Pursuant to Section 3.04, certain Wholesale Customers may also be required to purchase Temporary Modified Minimum Annual Purchase Quantities, set out in Attachment E-1, from San Francisco. Attachment E will be updated pursuant to Section 3.04 to reflect any reduction in existing Minimum Annual Purchase Quantities and any addition of new Minimum Annual Purchase Quantities when Temporary Modified Minimum Annual Purchase Quantities expire and are removed from Attachment E-1; Individual Water Sales Contracts between San Francisco and any Wholesale Customers who are participants in a transfer under Section 3.04 will similarly be amended, as necessary.

1. Annual Notice. After the end of each fiscal year, the SFPUC will send a written notice to each Wholesale Customer with a Minimum Annual Purchase Quantity, or a Temporary Modified Minimum Annual Purchase Quantity with a copy to BAWSCA. The notice will include:

- (a) the quantity of water delivered to each of those Wholesale Customers individually and all of the Original Minimum Purchase Customers collectively during the previous fiscal year;
- (b) each Wholesale Customer's individual Minimum Annual Purchase Quantity or Temporary Modified Minimum Annual Purchase Quantity (as adjusted for a Rebound Year, if applicable, under Section 3.07.C.2);
- (c) whether or not each Wholesale Customer met its individual Minimum Annual Purchase Quantity or Temporary Modified Minimum Annual Purchase Quantity (as adjusted for a Rebound Year, if applicable);
- (d) whether or not the Original Minimum Purchase Customers collectively purchased a volume of water from San Francisco that is equal to or greater than the sum of their four Minimum Annual Purchase Quantities (as adjusted for a Rebound Year, if applicable);
- (e) any Imputed Sales charged to the Wholesale Customers; and
- (f) the status of any Temporary Modified Minimum Annual Purchase Quantities of the Wholesale Customers.

2. Waiver and Rebound Year. The minimum annual purchase requirements set out in Attachments E and E-1 will be waived during a Drought or other period of water shortage if the water San Francisco makes available to these Wholesale Customers is less than their Minimum Annual Purchase Quantities or Temporary Modified Minimum Annual Purchase Quantities, and may be waived during a state of emergency declared by the Governor of California that impacts water supply use or deliveries from the Regional Water System. Once the waiver is no longer in effect, each of the minimum annual purchase requirements set out in Attachments E and E-1 shall be temporarily set, for one full fiscal year (referred to as the Rebound Year), to the midpoint between (1) the Wholesale Customer's actual San Francisco purchases for the final year in which the waiver was in effect, up to a maximum of the Customer's Minimum Annual Purchase Quantity or Temporary Modified Minimum Annual Purchase Quantity, and (2) the Wholesale Customer's Minimum Annual Purchase Quantity or Temporary Modified Minimum Annual Purchase Quantity set out in Attachment E or Attachment E-1, as applicable. Any fiscal year in which a Wholesale Customer meets its Rebound Year-adjusted Temporary Modified Minimum Annual Purchase Quantity, but not its standard Temporary Modified Minimum Annual Purchase Quantity, will not count as a fiscal year in which the Wholesale Customer has met or exceeded its Temporary Modified Minimum Purchase Quantity for the purposes of Section 3.04.C(4)(a).

D. Minimum Annual Purchase Quantity Reset. As shown on Attachment E, in Fiscal

Year 2025-26, the Parties reset the then-existing Minimum Annual Purchase Quantities of the Original Minimum Purchase Customers to 80% of the average San Francisco purchases of each Customer over the four most recent non-drought years preceding Fiscal Year 2024-25, effective for Fiscal Year 2024-25. If the Parties extend the Term of this Agreement beyond June 30, 2034 pursuant to Section 2.02, the Parties will review the Minimum Annual Purchase Quantities of the Original Minimum Purchase Customers again ten years after the Fiscal Year 2025-26 reset. If the Original Minimum Purchase Customers, or San Francisco, want to propose a reset of the Minimum Annual Purchase Quantities for Fiscal Year 2035-36, they will provide written notice on or before June 30, 2034. The Parties will meet and confer promptly to evaluate written reset proposals. By November 30, 2035, if the Parties have come to an agreement, the SFPUC will calculate the revised Minimum Annual Purchase Quantities based on the agreed upon methodology and provide written notice to the Original Minimum Purchase Customers and BAWSCA. The Original Minimum Purchase Customers will have at least 15 business days to review and meet and confer with the SFPUC with any questions or concerns before the revised quantities are finalized. If the Parties are unable to come to an agreement, the then-existing Minimum Annual Purchase Quantities will remain unchanged. Any changes to the Minimum Annual Purchase Quantities under this Section 3.07.D will be reflected in a revised Attachment E approved with the written concurrence of San Francisco and BAWSCA in accordance with Section 2.03.C. The Parties intend to include a continuing, periodic review of the Minimum Annual Purchase Quantities on a ten-year schedule in the successor to this Agreement.

E. Collective Minimum Annual Purchase Quantities Considered Before Application of Imputed Sales. Imputed Sales will not apply to any of the individual Original Minimum Purchase Customers in a particular fiscal year if those Customers have collectively purchased a volume of water from San Francisco that is equal to or greater than the sum of their four Minimum Annual Purchase Quantities shown in Attachment E (or adjusted for a Rebound Year pursuant to Section 3.07.C.2, if applicable). If the Original Minimum Purchase Customers do not collectively purchase that sum, any Original Minimum Purchase Customer that has not met its standard or Rebound Year-adjusted Minimum Annual Purchase Quantity will be responsible for Imputed Sales proportional to its share of the difference between that sum and the Original Minimum Purchase Customers' total purchases from San Francisco. Examples of this calculation are contained in Attachment E-3.

Proposed 2025 Amended and Restated Water Supply Agreement: Sections 2.03, 3.09, and 9.07, and Attachment A Definitions.

2.03. Amendments.

C. Amendments to Attachments. The following attachments may be amended with the written concurrence of San Francisco and BAWSCA on behalf of the Wholesale Customers:

<u>Attachment</u>	<u>Name</u>
C	Individual Supply Guarantees (amendments reflecting Section 3.04 transfers only)
E	Minimum Annual Purchase Quantities (amendments reflecting Section 3.04 transfers and Section 3.07 resets only)
E-1	Temporary Modified Minimum Annual Purchase Quantities
G	Water Quality Notification and Communications Plan (as may be amended)
J	Water Use Measurement and Tabulation
L-1	Identification of WSIP Projects as Regional/Retail
N-1	Balancing Account/Rate Setting Calculation Table
N-2	Wholesale Revenue Requirement Schedules
N-3	Schedule of Projected Water Sales, Wholesale Revenue Requirement and Wholesale Rates
P	Management Representation Letter
R	Classification of Existing System Assets (subject to Section 5.11)

Amendments to these attachments shall be approved on behalf of San Francisco by the Commission and on behalf of BAWSCA by its Board of Directors, unless the Commission by resolution delegates such authority to the General Manager of the SFPUC or the Board of Directors by resolution delegates such authority to the General Manager/CEO of BAWSCA.

3.09. Completion of WSIP

San Francisco will complete construction of the physical facilities in the WSIP by June 30, 2032. The SFPUC agrees to provide for full public review and comment by local and state interests of any proposed changes that delay previously adopted project completion dates or that delete projects. The SFPUC shall meet and consult with BAWSCA before proposing to the Commission any changes in the scope of WSIP projects which reduce their capacity or ability to achieve adopted Level of Service Goals and Objectives. The SFPUC retains discretion to determine whether to approve the physical facilities in the WSIP until after it completes the CEQA process as set forth in Section 4.07.

9.07. City of Brisbane, Guadalupe Valley Municipal Improvement District, Town of Hillsborough

A. The parties acknowledge that San Francisco has heretofore provided certain quantities of water to the City of Brisbane ("Brisbane"), Guadalupe Valley Municipal Improvement District ("Guadalupe") and the Town of Hillsborough ("Hillsborough") at specified rates or without charge pursuant to obligations arising out of agreements between the predecessors of San Francisco and these parties, which agreements are referred to in judicial orders, resolutions of the SFPUC and/or the 1960 contracts between San Francisco and Brisbane, Guadalupe and Hillsborough. The parties intend to continue those arrangements and accordingly agree as follows:

1. Nothing in this Agreement is intended to alter, amend or modify the terms of SFPUC Resolution No. 74-0053 or the indenture of July 18, 1908 between the Guadalupe Development Company and the Spring Valley Water Company.

2. Nothing in this Agreement is intended to alter, amend or modify the Findings of Fact and Conclusions of Law and Judgment dated May 25, 1961 in that certain action entitled City and County of San Francisco v. Town of Hillsborough in the Superior Court of the State of California in and for the County of Marin, No. 23282, as modified by the Satisfaction of Judgment filed October 23, 1961 and the Compromise and Release between Hillsborough and San Francisco dated August 22, 1961. The rights and obligations of Hillsborough under these documents shall continue as therein set forth.

3. Nothing in this Agreement is intended to affect or prejudice any claims, rights or remedies of Guadalupe or of Crocker Estate Company, a corporation, or of Crocker

Land Company, a corporation, or of San Francisco, or of their successors and assigns, respectively, with respect to or arising out of that certain deed dated May 22, 1884, from Charles Crocker to Spring Valley Water Works, a corporation, recorded on May 24, 1884, in Book 37 of Deeds at page 356, Records of San Mateo County, California, as amended by that certain Deed of Exchange of Easements in Real Property and Agreement for Trade in Connection Therewith, dated July 29, 1954, recorded on August 4, 1954, in Book 2628, at page 298, Official Records of said San Mateo County, or with respect to or arising out of that certain action involving the validity or enforceability of certain provisions of said deed entitled City and County of San Francisco v. Crocker Estate Company, in the Superior Court of the State of California in and for the County of Marin, No. 23281.

Attachment A - Definitions

“Imputed Sales” apply when a Wholesale Customer does not meet the minimum annual purchase requirements of Section 3.07.C, as shown on Attachment E and Attachment E-1, except in fiscal years in which a waiver of these requirements is in effect. Imputed Sales are calculated as the difference between (1) a Wholesale Customer’s metered water purchases during a fiscal year, from July 1 to June 30, and (2) the larger of (a) or (b) as follows: (a) the Wholesale Customer’s Minimum Annual Purchase Quantity, as specified in Attachment E and may be adjusted pursuant to Section 3.07.C.2, or (b) the Wholesale Customer’s Temporary Modified Minimum Annual Purchase Quantity, as specified in Attachment E-1 and may be adjusted pursuant to Section 3.07.C.2. If a Wholesale Customer has more than one Temporary Modified Minimum Annual Purchase Quantity, the largest quantity is used for calculating Imputed Sales. Imputed Sales are considered wholesale water usage for the purposes of calculating the Proportional Annual Use, and any fees charged for Imputed Sales are considered wholesale revenues.

“Level of Service Goals and Objectives” refers to the “Phased WSIP Goals and Objectives” adopted by the Commission in Resolution No. 08-0200 dated October 30, 2008 as part of the approval of the WSIP, as updated and expanded by the “2023 Amended and Updated Water Enterprise Level of Service Goals and Objectives,” adopted by the Commission in Resolution No. 23-0210 dated November 28, 2023, and any amendments that may be adopted by the Commission.

ATTACHMENT E

MINIMUM ANNUAL PURCHASE QUANTITIES

(Section 3.07.C)

AGENCY	MINIMUM ANNUAL PURCHASE QUANTITY (IN MGD) ¹
Alameda County Water District	6.682
City of Milpitas	4.371
City of Mountain View	6.047
City of Sunnyvale	7.412

¹ In Fiscal Year (FY) 2025-26, the then-existing Minimum Annual Purchase Quantities for Alameda County Water District and the Cities of Milpitas, Mountain View, and Sunnyvale were reset to 80% of each of those four customers' average San Francisco purchases over the four non-drought years preceding FY 2024-25 (FY 2017-18, FY 2018-19, FY 2019-20, and FY 2020-21), effective FY 2024-25. Prior to this reset, from the effective date of this Agreement (July 1, 2009) through FY 2023-24, those four customers had the following Minimum Annual Purchase Quantities:

1. Alameda County Water District: 7.648 MGD
2. City of Milpitas: 5.341 MGD
3. City of Mountain View: 8.930 MGD
4. City of Sunnyvale: 8.930 MGD

ATTACHMENT E-3

ATTACHMENT E-3

Illustrations of Imputed Sales Considering Collective Regional Water System Use by Original Minimum Purchase Customers Compared to Sum of Minimum Annual Purchase Quantities Pursuant to Section 3.07.E

Scenario 1: Collective Purchases Equal to or Greater Than Sum of MAPQs¹ (No Imputed Sales)²

Line #	Wholesale Customer	A	B	C	D	$E = (D[\text{LINE \#}] / D5) \times (B5 - A5)$
		MAPQ	RWS ³ Use (mgd)	RWS Over MAPQ (mgd)	RWS Under MAPQ (mgd)	Proportion of Use Under Total MAPQ (mgd)
1	Alameda County Water District	6.682	7.682	1.00		N/A
2	City of Milpitas	4.371	3.871		-0.50	N/A
3	City of Mountain View	6.047	5.047		-1.00	N/A
4	City of Sunnyvale	7.412	7.912	0.50		N/A
5	Total	24.512	24.512	1.50	-1.50	N/A

Scenario 2: Collective Purchases Less Than Sum of MAPQs (by 1.0 mgd) (Imputed Sales)⁴

Line #	Wholesale Customer	A	B	C	D	$E = (D[\text{LINE \#}] / D5) \times (B5 - A5)$
		MAPQ	RWS Use (mgd)	RWS Over MAPQ (mgd)	RWS Under MAPQ (mgd)	Proportion of Use Under Total MAPQ (mgd)
1	Alameda County Water District	6.682	7.182	0.50		N/A
2	City of Milpitas	4.371	3.871		-0.50	-0.25
3	City of Mountain View	6.047	4.547		-1.50	-0.75
4	City of Sunnyvale	7.412	7.912	0.50		N/A
5	Total	24.512	23.512	1.00	-2.00	-1.0

¹ Minimum Annual Purchase Quantity (MAPQ)

² In Scenario 1, the Original Minimum Purchase Customers' collective purchases from San Francisco in a particular fiscal year (Line 5B) are equal to the sum of their Minimum Annual Purchase Quantities (Line 5A). Therefore, no Imputed Sales are applied to individual Original Minimum Purchase Customers that purchased less than their individual Minimum Annual Purchase Quantities (in this scenario, Milpitas and Mountain View).

³ Regional Water System (RWS)

⁴ In Scenario 2, the Original Minimum Purchase Customers' collective purchases from San Francisco in a particular fiscal year (Line 5B) are 1.0 mgd less than the sum of their Minimum Annual Purchase Quantities (Line 5A). Therefore, Imputed Sales are applied proportionally to any individual Original Minimum Purchase Customer that purchased less than its individual Minimum Annual Purchase Quantity (in this scenario, Milpitas and Mountain View), so that customer is responsible for its share of the difference between the sum of all Minimum Annual Purchase Quantities (Line 5A) and the collective amount of RWS use (Line 5B). In this scenario, Mountain View is responsible for 75% and Milpitas is responsible for 25% of the 1.0 mgd difference between Line 5A and Line 5B.

Scenario 3: Collective Purchases Equal to or Greater Than Sum of MAPQs – with Rebound Year-Adjusted MAPQs (No Imputed Sales)⁵

Line #	Wholesale Customer	A	B	C = A - ((A[LINE #] - B[LINE #]) / 2)	D	E	F	G = (F[LINE #] / F5) × (D5 - C5)
		MAPQ	RWS Use in Waiver's Final Year	Rebound Year-Adjusted MAPQ	RWS Use (mgd)	RWS Over Rebound Year- Adjusted MAPQ (mgd)	RWS Under Rebound Year- Adjusted MAPQ (mgd)	Proportion of Use Under Total Rebound Year-Adjusted MAPQ (mgd)
1	Alameda County Water District	6.682	5.682	6.182	7.512	1.33		N/A
2	City of Milpitas	4.371	3.371	3.871	3.591		-0.28	N/A
3	City of Mountain View	6.047	5.047	5.547	4.847		-0.70	N/A
4	City of Sunnyvale	7.412	6.412	6.912	7.782	0.87		N/A
5	Total	24.512	20.512	22.512	23.732	2.20	-0.98	N/A

⁵ In Scenario 3, the Original Minimum Purchase Customers' collective purchases from San Francisco in a particular fiscal year (Line 5D) are greater than the sum of their Rebound Year-adjusted Minimum Annual Purchase Quantities that are currently in effect pursuant to Section 3.07.C.2 (Line 5C). Therefore, no Imputed Sales are applied to individual Original Minimum Purchase Customers that purchased less than their individual Rebound Year-adjusted Minimum Annual Purchase Quantities (in this scenario, Milpitas and Mountain View).

ATTACHMENT H

WATER SHORTAGE ALLOCATION PLAN

This Water Shortage Allocation Plan (“Plan”), also known as the Tier 1 Shortage Plan, describes the method for allocating water between the San Francisco Public Utilities Commission (“SFPUC”), on the one hand, and the Wholesale Customers collectively, on the other, during shortages caused by drought. The Plan also implements a method for allocating water among the individual Wholesale Customers, known as the Tier 2 Drought Response Implementation Plan (“Tier 2 Plan”), which has separately been adopted by the Wholesale Customers and does not include the SFPUC. The Plan includes provisions for transfers, banking, and excess use charges. The Plan applies only when the SFPUC determines that a system-wide water shortage due to drought exists, and all references to “shortages” and “water shortages” are to be so understood. This Plan was initially adopted pursuant to Section 7.03(a) of the 1984 Settlement Agreement and Master Water Sales Contract and has been incorporated and updated to correspond to the terminology used in the 2009 Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County and Santa Clara County (“Agreement”), as amended and restated from time to time.

SECTION 1. SHORTAGE CONDITIONS

1.1. Projected Available SFPUC Water Supply. The SFPUC shall make an annual determination as to whether or not a shortage condition exists. The determination of projected available water supply shall consider, among other things, stored water, projected runoff, water acquired by the SFPUC from non-SFPUC sources, inactive storage, reservoir losses, allowance for carryover storage, and water bank balances, if any, described in Section 3.

1.2 Projected SFPUC Customer Purchases. The SFPUC will utilize purchase data, including volumes of water purchased by the Wholesale Customers and by Retail Customers (as those terms are used in the Agreement) in the year immediately prior to the drought, along with other available relevant information, as a basis for determining projected system-wide water purchases from the SFPUC for the upcoming Supply Year (defined as the period from July 1 through June 30).

1.3. Shortage Conditions. The SFPUC will compare the projected available water supply (Section 1.1) with projected system-wide water purchases (Section 1.2). A shortage condition exists if the SFPUC determines that the projected available water supply is less than projected system-wide water purchases in the upcoming Supply Year. When a shortage condition exists, SFPUC will determine whether voluntary or mandatory actions will be required to reduce purchases of SFPUC water to required levels.

1.3.1 Voluntary Response. If the SFPUC determines that voluntary actions will be sufficient to accomplish the necessary reduction in water use throughout its service area, the SFPUC and the Wholesale Customers will make good faith efforts to reduce their water purchases to stay within their annual Tier 1 and Tier 2 allocations as applicable (see Section 2 of this Attachment H) and associated monthly water use budgets. The SFPUC will not impose excess use charges during periods of voluntary rationing, but may suspend the prospective accumulation of water bank credits, or impose a ceiling on further accumulation of bank credits, consistent with Section 3.2.1 of this Plan.

1.3.2 Mandatory Response. If the SFPUC determines that mandatory actions will be required to accomplish the necessary reduction in water use in the SFPUC service area, the SFPUC may implement excess use charges as set forth in Section 4 of this Plan.

1.4. Period of Shortage. A shortage period commences when the SFPUC determines that a water shortage exists, as set forth in a declaration of water shortage emergency issued by the SFPUC pursuant to

California Water Code Sections 350 et seq. Termination of the water shortage emergency will be declared by resolution of the SFPUC.

SECTION 2. SHORTAGE ALLOCATIONS

2.1. Annual Tier 1 Allocations between the SFPUC and the Wholesale Customers. The annual water supply available during shortages will be allocated between the SFPUC and the collective Wholesale Customers as follows:

Level of System Wide Reduction in Water Use Required	Share of Available Water	
	SFPUC Share	Wholesale Customers Share
5% or less	35.5%	64.5%
6% through 10%	36.0%	64.0%
11% through 15%	37.0%	63.0%
16% through 20%	37.5%	62.5%

This Plan refers to the SFPUC's and Wholesale Customers' respective shares of available water so established as the SFPUC's and Wholesale Customers' Tier 1 allocations. The water allocated to the SFPUC shall correspond to the total allocation for all Retail Customers. In the event that the SFPUC share of the available water supply in the above table results in Retail Customers having a positive allocation (i.e., a supply of additional water rather than a required percentage reduction in water use), the SFPUC's percentage share of the available water supply in the table shall be reduced to eliminate any positive allocation to Retail Customers, with a corresponding increase in the percentage share of the available water supply allocated to the Wholesale Customers. For any level of required reduction in system-wide water use during shortages, the SFPUC shall require Retail Customers to conserve a minimum of 5%, with any resulting reallocated supply credited to storage for inclusion in calculation of projected available water SFPUC water supply in a subsequent year (Section 1.1).

The parties agree to reevaluate the percentages of the available water supply allocated to Retail and Wholesale Customers by May 1, 2028.

2.2 Annual Tier 2 Allocations among the Wholesale Customers. The annual water supply allocated to the Wholesale Customers collectively during system wide shortages of 20 percent or less (i.e., the Wholesale Customers' Tier 1 allocation) will be apportioned among them based on a methodology, known as the Tier 2 Plan, that has been separately adopted by all of the Wholesale Customers, and not the SFPUC, as described in Section 3.11(C) of the Agreement. In any year for which the methodology must be applied, the Bay Area Water Supply and Conservation Agency ("BAWSCA") will calculate each Wholesale Customer's individual percentage share of the amount of water allocated to the Wholesale Customers collectively pursuant to Section 2.1. Following the declaration or reconfirmation of a water shortage emergency by the SFPUC, BAWSCA will deliver to the SFPUC General Manager a list, signed by the President of BAWSCA's Board of Directors and its General Manager, showing each Wholesale Customer together with its percentage share and stating that the list has been prepared in accordance with the methodology adopted by the Wholesale Customers. The SFPUC shall allocate water to each Wholesale Customer, as specified in the list. The shortage allocations so established (known as Tier 2 allocations) may be transferred as provided in Section 2.5 of this Plan. If BAWSCA or all Wholesale Customers do not provide the SFPUC with individual allocations, the SFPUC may make a final allocation decision after first meeting and discussing allocations with BAWSCA and the Wholesale Customers.

The Tier 2 Plan methodology adopted by the Wholesale Customers utilizes the rolling average of each individual Wholesale Customer's purchases from the SFPUC during the three immediately preceding Supply Years. The SFPUC agrees to provide BAWSCA by November 1 of each year a list showing the amount of water purchased by each Wholesale Customer during the immediately preceding Supply Year. The list will be prepared using Customer Service Bureau report MGT440 (or comparable official record in use at the time), adjusted as required for any reporting errors or omissions, and will be transmitted by the SFPUC General Manager or his designee.

2.3. Limited Applicability of Plan to System Wide Shortages Greater Than Twenty Percent. The Tier 1 allocations of water between the SFPUC and the Wholesale Customers collectively, provided for in Section 2.1, apply only to shortages of 20 percent or less. The SFPUC and Wholesale Customers recognize the possibility of a drought occurring which could create system-wide shortages greater than 20 percent despite actions taken by the SFPUC aimed at reducing the probability and severity of water shortages in the SFPUC service area. If the SFPUC determines that a system wide water shortage greater than 20 percent exists, the SFPUC and the Wholesale Customers agree to meet within 10 days and discuss whether a change is required to the allocation set forth in Section 2.1 in order to mitigate undue hardships that might otherwise be experienced by individual Wholesale Customers or Retail Customers. Following these discussions, the Tier 1 allocations set forth in Section 2.1 of this Plan, or a modified version thereof, may be adopted by mutual written consent of the SFPUC and the Wholesale Customers. If the SFPUC and Wholesale Customers meet and cannot agree on an appropriate Tier 1 allocation within 30 days of the SFPUC's determination of water shortage greater than 20 percent, then (1) the provisions of Section 3.11(C) of the Agreement will apply, unless (2) all of the Wholesale Customers direct in writing that a Tier 2 allocation methodology agreed to by them be used to apportion the water to be made available to the Wholesale Customers collectively, in lieu of the provisions of Section 3.11(C).

The provisions of this Plan relating to transfers (in Section 2.5), banking (in Section 3), and excess use charges (in Section 4) shall continue to apply during system-wide shortages greater than 20 percent.

2.4. Monthly Water Budgets. Within 10 days after adopting a declaration of water shortage emergency, the SFPUC will determine the amount of Tier 1 water allocated to the Wholesale Customers collectively pursuant to Section 2.1. The SFPUC General Manager, using the Tier 2 allocation percentages shown on the list delivered by BAWSCA pursuant to Section 2.2, will calculate each Wholesale Customer's individual annual Tier 2 allocation. The SFPUC General Manager, or his designee, will then provide each Wholesale Customer with a proposed schedule of monthly water budgets based on the pattern of monthly water purchases during the Supply Year immediately preceding the declaration of shortage (the "Default Schedule"). Each Wholesale Customer may, within two weeks of receiving its Default Schedule, provide the SFPUC with an alternative monthly water budget that reschedules its annual Tier 2 allocation over the course of the succeeding Supply Year. If a Wholesale Customer does not deliver an alternative monthly water budget to the SFPUC within two weeks of its receipt of the Default Schedule, then its monthly budget for the ensuing Supply Year shall be the Default Schedule proposed by the SFPUC.

Monthly Wholesale Customer water budgets will be derived from annual Tier 2 allocations for purposes of accounting for excess use. Monthly Wholesale Customer water budgets shall be adjusted during the year to account for transfers of shortage allocation under Section 2.5 and transfers of banked water under Section 3.4.

2.5. Transfers of Shortage Allocations. Voluntary transfers of shortage allocations between the SFPUC and any Wholesale Customers, and between any Wholesale Customers, will be permitted using the same procedure as that for transfers of banked water set forth in Section 3.4. The SFPUC and BAWSCA shall be notified of each transfer. Transfers of shortage allocations shall be deemed to be an emergency transfer and shall become effective on the third business day after notice of the transfer has been delivered to the SFPUC. Transfers of shortage allocations shall be in compliance with Section 3.05 of the

Agreement. The transferring parties will meet with the SFPUC, if requested, to discuss any effect the transfer may have on its operations.

SECTION 3. SHORTAGE WATER BANKING

3.1. Water Bank Accounts. The SFPUC shall create a water bank account for itself and each Wholesale Customer during shortages in conjunction with its resale customer billing process. Bank accounts will account for amounts of water that are either saved or used in excess of the shortage allocation for each agency; the accounts are not used for tracking billings and payments. When a shortage period is in effect (as defined in Section 1.4), the following provisions for bank credits, debits, and transfers shall be in force. A statement of bank balance for each Wholesale Customer will be included with the SFPUC's monthly water bills.

3.2. Bank Account Credits. Each month, monthly purchases will be compared to the monthly budget for that month. Any unused shortage allocation by an agency will be credited to that agency's water bank account. Credits will accumulate during the entire shortage period, subject to potential restrictions imposed pursuant to Section 3.2.1. Credits remaining at the end of the shortage period will be zeroed out; no financial or other credit shall be granted for banked water.

3.2.1. Maximum Balances. The SFPUC may suspend the prospective accumulation of credits in all accounts. Alternatively, the SFPUC may impose a ceiling on further accumulation of credits in water bank balances based on a uniform ratio of the bank balance to the annual water allocation. In making a decision to suspend the prospective accumulation of water bank credits, the SFPUC shall consider the available water supply as set forth in Section 1.1 of this Plan and other reasonable, relevant factors.

3.3. Account Debits. Each month, monthly purchases will be compared to the budget for that month. Purchases in excess of monthly budgets will be debited against an agency's water bank account. Bank debits remaining at the end of the fiscal year will be subject to excess use charges (see Section 4).

3.4. Transfers of Banked Water. In addition to the transfers of shortage allocations provided for in Section 2.5, voluntary transfers of banked water will also be permitted between the SFPUC and any Wholesale Customer, and among the Wholesale Customers. The volume of transferred water will be credited to the transferee's water bank account and debited against the transferor's water bank account. The transferring parties must notify the SFPUC and BAWSCA of each transfer in writing (so that adjustments can be made to bank accounts), and will meet with the SFPUC, if requested, to discuss any affect the transfer may have on SFPUC operations. Transfers of banked water shall be deemed to be an emergency transfer and shall become effective on the third business day after notice of the transfer has been delivered to the SFPUC. If the SFPUC incurs extraordinary costs in implementing transfers, it will give written notice to the transferring parties within ten (10) business days after receipt of notice of the transfer. Extraordinary costs means additional costs directly attributable to accommodating transfers and which are not incurred in non-drought years nor simply as a result of the shortage condition itself. Extraordinary costs shall be calculated in accordance with the procedures in the Agreement and shall be subject to the disclosure and auditing requirements in the Agreement. In the case of transfers between Wholesale Customers, such extraordinary costs shall be considered to be expenses chargeable solely to individual Wholesale Customers and shall be borne equally by the parties to the transfer. In the case of transfers between the SFPUC and a Wholesale Customer, the SFPUC's share of any extraordinary transfer costs shall not be added to the Wholesale Revenue Requirement.

3.4.1. Transfer Limitations. The agency transferring banked water will be allowed to transfer no more than the accumulated balance in its bank. Transfers of estimated prospective banked credits and the "overdrafting" of accounts shall not be permitted. The price of transfer water originally derived from the SFPUC system is to be determined by the transferring parties and is not specified herein. Transfers of banked water shall be in compliance with Section 3.05 of the Agreement.

SECTION 4. WHOLESALE EXCESS USE CHARGES

4.1. Amount of Excess Use Charges. Monthly excess use charges shall be determined by the SFPUC at the time of the declared water shortage consistent with the calendar in Section 6 and in accordance with Section 6.03 of the Agreement. The excess use charges will be in the form of multipliers applied to the rate in effect at the time the excess use occurs. The same excess use charge multipliers shall apply to the Wholesale Customers and all Retail Customers. The excess use charge multipliers apply only to the charges for water delivered at the rate in effect at the time the excess use occurred.

4.2 Monitoring Suburban Water Use. During periods of voluntary rationing, water usage greater than a customer's allocation (as determined in Section 2) will be indicated on each SFPUC monthly water bill. During periods of mandatory rationing, monthly and cumulative water usage greater than a Wholesale Customer's shortage allocation and the associated excess use charges will be indicated on each SFPUC monthly water bill.

4.3. Suburban Excess Use Charge Payments. An annual reconciliation will be made of monthly excess use charges according to the calendar in Section 6. Annual excess use charges will be calculated by comparing total annual purchases for each Wholesale Customer with its annual shortage allocation (as adjusted for transfers of shortage allocations and banked water, if any). Excess use charge payments by those Wholesale Customers with net excess use will be paid according to the calendar in Section 6. The SFPUC may dedicate excess use charges paid by Wholesale Customers toward the purchase of water from the State Drought Water Bank or other willing sellers in order to provide additional water to the Wholesale Customers. Excess use charges paid by the Wholesale Customers constitute Wholesale Customer revenue and shall be included within the SFPUC's annual Wholesale Revenue Requirement calculation.

4.4. Tier 1 Family Plan. During periods of mandatory rationing, the SFPUC will not assess excess use charges on any of the Wholesale Customers if the Wholesale Customers' collective cumulative purchases over the course of the Supply Year are less than the Wholesale Customers' Tier 1 allocation, as set forth in Section 2.1. If the Wholesale Customers' collective cumulative purchases exceed the Wholesale Customers' Tier 1 allocation, the SFPUC shall assess excess use charges on each individual Wholesale Customer that exceeded its individual Tier 2 allocation (established in accordance with Section 2.2) over the course of the Supply Year in proportion to each individual Wholesale Customer's share of the collective Wholesale Customers' purchases that exceeded the Wholesale Customers' Tier 1 allocation.

SECTION 5. GENERAL PROVISIONS GOVERNING WATER SHORTAGE ALLOCATION PLAN

5.1. Construction of Terms. This Plan is for the sole benefit of the parties and shall not be construed as granting rights to any person other than the parties or imposing obligations on a party to any person other than another party.

5.2. Governing Law. This Plan is made under and shall be governed by the laws of the State of California.

5.3. Effect on Agreement. This Plan describes the method for allocating water between the SFPUC and the collective Wholesale Customers during system-wide water shortages of 20 percent or less. This Plan also provides for the SFPUC to allocate water among the Wholesale Customers in accordance with directions provided by the Wholesale Customers through BAWSCA under Section 2.2, and to implement a program by which such allocations may be voluntarily transferred among the Wholesale Customers. The provisions of this Plan are intended to implement Section 3.11(C) of the Agreement and do not affect, change or modify any other section, term or condition of the Agreement.

5.4. Inapplicability of Plan to Allocation of SFPUC System Water During Non-Shortage Periods.

The SFPUC's agreement in this Plan to a respective share of SFPUC system water during years of shortage shall not be construed to provide a basis for the allocation of water between the SFPUC and the Wholesale Customers when no water shortage emergency exists.

5.5. Termination. This Plan shall expire at the end of the Term of the Agreement. The SFPUC and the Wholesale Customers can mutually agree to revise or terminate this Plan prior to that date due to changes in the water delivery capability of the SFPUC system, the acquisition of new water supplies, and other factors affecting the availability of water from the SFPUC system during times of shortage.

SECTION 6. ALLOCATION CALENDAR

6.1. Annual Schedule. The annual schedule for the shortage allocation process is shown below. This schedule may be changed by the SFPUC to facilitate implementation.

6.1.1

In All Years	Target Dates
1. SFPUC delivers list of annual purchases by each Wholesale Customer during the immediately preceding Supply Year	November 1
2. SFPUC meets with the Wholesale Customers and presents water supply forecast for the following Supply Year	February
3. SFPUC issues initial estimate of available water supply	February 1
4. SFPUC announces potential first year of drought (if applicable)	February 1
5. SFPUC and Wholesale Customers meet upon request to exchange information concerning water availability and projected system-wide purchases	February 1-May 31
6. SFPUC issues revised estimate of available water supply, and confirms continued potential shortage conditions, if applicable	March 1
7. SFPUC issues final estimate of available water supply	April 15 th or sooner if adequate snow course measurement data is available to form a robust estimate on available water supply for the coming year.
8. SFPUC determines amount of water available to Wholesale Customers collectively	April 15 th or sooner if adequate snow course measurement data is available to form a robust estimate on available water supply for the coming year.
In Drought Years	Target Dates
9. SFPUC formally declares the existence of water shortage emergency (or end of water shortage emergency, if applicable) under Water Code Sections 350 et. seq.	April 15-30
10. SFPUC declares the need for a voluntary or mandatory response	April 15-30
11. BAWSCA submits calculation to SFPUC of individual Wholesale Customers' percentage shares of water allocated to Wholesale Customers collectively	April 15- 30

- | | |
|---|---|
| 12. SFPUC determines individual shortage allocations, based on BAWSCA's submittal of individual agency percentage shares to SFPUC, and monthly water budgets (Default Schedule) | April 25—May 10 |
| 13. Wholesale Customers submit alternative monthly water budgets (optional) | May 8-May 24 |
| 14. Final drought shortage allocations are issued for the Supply Year beginning July 1 through June 30 | June 1 |
| 15. Monthly water budgets become effective | July 1 |
| 16. Excess use charges indicated on monthly Suburban bills | August 1 (of the beginning year) through June 30 (of the succeeding year) |
| 17. Excess use charges paid by Wholesale Customers for prior year | August of the succeeding year |

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF MILPITAS APPROVING TIER 2 DROUGHT RESPONSE IMPLEMENTATION PLAN PURSUANT TO SECTION 3.11.C OF THE AMENDED AND RESTATED WATER SUPPLY AGREEMENT

WHEREAS, the City of Milpitas is one of twenty-six (26) agencies in San Mateo, Santa Clara and Alameda Counties (Wholesale Customers) which purchase water from the City and County of San Francisco (San Francisco) pursuant to a Water Supply Agreement entered into in 2009, and recently amended in 2018, 2021 and 2025 (the Agreement or WSA). Collectively these 26 agencies are referred to in the Agreement as Wholesale Customers; and

WHEREAS, Section 3.11 of the Agreement addresses situations when insufficient water is available in the San Francisco Regional Water System (RWS) to meet the full demands of all users. Section 3.11.C provides that during periods of water shortage caused by drought, the San Francisco Public Utilities Commission (SFPUC) will allocate available water between its retail customers and the Wholesale Customers collectively, in accordance with a schedule contained in the Water Shortage Allocation Plan set forth in Attachment H to the Agreement (Tier 1 Plan); and

WHEREAS, Section 3.11.C authorizes the Wholesale Customers to adopt a Drought Allocation Plan, including a methodology for allocating the available water among the individual Wholesale Customers (Tier 2 Plan). The WSA also commits the SFPUC to honor allocations of water unanimously agreed to by all Wholesale Customers or, if unanimous agreement cannot be achieved, water allocations that have been adopted by the Board of Directors of the Bay Area Water Supply and Conservation Agency (BAWSCA). The Agreement also provides that the SFPUC can allocate water supplies as necessary during a water shortage emergency if no agreed upon plan for water allocation has been adopted by the 26 Wholesale Customers or the BAWSCA Board of Directors; and

WHEREAS, Commencing in January 2022, representatives appointed by the managers of each of the Wholesale Customers began meeting monthly to develop a set of principles to serve as guidelines for an equitable allocation methodology, and to develop formulas and procedures, in order to implement those principles. These discussions, and supporting technical analyses, have been conducted with the assistance of BAWSCA; and

WHEREAS, The Tier 2 Plan, attached to this resolution as Exhibit A, has been endorsed by all of the Wholesale Customer representatives who participated in the formulation process and they have each recommended that it be formally adopted by the governing body of their respective agencies; and

WHEREAS, The Tier 2 Plan allocates the collective Wholesale Customer share of RWS supply made available by the SFPUC among each of the 26 Wholesale Customers through December 31, 2034 and is coordinated with the term of the Agreement, and extension and renewal terms.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

2. The Tier 2 Drought Response Implementation Plan, as attached as Exhibit A (Tier 2 Plan), is approved.
3. This approval is conditioned upon all the other twenty-five Wholesale Customers approving the Tier 2 Plan, such approvals being evidenced through adoption of similar resolutions or, in the case of private-sector organizations, by other equivalently binding written commitments signed by an executive officer acting within the scope of delegated authority, and all such approvals occurring on or before December 31, 2025.
4. This approval is conditioned upon SFPUC and all of the other twenty-five Wholesale Customers approving the 2025 Amended and Restated Water Supply Agreement between San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County (2025 WSA), such approvals being evidenced through adoption of similar resolutions or, in the case of private-sector organizations, by other equivalently binding written commitments signed by an executive officer acting within the scope of delegated authority, and all such approvals occurring on or before December 31, 2025.
5. If such resolutions or binding commitments are not adopted by that date, this resolution will automatically expire and be of no further effect after December 31, 2025, unless it has been extended prior thereto by further action of this Council.

PASSED AND ADOPTED this ____ day of _____, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Suzanne Guzzetta, City Clerk

Carmen Montano, Mayor

APPROVED AS TO FORM:

Christopher Creech, Acting City Attorney

Tier 2 Drought Response Implementation Plan

Drought Shortage
Allocation Plan for the
Regional Water System
Wholesale Customers



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1. Introduction

The Tier 2 Drought Response Implementation Plan (the “Plan” or “Tier 2 Plan”) describes the method for allocating the water made available by the San Francisco Regional Water System (“RWS”) among the Wholesale Customers during shortages caused by Drought. This Plan is adopted pursuant to Section 3.11(C) of the Amended and Restated Water Supply Agreement between the City and County of San Francisco and the Wholesale Customers in Alameda, San Mateo, and Santa Clara Counties (the “WSA”).

2. Relationship to Water Supply Agreement

The WSA includes a Water Shortage Allocation Plan which, among other things, (a) provides for the allocation of available water between Retail Customers (e.g., retail water customers within the City and County of San Francisco) and the Wholesale Customers collectively during system-wide water shortages of 20 percent or less, (b) contemplates the adoption by the Wholesale Customers of this Plan for allocation of the Wholesale Customers share of available water, (c) commits the SFPUC to implement this Plan, (d) provides for banking of unused allocation, and (e) provides for the transfer of both banked water and shortage allocations between and among the Wholesale Customers and commits the SFPUC to implement such transfers. That plan is referred to as the Tier 1 Plan and is included as Attachment H to the WSA.

The Tier 1 Plan also provides the methodology for determining the Overall Average Wholesale Customer Reduction, expressed as a percentage cutback from prior year’s normal SFPUC purchases, and Overall Wholesale Customer Allocation, in million gallons per day (MGD), both of which are used in determining the final Allocation Factor for each Wholesale Customer. The Overall Average Wholesale Customer Reduction is determined by dividing the volume of water available to the Wholesale Customers (the “Overall Wholesale Customer Allocation” or “Tier 1 Allocation”), shown as a share of available water in Section 2 of the Tier 1 Plan, by the prior year’s normal total Wholesale Customers’ RWS purchases and subtracting that value from one.

3. Development Process

Between January 2022 and June 2024, Bay Area Water Supply and Conservation Agency (BAWSCA), supported by Woodard & Curran technical consultants, facilitated negotiations between the Wholesale Customers through a series of meetings, workshops, and workgroups to develop a formula and implementation plan to allocate RWS supplies in the event of shortage caused by a SFPUC declared Drought, as defined in the WSA. These meetings, workshops, and workgroups provided a forum for in-depth discussion of the objectives, mechanics, and policy aspects of the elements of an updated Plan.

The Wholesale Customers began negotiations by reviewing the prior Plan, then discussed and agreed upon four policy principles to lay the foundation for a revised Plan. BAWSCA, with support from Woodard & Curran as the technical consultant team, introduced potential elements of a formula to align with the agreed upon policy principles. In monthly workshops, the Wholesale Customers discussed these options and provided feedback on which elements should be included in the Plan, along with suggested refinements. These workshops, and the discussions, suggestions, and comments expressed by the Wholesale Customers during this process, were the primary forum through which this Plan was developed.

4. Plan Policy Principles

The Wholesale Customers collectively developed four policy principles (the “Policy Principles”) to guide the development and performance of the Tier 2 Plan. The Tier 2 Plan and associated Tier 2 Plan Allocation Model were developed in consideration of these policy principles, with the intent to abide by each policy principle while minimizing conflicts between policy principles. The policy principles are summarized below and implemented in Attachment B, Tier 2 Plan Data Sources and Calculations.

1. **Policy Principle #1** - Provide sufficient water for the basic health and safety needs of customers.
2. **Policy Principle #2** - Minimize economic and other adverse impacts of water shortages on customers and the BAWSCA region.
3. **Policy Principle #3** - Provide predictability of drought allocations through consistent and predetermined rules for calculation, while allowing for flexibility to respond to unforeseen circumstances.
4. **Policy Principle #4** - Recognize benefits of, and avoid disincentives for, water use efficiency and development of alternative water supply projects.

5. Allocation Formula

Guided by the Policy Principles, the Wholesale Customers developed a specific formula for apportioning the Overall Wholesale Customer Allocation among the individual Wholesale Customers. The Tier 2 Allocation Model requires several inputs to calculate each Wholesale Customer's allocation. First, Base Period data are collected to be used as inputs in the Tier 2 formula. Next each Wholesale Customer's allocation is calculated in five steps.

Base Period Calculations

The Base Period in the Tier 2 Plan is defined as the average of each Wholesale Customer's two years with the highest volumes of SFPUC purchases from the previous three non-Drought years. A non-Drought year is defined as a full fiscal year (July 1 through June 30) in which the SFPUC has not declared a water shortage emergency, as defined in the WSA. BAWSCA's Annual Survey, which compiles and publishes data self-reported by the Wholesale Customers, is the primary source for model inputs.

Tier 2 Plan Allocation Formula Inputs

- **Population:** Each Wholesale Customer's population as reported in the most recently published Annual Survey and is not tied to Drought or non-Drought year status.
- **Base Period SFPUC Purchases:** The average of each Wholesale Customer's two years with the highest volumes of SFPUC purchases from the previous three non-Drought years.
- **Base Period Total Potable Water Production:** Total potable production as reported in the Annual Survey.

-
- **Base Period SFPUC Reliance:** Each Wholesale Customer's Base Period SFPUC Purchases divided by Base Period Total Potable Water Production, expressed as a percentage.
 - **Base Period Percent Indoor Demand:** The single lowest month's total potable demand (a proxy for indoor use) divided by the average monthly total potable demand, expressed as a percentage. The resulting percentages are averaged for the two selected Base Period years.
 - **Base Period Percent Non-Residential Demand:** Each Wholesale Customer's potable water consumption from the Base Period from all customer categories except residential, divided by the Wholesale Customer's Base Period Total Potable Water Production, expressed as a percentage. The resulting percentages are averaged for the two selected Base Period years.
 - **Individual Supply Guarantee (ISG):** Each Wholesale Customer's share of the Supply Assurance, as shown on Attachment C to the WSA, with proxies for Hayward, San Jose, and Santa Clara in order to provide inputs for the Tier 2 Allocation Formula

There are three exceptions to the Base Period Calculations: (1) Coastside County Water District ("Coastside CWD") Base Period SFPUC Purchases and Base Period SFPUC Reliance, (2) Stanford Base Period Percent Indoor Demand, and (3) Stanford Population Calculation.

- (1) Coastside CWD Base Period SFPUC Purchases will be calculated as 94% of its Base Period Total Potable Water Production. Base Period SFPUC Reliance will be fixed at 94%. More information is provided in Attachment B.
- (2) Stanford's Base Period Percent Indoor Demand calculation will exclude demand from the month of December and/or January when the campus is closed and demand is abnormally low.
- (3) Stanford's population is calculated as described in Attachment B.

Furthermore, three Wholesale Customers do not have an ISG and a proxy is used in the Tier 2 Plan: (1) Hayward, (2) San Jose, and (3) Santa Clara. Background on ISG and each ISG proxy is described in Attachment B.

Data sources, methodologies, and equations used to calculate each input are described further in Attachment B.

Step 0: Establish SFPUC Minimum and Maximum Cutback

The Minimum and Maximum Cutback establish the upper and lower bounds for each Wholesale Customer's final allocation.

No water is allocated in this step. Instead, allocations in subsequent steps are limited such that no Wholesale Customer's final allocation is outside the upper and lower bounds (i.e., above the Minimum Cutback or below the Maximum Cutback) established in this step.

Minimum Cutback: Each Wholesale Customer will contribute to meeting the Overall Average Wholesale Customer Reduction by taking a Minimum Cutback from its Base Period SFPUC

Purchases (up to its ISG or proxy). This establishes the upper limit of each Wholesale Customer's potential final allocation. The Minimum Cutback, expressed as a percentage, is equal to 1/3 times the Overall Average Wholesale Customer Reduction, but no less than 5%.

Maximum Cutback: The Maximum Cutback establishes the lower limit of each Wholesale Customer's potential final allocation. The Maximum Cutback, expressed as a percentage, is equal to 1.5 times the Overall Average Wholesale Customer Reduction. The Maximum Cutback is calculated from each Wholesale Customer's Base Period SFPUC Purchases (up to its ISG, or proxy).

Step 1 Override Exception: If a Wholesale Customer's allocation in Step 1 exceeds the upper limit established by the Minimum Cutback at 1/3 times the Overall Average Wholesale Customer Reduction, the Wholesale Customer's Minimum Cutback will be reduced, but the Minimum Cutback will be no less than 5%.

Calculations and an example of the Step 1 Override Exception are provided in Attachment B.

Step 1: Efficient Residential Allocation

Step 1 allocates water on a residential per capita basis, based on the State Indoor Water Use Efficiency Standard¹ and the portion of each Wholesale Customer's water demand met by the RWS.

The per capita efficient residential volume, in gallons, will align with the State Residential Indoor Water Use Efficiency Standard, established as 47 gallons per capita per day (GPCD) through 2029 and 42 GPCD beginning in 2030. This step multiplies the per-capita volume by each Wholesale Customer's Population and Base Period SFPUC Reliance to determine the total amount of supply allocated to each Wholesale Customer in this step.

Step 2: Non-Residential Base Allocation

Step 2 allocates water based on each Wholesale Customer's estimated non-residential indoor/base demand.

To calculate non-residential indoor/base demand, each Wholesale Customer's Base Period SFPUC Purchases are multiplied by:

- Base Period Percent Indoor Demand
- Base Period Percent Non-Residential Demand
- Non-Residential Base Allocation Factor – this is equal to one minus 50% of the Overall Average Wholesale Customer Reduction.
 - For example, in a 20% Overall Average Wholesale Customer Reduction, the Non-Residential Base Allocation Factor will be 90% ($1 - (20\% \div 2)$) of each Wholesale Customer's non-residential indoor/base demand.

¹ SB 1157, signed into law in September 2022, established the standard for efficient indoor residential water use be 47 gallons per capita per day ("GPCD"), lowering to 42 GPCD in 2030.

Step 3: SFPUC Maximum Cutback Reserve

The Maximum Cutback establishes the lower limit for each Wholesale Customer's final allocation. See Step 0 for more information.

No water is allocated in this step. Instead, this step calculates the gap between each Wholesale Customer's allocation after Step 2 and the lower limit of its potential final allocation. This step then reserves the sum of the gap for all Wholesale Customers from the Overall Wholesale Customer Allocation for Step 5. This Maximum Cutback Reserve ensures, after other steps are applied, that sufficient water is available in the final step to provide that each Wholesale Customer's final allocation is equal to, or greater than, the lower limit of its potential allocation established by the Maximum Cutback.

Step 4: Seasonal Allocation

Step 4 allocates water based on estimated seasonal purchases from the RWS.

The inverse of each Wholesale Customer's Base Period Percent Indoor Demand (1 - % Indoor Demand) is used to estimate percent seasonal demand, which is then multiplied by Base Period SFPUC Purchases to estimate each Wholesale Customers' SFPUC seasonal purchases. Each Wholesale Customer's estimated SFPUC seasonal purchases are multiplied by the Seasonal Cutback Factor to establish each Wholesale Customer's Seasonal Allocation.

The Seasonal Cutback Factor is calculated based upon the Overall Wholesale Customer Allocation remaining to be allocated after Step 2. Of the remaining Overall Wholesale Customer Allocation after Step 2 (less the Maximum Cutback Reserve), 50% is allocated through the Seasonal Minimum Allocation Step. The detailed methodology for calculating the Seasonal Cutback Factor is described in Attachment B.

Step 5: SFPUC Purchases and ISG-Based Allocation

Step 5 allocates the water remaining after Step 4 to get agencies as close to the "Target Allocation" as possible. Each Wholesale Customer's Target Allocation is based on a weighted share of two-thirds Base Period SFPUC Purchases and one-third ISG (or proxy) while ensuring each agency's final allocation is between the Minimum and Maximum Cutback limits.

The detailed methodology for calculating the Base Period SFPUC Purchases and ISG weighted allocation is described in Attachment B.

6. Plan Implementation

The Tier 2 Plan applies when, and only when, the SFPUC declares a Drought that has is a system-wide water shortage of 20 percent or less. The Tier 2 Plan applies only to water acquired and distributed by the SFPUC to the Wholesale Customers through the WSA and has no effect on water obtained by a Wholesale Customer from any source other than the SFPUC.

Shortages Greater than 20 Percent

In no way should it be construed that the Wholesale Customers relieve the SFPUC of its obligations established in the Level of Service goals adopted in the Water System Improvement

Program (“WSIP”), including the level of service goal to “meet dry-year delivery needs while limiting drought rationing to a maximum 20 percent system-wide reduction water service during extended droughts” (2023 Amended and Updated LOS Goals and Objectives, SFPUC Resolution No. 23-0210, adopted November 28, 2023, updating the Resolution No. 08-0200, adopted October 30, 2008). Should conditions occur that result in system-wide shortages greater than 20%, the provisions in WSA Section 3.11(C) apply. The Tier 2 Plan calculations may be used during discussions with the SFPUC on how to implement reductions above 20% with the Wholesale Customers and for planning purposes only to estimate potential Wholesale Customer allocations for system-wide shortages greater than 20% (e.g., to inform efforts such as Urban Water Management Plans).

BAWSCA Role in Plan Implementation

In accordance with the WSA, upon the SFPUC’s declaration or reconfirmation of a water shortage emergency, BAWSCA will calculate and provide the SFPUC with each Wholesale Customer’s individual percentage share of the amount of water allocated to the Wholesale Customers collectively.

In the event that shortage conditions change and the SFPUC takes action to declare an increase or decrease to the system-wide shortage level, BAWSCA will recalculate the Tier 2 Plan and submit new Allocation Factors to the SFPUC. When rerunning the Tier 2 calculations, the Base Period will not change to provide predictability (Policy Principle #3). The only inputs that will change are the Overall Wholesale Customer Allocation and population, if a more recent Annual Survey has been published.

If the appropriate base period data, as specified in this Plan, are not available when BAWSCA initially calculates the Tier 2 Allocation Factors, the Base Period may be updated. However, BAWSCA may only provide the SFPUC with updated Allocation Factors if the Commission takes action to declare or reconfirm a shortage condition.

Each year, BAWSCA will provide the Wholesale Customers with a review of the Tier 2 Plan. The annual review will include:

- Calculation of each Wholesale Customer’s Allocation Factor for regional shortages of 10% and 20% for the current Base Period, based upon the most recent published BAWSCA Annual Survey;
- Review of Base Period data used to develop the calculations.

7. Plan Term

The term of the Tier 2 Plan will be the same as the WSA term and may be extended by the written agreement of all the Wholesale Customers. The Tier 2 Plan negotiators chose to coordinate the Plan term with WSA term in order to avoid simultaneous renegotiation of these related agreements. Pursuant to WSA Section 2, the WSA expires on June 30, 2034. In December 2031, the SFPUC may provide written notice to the Wholesale Customers that it is willing to extend the WSA for five years, through June 30, 2039. Between January 1, 2032 and June 30, 2032, any Wholesale Customer may accept the SFPUC’s offer to extend the Term by providing a written notice of extension to the SFPUC. If the WSA is extended, the Tier 2 Plan

shall expire on December 31, 2034, unless extended by the written agreement of all Wholesale Customers. The Wholesale Customers will meet to review and potentially negotiate amendments to the Tier 2 Plan between July 2032 and June 2034.

If the SFPUC is not willing to extend the term of the WSA, or the Wholesale Customers decline the offer to extend the term of the WSA, the term of the Tier 2 Plan shall be automatically extended for two additional years through December 31, 2036 to allow for more time for the Wholesale Customers to meet to review and potentially negotiate amendments to the Tier 2 Plan between July 2034 and June 2036.

Sample schedules described above are provided in the table below.

Date	Extension of WSA with Limited Negotiated Changes	Parties must renegotiate WSA Terms
Dec 2031	SFPUC indicates willingness to extend term of WSA for 5 years	SFPUC indicates willingness to extend term of WSA for 5 years
Jan - Jun 2032	Wholesale Customers <u>accept</u> offer to extend term of WSA	Wholesale Customers <u>decline</u> offer to extend term of WSA
Jul 2032 - Jun 2034	Wholesale Customers meet to review, extend and potentially negotiate amendments to the Tier 2 Plan	SFPUC and Wholesale Customers negotiate amendments to WSA
Jul 2034 – Jun 2036		Wholesale Customers meet to review and potentially negotiate amendments to the Tier 2 Plan

Attachment A: List of Abbreviations and Definitions

Abbreviations

BAWSCA – Bay Area Water Supply and Conservation Agency

GPCD – gallons per capita per day

ISG – Individual Supply Guarantee

MGD – million gallons per day

RWS – San Francisco Regional Water System

SFPUC – San Francisco Public Utilities Commission

WSA – Amended and Restated Water Supply Agreement between the City and County of San Francisco and the Wholesale Customers in Alameda, San Mateo and Santa Clara Counties

WSIP – Water System Improvement Program

Definitions

Allocation Factor – Each Wholesale Customer's portion of the Overall Wholesale Customer Allocation, expressed as a percent.

Base Period – The average of each Wholesale Customer's two years with the highest volumes of SFPUC purchases from the previous three non-Drought years.

BAWSCA Annual Survey – An annual survey of the Wholesale Customers, conducted by BAWSCA, to update key service area information including actual and projections of Wholesale Customer water demand and population.

Drought – “[a] water shortage caused by lack of precipitation, as reflected in resolutions of the Commission calling for voluntary or mandatory water rationing based on evaluation of water stored or otherwise available to the Regional Water System, whether or not the Commission declares a water shortage emergency pursuant to Water Code §§ 350 et seq., as amended from time to time.” (*WSA, Attachment A*)

Individual Supply Guarantee – “[each] Wholesale Customer's share of the Supply Assurance, as shown in Attachment C [to the WSA].” (*WSA, Attachment A*)

Overall Average Wholesale Customer Reduction – The percent cutback from Base Period SFPUC Purchases, calculated by dividing the Overall Wholesale Customer Allocation by the sum of the Wholesale Customer's Base Period SFPUC Purchases.

Overall Wholesale Customer Allocation or Tier 1 Allocation – The volume of water available to the Wholesale Customers from the RWS.

Regional Water System – “[the] water storage, transmission and treatment system operated by the SFPUC in Tuolumne, Stanislaus, San Joaquin, Alameda, Santa Clara, San Mateo and San Francisco counties, including projects constructed under the WSIP, but excluding Direct Retail and Direct Wholesale assets.” (*WSA, Attachment A*)

SFPUC Purchases – For the purposes of the Tier 2 Plan, SFPUC Purchases are defined as the volume of water purchased by and delivered to a Wholesale Customer for use within its service area. SFPUC Purchases specifically exclude (1) **In-Lieu Water**, which is Regional Water System water pursuant to the WSA and the Regional Groundwater Storage and Recovery Project Operating Agreement and (2) **Imputed Sales**, both defined in the WSA, Attachment A.

Supply Assurance – “[the] 184 MGD maximum annual average metered supply of water dedicated by San Francisco to public use in the Wholesale Service Area (not including San Jose and Santa Clara) in the 1984 Agreement and Section 3.01 of this Agreement.” (*WSA, Attachment A*)

Tier 1 Plan or Tier 1 Shortage Plan – “[the] Water Shortage Allocation Plan (Attachment H) adopted by the SFPUC and the Wholesale Customers in conjunction with this Agreement [the WSA] describing the method for allocating water between the SFPUC and the Wholesale Customers collectively for shortages of up to 20% of deliveries from the Regional Water System, as amended from time-to-time.” (*WSA, Attachment A*)

Tier 2 Plan or Tier 2 Drought Response Implementation Plan – The method of apportioning the Tier 1 Allocation among the 26 Wholesale Customers.

Tier 2 Plan Allocation Model – The Excel-based tool used for applying the Tier 2 Plan allocation methodology and determining each Wholesale Customer's Allocation Factor.

Wholesale Customers – “[the] 26 water customers identified in Section 1.02 [of the WSA] that are contracting for purchase of water from San Francisco pursuant to [the WSA].” (*WSA, Attachment A*)

Attachment B: Tier 2 Plan Data Sources and Calculations

BAWSCA Annual Survey

Each year, BAWSCA conducts an annual survey of its members in order to update key BAWSCA service area information including population, current and projected water use, and climatology. BAWSCA begins collecting data in October of each year. The Wholesale Customers submit data through BAWSCA's Water Conservation Database. Between approximately January and March, BAWSCA reviews the Wholesale Customers' submissions for potential errors and works with Wholesale Customers to confirm and finalize the data. The final report is published around March of each year for the fiscal year ending the previous June 30th.

Base Period inputs will use data published in the Annual Surveys from the previous three non-Drought years. Depending on when the SFPUC declares a shortage emergency, the most recent non-Drought year's Annual Survey may not be finalized and published. If the most recent non-Drought year's Annual Survey is not available, the Base Period inputs will use data from the three most recent non-Drought year's published in Annual Surveys.

Base Period

The Tier 2 Plan uses historical SFPUC purchases, total potable water production, monthly potable production, potable consumption by customer category, and population for Steps 0 through 5. These values are established using a historical base period with established water supply and delivery data.

The Base Period for all inputs except population is defined as the average from the highest two years of SFPUC Purchases over the most recent three non-Drought years. The selection of Base Period is unique to each Wholesale Customer. Two example agencies are provided in the table below, where the data associated with the highest two years are highlighted.

Previous Non-Drought Year	Agency A		Agency B	
	SFPUC Purchases	Percent Non-Residential	SFPUC Purchases	Percent Non-Residential
Year 1	2.50	70%	5.90	58%
Year 2	2.75	69%	6.20	56%
Year 3	2.40	67%	6.10	55%
Calculation	$\frac{(2.50 + 2.75)}{2}$	$\frac{(0.70 + 0.69)}{2}$	$\frac{(6.20 + 6.10)}{2}$	$\frac{(0.56 + 0.55)}{2}$
Average of Highest Two Years	2.63	70%	6.15	55.5%

Coastside CWD Special Provisions for Base Period Calculations

Coastside CWD Base Period SFPUC Purchases will be calculated as 94% of its Base Period Total Potable Water Production. Base Period SFPUC Reliance will be fixed at 94%.

Coastside CWD's high variability in SFPUC purchases from year to year, the California Coastal Commission limitations on growth in its service area, and geographical and hydrological isolation set it apart from other Wholesale Customers. Uniquely among the Wholesale Customers, Coastside CWD does not have interties with other Wholesale Customers or agencies. Additionally, it has junior rights on local surface water supplies. To ensure resiliency, Coastside CWD must maximize its use of Denniston Creek in normal years to provide evidence to the State in its ongoing case to perfect its water rights. This results in low RWS purchases in non-drought years, which are the source of each Wholesale Customer's Base Period. The Coastside CWD special provisions for Base Period SFPUC Purchases ensure its dry year reliance on the RWS is reflected in the Tier 2 Plan.

Minimum Cutback Factor

The minimum cutback factor is used to establish the upper limit at or below which each Wholesale Customer's final allocation will be. The minimum cutback factor is equal to 1/3 times the Overall Average Wholesale Customer Reduction, expressed as a percentage. Base Period SFPUC Purchases (up to ISG or proxy) are multiplied by 1 minus the minimum cutback factor. An example equation is provided below.

Wholesale Customer final allocation upper limit = Base Period SFPUC Purchases × (1 – (1/3 × Overall Average Wholesale Customer Reduction))

Step 1 Override Exception

If a Wholesale Customer's allocation in Step 1 (Efficient Residential Allocation) is greater than the upper limit of its potential allocation established by the Minimum Cutback, the Step 1 allocation will override. However, no Wholesale Customer's final cutback will be less than 5%.

For example, in a 20% Overall Average Wholesale Customer Reduction, the Minimum Cutback will be 6.67% (20% × 1/3). An example Wholesale Customer's calculation is provided below.

Base Period SFPUC Purchases	5.0 MGD
Minimum Cutback Factor	- 6.67%
Upper Limit of Potential Final Allocation	4.67 MGD

Population	101,000
Base Period SFPUC Reliance	100%
Residential Efficient Allocation	47 GPCD
Step 1 Allocation	4.75 MGD

The example agency's final cutback will be 5.1% as calculated below:

$$4.75 \text{ mgd} / 5.0 \text{ mgd} - 1 = -5.1\%$$

Maximum Cutback Factor

The maximum cutback factor is used to establish the lower limit at or above each Wholesale Customer's final allocation. The maximum cutback factor is equal to 1.5 times the Overall Average Wholesale Customer Reduction, expressed as a percentage. Base Period SFPUC

Purchases (up to ISG or proxy) are multiplied by 1 minus the minimum cutback factor. An example equation is provided below.

$$\begin{aligned} & \text{Wholesale Customer final allocation lower limit} \\ &= \text{Base Period SFPUC Purchases} \\ &\times (1 - (1.5 \times \text{Overall Average Wholesale Customer Reduction})) \end{aligned}$$

Efficient Residential Volume

The Tier 2 Plan uses a per-capita volume, in gallons, to calculate each Wholesale Customer's Efficient Residential Allocation (Step 1 of the Allocation Model). The per-capita volume is 47 gallons per capita per day through 2029 and 42 GPCD beginning in 2030, consistent with the State of California Indoor Residential Water Use Standard for 2025 established by SB 1157.

SFPUC Reliance

For agencies with multiple potable water sources, the Tier 2 Plan calculates SFPUC Reliance by dividing each agency's Base Period SFPUC Purchases by Base Period Total Potable Water Production, expressed as a percentage. SFPUC Reliance is used in Step 1 to calculate multi-source agency's Residential Efficient Allocation met by the RWS.

Population

The Tier 2 Plan uses population reported in the most recently published Annual Survey to calculate each Wholesale Customer's Efficient Residential Allocation in Step 1.

BAWSCA reviews data submitted for the Annual Survey and works with agencies to ensure the information is correct before making it public. As part of this annual review, BAWSCA will flag any agencies that have reported population increases greater than 5%. BAWSCA will first confirm with the agency that there are no reporting errors. If the reported data are correct, BAWSCA will include a note to all agencies during the annual review of the Tier 2 Plan.

Stanford University Population Calculation

Stanford has historically reported its population in the BAWSCA Annual Survey using data from the Stanford Office of Institutional Research & Decision Support, which annually documents population based on student enrollment and data from human resources. This number captures all students (undergraduate and graduate), post-docs, faculty, and staff that are employed and work on campus. The population report does not directly capture residential population that is not enrolled or employed (significant others or dependents). However, it would include a daytime population component. Stanford reviewed several population sources and calculation methods including census data. Based on review of the available sources for population information, Stanford proposed, and the BAWSCA agencies agreed, to utilize a formula that captures student and faculty/staff residential population. This new approach would eliminate the inclusion of daytime staff and faculty who do not live on campus.

The formula takes the Office of Institutional Research & Decision Support data and uses only the "Total Students" and adds a multiplier of 2.57 people per residence (single and multi-family) for the faculty/staff housing area.

Stanford Population = (Faculty/Staff Housing Residences x 2.57) + ("Total Students" from Population Report)

Percent Indoor Demand

For each Base Period year, percent indoor demand is calculated by dividing each Wholesale Customer's lowest month of potable production by the Wholesale Customer's average monthly potable production. The two resulting percentages are averaged together. An example equation is provided below, where Y_1 and Y_2 represent the two Base Period years.

$$\% \text{ Indoor Use} = \frac{\frac{\text{Lowest Month Production, } Y_1}{\text{Average Monthly Production, } Y_1} + \frac{\text{Lowest Month Production, } Y_2}{\text{Average Monthly Production, } Y_2}}{2}$$

Percent Seasonal Demand

Percent seasonal demand is calculated as the inverse of percent indoor demand.

$$\text{Percent Seasonal Demand} = 1 - \% \text{ Indoor Demand}$$

Percent Non-Residential Demand

For each Base Period year, percent non-residential demand is calculated by first dividing each Wholesale Customer's potable water consumption from all residential customer categories by the Wholesale Customer's total annual potable production. The resulting percentage is subtracted from one to calculate the inverse and thus captures all non-residential demands including non-revenue water and dedicated irrigation meters². The two resulting percentages from the two Base Period years are averaged together. An example equation is provided below, where Y_1 and Y_2 represent the two Base Period years.

$$\% \text{ NR Use} = \frac{(1 - \frac{\text{Residential Use, } Y_1}{\text{Potable Production, } Y_1}) + (1 - \frac{\text{Residential Use, } Y_2}{\text{Potable Production, } Y_2})}{2}$$

Individual Supply Guarantee (ISG)

Use of ISG in the Tier 2 Plan

Each Wholesale Customer's ISG is used in the Tier 2 Plan calculations with proxies for Hayward, San Jose and Santa Clara, in order to provide inputs for the Tier 2 Allocation Formula. See WSA, Attachment C for a current list of ISG values.

Hayward's de facto ISG (22.1 MGD) is used in place of permanent ISG for the purposes of the Tier 2 Plan calculations. This figure is used in WSA, Attachment D, to determine whether Hayward's increased use requires pro-rata reduction of remaining Wholesale Customers' ISG.

² Prior to FY 22-23, all consumption recorded under the dedicated irrigation sector in the Water Conservation Database is assumed to be non-residential. Starting in FY 22-23, Wholesale Customers were given the option to separate out residential vs. non-residential dedicated irrigation consumption.

San Jose and Santa Clara's temporary and interruptible contract amounts (4.5 MGD each) are used in place of ISG for the purposes of the Tier 2 Plan calculations.

Background on ISG

San Francisco has a perpetual legal obligation and commitment (Supply Assurance) to deliver 184 MGD to the 24 permanent Wholesale Customers collectively. The Supply Assurance is subsequently allocated among the 24 permanent Wholesale Customers through Individual Supply Guarantees (ISG), which represent each Wholesale Customer's share of the 184 MGD Supply Assurance. San Jose and Santa Clara are not included in San Francisco's Supply Assurance obligation; rather each has a temporary and interruptible water supply contract with San Francisco. Through the WSA and its individual contracts with San Jose and Santa Clara, San Francisco has many requirements to plan for water supply development and analyze the sufficiency of water supply to San Jose and Santa Clara. For example, San Francisco must complete a CEQA review and provide at least a 10-year notice of interruption.

Hayward does not have an Individual Supply Guarantee

San Francisco and Hayward entered into a water supply contract on February 9, 1962 (the "1962 contract") which provided that San Francisco would supply Hayward with all water supplemental to water controlled by Hayward, in sufficient quantity to supply the total water needs of Hayward's service area "on a permanent basis." This 1962 contract remains the Individual Water Sales Contract between San Francisco and Hayward. Due to the terms of this ongoing contract, Hayward does not have an ISG. If Hayward's purchases exceed 22.1 MGD for three consecutive years, the remaining 23 Wholesale Customer's ISG will be reduced on a pro rata (WSA, Attachment D).

Currently, the sum of the 23 Wholesale Customers fixed ISG is 161.9 MGD.

184 MGD Supply Assurance - 161.9 MGD = 22.1 MGD water available for Hayward purchases (i.e., Hayward's "de facto" ISG)

Hayward's proxy ISG for the purpose of the Tier 2 Plan is 22.1 MGD.

San Jose and Santa Clara do not have an Individual Supply Guarantee

During the term of the 1984 Settlement Agreement, San Francisco provided water to San Jose and Santa Clara on a temporary and interruptible basis, pursuant to SFPUC Resolution No. 85-0256. The SFPUC has contracted to supply a combined annual average of 9 MGD to San Jose and Santa Clara (4.5 MGD each) through 2028. The 9 MGD allocated to San Jose and Santa Clara is not included in the Supply Assurance. San Francisco will decide whether to make San Jose and Santa Clara permanent customers by December 31, 2028. (WSA, Sec. 4.05)

San Jose and Santa Clara's proxy ISG for the purpose of the Tier 2 Plan is 4.5 MGD each.

July 2024 Model Concept - Efficient Res Allocation + Non-Res Base Allocation + Seasonal Allocation + Base SFPUC Purchases/ISG-Based Allocation - Variable Base Year

Model Set-up/Assumptions	
Allocation Year/Projection Year	FY24-25
Tier 1 Shortage Allocation (mgd)	114.20
Base Period SFPUC Purchases (mgd)	134.34
Overall Reduction from Base Period Required	-15.0%
SFPUC Maximum Cutback Factor	-22.5%
SFPUC Minimum Cutback Factor	-5.0%
Non-Residential Base Allocation %	92.5%
Step 5 Reserved % of Remaining Tier 1 Allocation (less Step 3 Reserved) after Step 2	50%
Unreserved % of Remaining Tier 1 Allocation (less Step 3 Reserved and Step 5 Reserved) After Step 2	50%
Seasonal Allocation %	7.9%
Step 5 ISG Weighting	33%
Step 5 Base SFPUC Purchases Weighting	67%
Residential Efficient Allocation (R-GPCD)	47.0
Adjustment % for SFPUC Minimum Cutback, if efficient residential allocation is greater than minimum cutback	95%
Effective Date for Model Run (update for testing only)	12/16/2024

Instructions:

1. Adjust aqua cells in OVERVIEW tab to adjust model parameters. If there are errors in the inputs, an error message will appear in Columns E-F.
2. View allocation calculations and results in "Tier 2 Allocation" and "Agency Charts" tabs.

Base Years		
Non-Drought Year 1	FY18-19	
Non-Drought Year 2	FY19-20	
Non-Drought Year 3	FY20-21	
Error Message(s) (if applicable)		

Calculation Steps for July 2024 Model Concept:

0. SFPUC Minimum Cutback

a. Calculate Minimum Cutback from Lesser of Base Period SFPUC Purchases and ISG (Lesser of Base Period SFPUC Purchases and ISG × [1+SFPUC Minimum Cutback Factor])

b. Calculate Efficient Residential Allocation (population × per capita allocation × % SFPUC reliance)

c. Determine if Minimum Cutback is greater than the Efficient Residential Allocation

d. If Efficient Residential Allocation is greater than the Minimum Cutback, an agency's cutback may be no less than 5%

1. Efficient Residential Allocation

a. Calculate Efficient Residential Allocation (population × per capita allocation)

b. Account for % SFPUC Reliance

c. Provide Efficient Residential Allocation

2. Non-Residential Base Allocation

a. Incorporate Estimated % Indoor Use (see glossary for definition and calculation of % Indoor Use)

b. Incorporate % Non-Residential Use

c. Calculate Non-Residential Base Allocation (% Indoor Use × % Non-Residential Use × Base Period SFPUC Purchases × Non-Residential Indoor Allocation %)

d. Add Non-Residential Base Allocation to the Step 1 Allocation

3. Calculate Potential SFPUC Maximum Cutback Need

a. Calculate SFPUC Maximum Cutback (Base Period SFPUC Purchases × [1 + SFPUC Maximum Cutback Factor])

b. Reserve the sum of the potential SFPUC Maximum Cutback need for Step 5 (Maximum Cutback Reserve)

4. Seasonal Allocation

a. Determine % Seasonal Use (1 - % Indoor Use)

b. Calculate seasonal SFPUC Purchases (Base Period SFPUC Purchases × % Seasonal Use)

c. Calculate Seasonal Allocation (seasonal SFPUC Purchases × Seasonal Allocation %)

d. Add the Seasonal Allocation to the Step 2 Allocation

5. Base Period/ISG-Based Allocation

a. Calculate weighted average of Base Period SFPUC Purchases and ISG, up to Minimum Cutback

b. Calculate Weighted Share of total Tier 1 Allocation to Wholesale Customers (agency weighted average Base Period SFPUC Purchases/ISG ÷ total Wholesale Customer weighted average × Tier 1 Allocation)

c. Calculate the gap between Step 4 allocation and the lesser of 1) weighted share, or 2) Minimum Cutback

d. Allocate remaining supplies, except Maximum Cutback Reserve, among agencies with a gap, proportionately to gap, up to the Minimum Cutback

e. Confirm allocation meets Maximum Cutback; allocate water from Maximum Cutback Reserve up to Maximum Cutback

f. Allocate remaining supplies among agencies with a gap, proportionately to gap, up to the Minimum Cutback

Allocation Year/Projection Year	FY24-25
Most Recent Annual Survey Data Year	FY22-23

No water is allocated in this step
Establishes the upper limit of each agency's final allocation

Relevant Base Period Data							0. Establish SFPUC Minimum Cutback						1. Efficient Residential Allocation					
Agency	Selected Base Year 1	Selected Base Year 2	Base Period SFPUC Purchases (mgd)	Base Period Reliance on SFPUC	ISG (mgd)	Total Potable Production (mgd)	Lesser of Base Period SFPUC Purchases and ISG (mgd)	SFPUC Minimum Cutback (mgd)	SFPUC Maximum Cutback (mgd)	Is efficient residential allocation greater than minimum cutback?	Adjusted SFPUC Minimum Cutback, if efficient residential allocation is greater than	0. Effective SFPUC Minimum Cutback (mgd)	Population	% Potable Demand Reliance on SFPUC	Allocation based on efficient residential indoor use (mgd)	Efficient Residential Allocation	1. Efficient Residential (mgd)	
Alameda CWD	2021	2020	8.63	22%	13.76	39.32	8.63	8.20	6.69	☐		8.20	344,000	22%	16.17	3.55	3.55	
Brisbane	2019	2020	0.65	100%	0.98	0.65	0.65	0.62	0.50	☐		0.62	4,851	100%	0.23	0.23	0.23	
Burlingame	2020	2019	3.45	100%	5.23	3.45	3.45	3.28	2.67	☐		3.28	31,080	100%	1.46	1.46	1.46	
Coastside	2021	2019	1.69	94%	2.18	1.80	1.69	1.61	1.31	☐		1.61	18,890	94%	0.89	0.83	0.83	
CWS - Total	2021	2020	29.23	95%	35.68	30.62	29.23	27.77	22.66	☐		27.77	262,704	95%	12.35	11.78	11.78	
Daly City	2020	2019	3.84	64%	4.29	6.00	3.84	3.64	2.97	☐		3.64	107,000	64%	5.03	3.22	3.22	
East Palo Alto	2020	2019	1.57	100%	3.46	1.57	1.57	1.49	1.21	☐		1.49	29,519	100%	1.39	1.39	1.39	
Estero	2020	2021	4.32	100%	5.90	4.32	4.32	4.10	3.35	☐		4.10	37,443	100%	1.76	1.76	1.76	
Hayward	2021	2019	14.26	100%	22.10	14.26	14.26	13.55	11.06	☐		13.55	159,800	100%	7.51	7.51	7.51	
Hillsborough	2021	2020	2.66	100%	4.09	2.66	2.66	2.53	2.06	☐		2.53	11,592	100%	0.54	0.54	0.54	
Menlo Park	2019	2020	3.09	100%	4.46	3.09	3.09	2.94	2.40	☐		2.94	20,319	100%	0.95	0.95	0.95	
Mid-Peninsula	2020	2021	2.63	100%	3.89	2.63	2.63	2.50	2.04	☐		2.50	30,159	100%	1.42	1.42	1.42	
Millbrae	2019	2020	1.92	100%	3.15	1.92	1.92	1.83	1.49	☐		1.83	20,666	100%	0.97	0.97	0.97	
Milpitas	2020	2021	5.67	67%	9.23	8.49	5.67	5.39	4.40	☐		5.39	81,067	67%	3.81	2.54	2.54	
Mountain View	2021	2020	7.78	87%	12.46	8.90	7.78	7.40	6.03	☐		7.40	81,501	87%	3.83	3.35	3.35	
North Coast	2021	2020	2.39	100%	3.84	2.39	2.39	2.27	1.85	☐		2.27	37,082	100%	1.74	1.74	1.74	
Palo Alto	2021	2020	9.95	100%	16.58	9.95	9.95	9.45	7.71	☐		9.45	68,624	100%	3.23	3.23	3.23	
Purissima Hills	2021	2020	1.82	100%	1.62	1.82	1.62	1.54	1.26	☐		1.54	7,350	100%	0.35	0.35	0.35	
Redwood City	2020	2021	8.62	100%	10.93	8.62	8.62	8.19	6.68	☐		8.19	90,928	100%	4.27	4.27	4.27	
San Bruno	2020	2021	0.93	30%	3.25	3.09	0.93	0.89	0.72	☐		0.89	43,910	30%	2.06	0.62	0.62	
San Jose	2019	2020	4.27	99%	4.50	4.29	4.27	4.05	3.31	☐		4.05	43,036	99%	2.02	2.01	2.01	
Santa Clara	2020	2021	3.25	20%	4.50	16.27	3.25	3.09	2.52	☐		3.09	132,476	20%	6.23	1.24	1.24	
Stanford	2020	2019	1.43	100%	3.03	1.43	1.43	1.36	1.11	☐		1.36	20,000	100%	0.94	0.94	0.94	
Sunnyvale	2021	2020	9.47	54%	12.58	17.68	9.47	8.99	7.34	☐		8.99	156,317	54%	7.35	3.93	3.93	
Westborough	2020	2019	0.80	100%	1.32	0.80	0.80	0.76	0.62	☐		0.76	13,486	100%	0.63	0.63	0.63	
Total			134.34		193.02	196.04	134.14							1,853,800		87.13		60.49
Allocated																	60.49	
Unallocated																	53.71	
Reserved																	0	

2. Non-Residential Base Allocation					3. SFPUC Maximum Cutback "Reserve"			4. Seasonal Allocation				5. Base SFPUC Purchases/ISG-Based Allocation with Minimum Cutback				
Agency	Estimated % Indoor Use	% Non-Residential Use	Non-Residential Base Allocation (mgd)	2. Non-Residential Base Allocation (mgd)	SFPUC Maximum Cutback (mgd)2	Does Step 2 Allocation Meet SFPUC Maximum Cutback?	SFPUC Maximum Cutback Shortfall (mgd)	% Seasonal Use	Seasonal SFPUC Purchases (mgd)	Seasonal Allocation (mgd)	4. Seasonal Allocation (mgd)	Weighted Average of Base Period SFPUC Purchases (up to ISG) and ISG (mgd)	Weighted Share of Tier 1 Allocation (mgd)	Lesser of Weighted Share and Minimum Cutback Allocation (i.e., Target Allocation)	Target Allocation Based Gap (mgd)	Target Based Allocation 1 (mgd)
Alameda CWD	69%	41%	2.22	5.77	6.69	☐	0.92	31%	2.71	0.22	5.99	10.33	7.68	7.68	1.69	0.31
Brisbane	66%	68%	0.27	0.50	0.50	☐	0.01	34%	0.22	0.02	0.51	0.76	0.56	0.56	0.05	0.01
Burlingame	73%	40%	0.93	2.39	2.67	☐	0.28	27%	0.93	0.07	2.46	4.04	3.00	3.00	0.54	0.10
Coastside	64%	46%	0.47	1.30	1.31	☐	0.01	36%	0.60	0.05	1.35	1.85	1.38	1.38	0.03	0.01
CWS - Total	61%	30%	5.02	16.80	22.66	☐	5.85	39%	11.26	0.89	17.69	31.36	23.32	23.32	5.62	1.05
Daly City	88%	23%	0.73	3.64	2.97	☒	0.00	12%	0.46	0.04	3.64	3.99	2.96	2.96	0.00	0.00
East Palo Alto	79%	18%	0.21	1.49	1.21	☒	0.00	21%	0.33	0.03	1.49	2.19	1.63	1.49	0.00	0.00
Estero	63%	45%	1.13	2.89	3.35	☐	0.46	37%	1.58	0.13	3.01	4.84	3.60	3.60	0.59	0.11
Hayward	72%	45%	4.33	11.85	11.06	☒	0.00	28%	3.95	0.31	12.16	16.85	12.53	12.53	0.37	0.07
Hillsborough	36%	9%	0.08	0.62	2.06	☐	1.44	64%	1.70	0.14	0.76	3.13	2.33	2.33	1.57	0.29
Menlo Park	53%	63%	0.94	1.90	2.40	☐	0.50	47%	1.47	0.12	2.01	3.54	2.63	2.63	0.62	0.12
Mid-Peninsula	68%	27%	0.45	1.87	2.04	☐	0.18	32%	0.86	0.07	1.93	3.05	2.27	2.27	0.33	0.06
Millbrae	76%	36%	0.49	1.46	1.49	☐	0.03	24%	0.46	0.04	1.49	2.33	1.73	1.73	0.24	0.04
Milpitas	78%	51%	2.08	4.62	4.40	☒	0.00	22%	1.23	0.10	4.72	6.85	5.09	5.09	0.37	0.07
Mountain View	66%	43%	2.04	5.39	6.03	☐	0.65	34%	2.64	0.21	5.60	9.33	6.94	6.94	1.34	0.25
North Coast	80%	24%	0.42	2.16	1.85	☒	0.00	20%	0.48	0.04	2.20	2.87	2.13	2.13	0.00	0.00
Palo Alto	61%	38%	2.11	5.34	7.71	☐	2.37	39%	3.90	0.31	5.65	12.14	9.03	9.03	3.38	0.63
Purissima Hills	38%	12%	0.07	0.42	1.26	☐	0.84	62%	1.13	0.09	0.51	1.62	1.21	1.21	0.70	0.13
Redwood City	68%	34%	1.81	6.08	6.68	☐	0.60	32%	2.80	0.22	6.31	9.38	6.98	6.98	0.67	0.13
San Bruno	78%	29%	0.20	0.82	0.72	☒	0.00	22%	0.21	0.02	0.84	1.70	1.26	0.89	0.05	0.01
San Jose	69%	62%	1.68	3.69	3.31	☒	0.00	31%	1.33	0.11	3.79	4.34	3.23	3.23	0.00	0.00
Santa Clara	73%	50%	1.10	2.35	2.52	☐	0.17	27%	0.88	0.07	2.42	3.66	2.72	2.72	0.31	0.06
Stanford	63%	45%	0.38	1.32	1.11	☒	0.00	37%	0.53	0.04	1.36	1.96	1.46	1.36	0.00	0.00
Sunnyvale	69%	42%	2.54	6.48	7.34	☐	0.86	31%	2.98	0.24	6.71	10.49	7.80	7.80	1.09	0.20
Westborough	73%	26%	0.14	0.76	0.62	☒	0.00	27%	0.22	0.02	0.76	0.97	0.72	0.72	0.00	0.00
Total			31.83	91.90	103.98		15.18		44.87	3.56	95.38	153.57	114.20	113.58	19.56	3.64
Allocated				91.90			91.90				95.38					
Unallocated				22.30			22.30				18.82					
Reserved				0			15.18				15.18					

First Iteration of Base Period/ISG-Based Allocation		Maximum Cutback			Second Iteration of Base Period/ISG-Based Allocation			Third Iteration of Base Period/ISG-Based Allocation If all agencies meet their Target Allocation, remaining water is allocated up to Minimum Cutback				Final Allocation (mgd)	Cutback Percentage	Allocation Factor
Agency	First Iteration of Target Based Allocation (mgd)	Does Step 5 Initial Allocation Meet SFPUC Maximum Cutback?	Maximum Cutback (mgd)	Initial Step 5 Allocation with Maximum Cutback (mgd)	Target Allocation Based Gap (mgd)3	Target Based Allocation 2 (mgd)	Second Iteration of Target Based Allocation (mgd)	Equal or Greater than Weighted Share/Minimum Cutback	Target Allocation Based Gap 3 (mgd)	Third Iteration of Target Based Allocation (mgd)	5. Weighted Share/ Maximum Cutback Based Allocation (mgd)			
Alameda CWD	6.30	☐	0.39	6.69	0.99	0.88	7.57	☐	0.11	0.00	7.57	7.57	12.3%	6.6%
Brisbane	0.52	☒	0.00	0.52	0.04	0.04	0.56	☐	0.00	0.00	0.56	0.56	13.8%	0.5%
Burlingame	2.56	☐	0.11	2.67	0.33	0.29	2.97	☐	0.04	0.00	2.97	2.97	14.0%	2.6%
Coastside	1.35	☒	0.00	1.35	0.02	0.02	1.38	☐	0.00	0.00	1.38	1.38	18.8%	1.2%
CWS - Total	18.74	☐	3.91	22.66	0.66	0.59	23.24	☐	0.07	0.00	23.24	23.24	20.5%	20.4%
Daly City	3.64	☒	0.00	3.64	0.00	0.00	3.64	☒	0.00	0.00	3.64	3.64	5.0%	3.2%
East Palo Alto	1.49	☒	0.00	1.49	0.00	0.00	1.49	☒	0.00	0.00	1.49	1.49	5.0%	1.3%
Estero	3.12	☐	0.23	3.35	0.25	0.22	3.57	☐	0.03	0.00	3.57	3.57	17.3%	3.1%
Hayward	12.23	☒	0.00	12.23	0.30	0.27	12.50	☐	0.03	0.00	12.50	12.50	12.4%	10.9%
Hillsborough	1.05	☐	1.01	2.06	0.27	0.24	2.30	☐	0.03	0.00	2.30	2.30	13.6%	2.0%
Menlo Park	2.13	☐	0.27	2.40	0.24	0.21	2.61	☐	0.03	0.00	2.61	2.61	15.7%	2.3%
Mid-Peninsula	2.00	☐	0.05	2.04	0.23	0.20	2.24	☐	0.03	0.00	2.24	2.24	14.9%	2.0%
Millbrae	1.54	☒	0.00	1.54	0.19	0.17	1.71	☐	0.02	0.00	1.71	1.71	11.1%	1.5%
Milpitas	4.79	☒	0.00	4.79	0.30	0.27	5.06	☐	0.03	0.00	5.06	5.06	10.8%	4.4%
Mountain View	5.85	☐	0.19	6.03	0.90	0.80	6.84	☐	0.10	0.00	6.84	6.84	12.2%	6.0%
North Coast	2.20	☒	0.00	2.20	0.00	0.00	2.20	☒	0.00	0.00	2.20	2.20	7.7%	1.9%
Palo Alto	6.28	☐	1.44	7.71	1.31	1.17	8.88	☐	0.15	0.00	8.88	8.88	10.8%	7.8%
Purissima Hills	0.64	☐	0.62	1.26	0.00	0.00	1.26	☒	0.00	0.00	1.26	1.26	30.9%	1.1%
Redwood City	6.43	☐	0.25	6.68	0.29	0.26	6.95	☐	0.03	0.00	6.95	6.95	19.5%	6.1%
San Bruno	0.85	☒	0.00	0.85	0.04	0.04	0.88	☐	0.00	0.00	0.88	0.88	5.5%	0.8%
San Jose	3.79	☒	0.00	3.79	0.00	0.00	3.79	☒	0.00	0.00	3.79	3.79	11.1%	3.3%
Santa Clara	2.47	☐	0.05	2.52	0.20	0.18	2.70	☐	0.02	0.00	2.70	2.70	16.9%	2.4%
Stanford	1.36	☒	0.00	1.36	0.00	0.00	1.36	☒	0.00	0.00	1.36	1.36	5.0%	1.2%
Sunnyvale	6.92	☐	0.42	7.34	0.47	0.41	7.75	☐	0.05	0.00	7.75	7.75	18.1%	6.8%
Westborough	0.76	☒	0.00	0.76	0.00	0.00	0.76	☒	0.00	0.00	0.76	0.76	5.0%	0.7%
Total			8.92	107.95	7.04	6.25	114.20		0.79	0.00	114.20	114.20		
Allocated			99.02	107.95			114.20				114.20			
Unallocated			0.00	6.25			0.00				0.00			
Reserved			15.18	0.00			0.00				0.00			

Instructions: Copy/paste the table below into the "Historical Saves" tab, columns A through F.						
Agency	Agency	Allocation Year (FY)	Allocation Year (integer)	Final Allocation (mgd)	Cutback Percentage	Allocation Factor
Alameda CWD	Alameda CWD	FY24-25	2025	7.57	12%	7%
Brisbane	Brisbane	FY24-25	2025	0.56	14%	0%
Burlingame	Burlingame	FY24-25	2025	2.97	14%	3%
Coastside	Coastside	FY24-25	2025	1.38	19%	1%
CWS - Total	CWS - Total	FY24-25	2025	23.24	20%	20%
Daly City	Daly City	FY24-25	2025	3.64	5%	3%
East Palo Alto	East Palo Alto	FY24-25	2025	1.49	5%	1%
Estero	Estero	FY24-25	2025	3.57	17%	3%
Hayward	Hayward	FY24-25	2025	12.50	12%	11%
Hillsborough	Hillsborough	FY24-25	2025	2.30	14%	2%
Menlo Park	Menlo Park	FY24-25	2025	2.61	16%	2%
Mid-Peninsula	Mid-Peninsula	FY24-25	2025	2.24	15%	2%
Millbrae	Millbrae	FY24-25	2025	1.71	11%	1%
Milpitas	Milpitas	FY24-25	2025	5.06	11%	4%
Mountain View	Mountain View	FY24-25	2025	6.84	12%	6%
North Coast	North Coast	FY24-25	2025	2.20	8%	2%
Palo Alto	Palo Alto	FY24-25	2025	8.88	11%	8%
Purissima Hills	Purissima Hills	FY24-25	2025	1.26	31%	1%
Redwood City	Redwood City	FY24-25	2025	6.95	19%	6%
San Bruno	San Bruno	FY24-25	2025	0.88	5%	1%
San Jose	San Jose	FY24-25	2025	3.79	11%	3%
Santa Clara	Santa Clara	FY24-25	2025	2.70	17%	2%
Stanford	Stanford	FY24-25	2025	1.36	5%	1%
Sunnyvale	Sunnyvale	FY24-25	2025	7.75	18%	7%
Westborough	Westborough	FY24-25	2025	0.76	5%	1%
Total						
Allocated						
Unallocated						
Reserved						

Instructions: Copy/paste the table below into the "Historical Saves" tab, columns A through F.

Input Category	Value	Allocation Year (FY)	Allocation Year (integer)
Allocation Year/Projection Year	FY24-25	FY24-25	2025
Tier 1 Shortage Allocation (mgd)	114.20	FY24-25	2025
Overall Reduction from Base Period Required	-15%	FY24-25	2025
SFPUC Maximum Cutback Factor	-22%	FY24-25	2025
SFPUC Minimum Cutback Factor	-5%	FY24-25	2025
Non-Residential Base Allocation %	93%	FY24-25	2025
Step 5 Reserved % of Remaining Tier 1 Allocation (less Step	50%	FY24-25	2025
Unreserved % of Remaining Tier 1 Allocation (less Step 3	50%	FY24-25	2025
Seasonal Allocation %	8%	FY24-25	2025
Step 5 ISG Weighting	33%	FY24-25	2025
Step 5 Base SFPUC Purchases Weighting	67%	FY24-25	2025
Residential Efficient Allocation (R-GPCD)	47.0	FY24-25	2025
Adjustment % for SFPUC Minimum Cutback, if efficient	95%	FY24-25	2025



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution to Authorize Continued Utilization of Leased Vehicles Under the Master Equity Lease Agreement with Enterprise Fleet Management, Inc. (Staff Contact: Luz Cofresi-Howe, Finance Director, 408-586-3111; and Christian Di Renzo, Public Works Director, 408-586-2602)
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	6/17/2025
Recommendation:	Adopt a resolution to (1) Authorize continued utilization of leased vehicles under the Master Equity Lease Agreement with Enterprise Fleet Management, Inc., subject to appropriation of funds; and (2) Authorize the Purchasing Agent, or designee, to sign lease ordering documents and update the applicable Lease Schedule as required.

BACKGROUND:

The City fleet consists of 180 owned vehicles and 27 leased vehicles for a total of 207 and includes vehicles such as fire apparatus and police vehicles, light and heavy-duty trucks, and passenger sedans. All City vehicles, including leased vehicles, are maintained by the City Public Works Department. Leased vehicles are either assigned to specific City Departments to support their operations or are allocated for general motor pool use.

On [June 4, 2019](#), the City Council adopted Resolution No. 8878 approving a Master Equity Lease Agreement (Agreement) with Enterprise Fleet Management, Inc. (Enterprise) leveraging a competitive Request for Proposal conducted by the National Joint Powers Alliance (now Sourcwell) in accordance with the City's [Municipal Code Section I-2-3.05, Public Agency Purchases](#). On May 4, 2022, Sourcwell awarded a [new contract to Enterprise](#), allowing the City to continue to leveraging Sourcwell's competitive process in accordance with [Municipal Code Section I-2-3.05](#). Use of the Agreement enabled the City to replace 27 underutilized, aging vehicles in the City fleet.

Consistent with [Municipal Code Section I-2-3.05](#), the Purchasing Agent has reviewed all the documentation from Sourcwell and has determined the underlying agreement or program was made utilizing competitive negotiation or procurement procedures at least as restrictive as the City's, and the price quoted is the same as offered in the original contract.

While the term of the Agreement is perpetual, i.e., does not expire as long as the City has leased vehicles through the Agreement or the Agreement is not terminated by the parties in accordance with Agreement terms, the City Council approval was for a period of five years with an annual amount not to exceed \$168,000 and a five-year maximum compensation of \$840,000. The effective start date of Council approval was December 17, 2019, when the City received the first leased vehicle, and ended December 16, 2024

On May 22, 2025, pursuant to the City's [Municipal Code Section I-2-3.21, Authority to Modify Contracts Awarded by City Council](#), the Purchasing Agent extended the operative term of the Agreement by 12 months through December 16, 2025 and authorized a change order to increase the contract by \$20,000 for a revised maximum compensation of \$860,000, subject to the appropriation of funds. On June 12, 2025, pursuant to the City's [Municipal Code Section I-2-3.21, Authority to Modify Contracts Awarded by City Council](#), the Purchasing Agent authorized a second change order to increase the contract by \$20,000 for a cumulative change order amount of \$40,000 and a revised maximum compensation of \$880,000, subject to the appropriation of funds.

The present action would authorize continued use of the Agreement, subject to appropriation of funds for such leases by the City Council, and authorize the Purchasing Agent to sign lease ordering documents and update the applicable Lease schedules as required, including to effectuate the changes in the City fleet described herein for an estimated annual savings of \$43,000.

ANALYSIS:

Replacing aging City-owned vehicles with leased vehicles lowered the City's vehicle maintenance and fuel costs and reduced greenhouse gas emissions through leasing hybrid, plug-in hybrid, and all-electric vehicles in support of the City's Climate Action Plan. Given these benefits, the Public Works Department analyzed various vehicle use trends with the intent to negotiate a lease extension for currently leased vehicles through the Agreement.

The current leased vehicle fleet of 27 vehicles consists of the following:

- Ten (10) Nissan Leaf (all electric)
- Six (6) Toyota Prius Prime (plug-in hybrid), and
- Eleven (11) Toyota RAV 4 (hybrid)

To assess the need to decrease or augment the number of leased vehicles, Public Works reviewed departmental vehicle assignments and utilization, motor pool utilization rates, and vehicle equity positions. Based on this data, Public Works recommends reducing the number of leased vehicles from 27 to 21. This reduction will balance the City vehicle usage and reduce the City's annual lease costs which are borne by the General Fund.

Based on current utilization rates, Public Works recommends reducing the City Hall motor pool vehicles from eight to five and removing three leased vehicles specifically assigned to the Code Enforcement, Planning, and Recreation departments as staff members in these departments can reserve vehicles from the City Hall motor pool instead. This reduction will save the City over \$30,000 annually and support a shift towards increased use of the City motor pool. In the future, Public Works will continue to review utilization rate statistics to better assess the need to add or remove vehicles as it strives to right-size the City's fleet.

During its analysis, Public Works also considered reconfiguring the makes and models of the leased fleet based on a review of vehicle residual values and related equity positions. If the City continues utilizing the Agreement, with City Council approval, the current leased fleet would be returned, and the residual value of all vehicles would be determined. Residual value is the value of the car at the end of the lease term, and current equity position is the difference between the vehicle's current market value and the remaining lease balance. If the market value exceeds the remaining lease balance, there is positive equity. This positive equity would be used to reduce the cost of the City's next lease. Conversely, negative equity means the value of the vehicle at the end of the lease is less than the current market value of the vehicle, and this negative equity would be rolled over into the next lease agreement.

In the City's current leased fleet inventory, the residual value and equity position of all Nissan Leaf vehicles are currently estimated to be negative; whereas, the Toyota RAV 4 and Toyota Prius Prime vehicles are currently estimated to have positive equity positions. This is a significant factor in the recommendation to remove the 10 Nissan Leaf vehicles. Four of the Nissan Leaf vehicles are identified for removal as part of the downsizing of the City Hall motor pool. Public Works also recommends trading in the other six Nissan Leaf vehicles for two Ford Mavericks, three Toyota Prius Prime vehicles, and one RAV 4. Introducing Ford Mavericks to the City Hall motor pool will benefit City staff by providing a vehicle option to transport larger or heavier items. All currently leased vehicles will be replaced with 2025 models and will be maintained by Public Works fleet staff, as is currently done. Through these replacements, staff estimates an additional annual savings for the City of over \$13,000.

Alternatively, the City could elect to eliminate leasing through the Agreement completely and instead purchase the vehicles. Taking into consideration that only 21 of the 27 currently leased vehicles are identified as necessary for future operations, the cost to purchase 21 vehicles would be approximately \$750,000.

Another option would be to only purchase the 12 vehicles assigned to the Building Inspection and Fire Prevention divisions as staff in these divisions rely on these vehicles to perform their daily operations and eliminate the City Hall motor pool altogether. In this scenario, Public Works would purchase Toyota RAV 4 vehicles, which are better suited for these operations, at a current market price of \$35,000 each for a total cost of approximately \$420,000. Adding these vehicles to the City's overall owned fleet count will require budgeting annual fleet replacement costs, impacting the General Fund over time. Additionally, eliminating the nine City Hall motor pool vehicles currently used by Information Technology, Recreation, and other City departments to conduct business, could adversely affect operations and cause staff to rely on the use of personal vehicles in accordance with the established City Vehicle Use Policy when traveling on City business.

If continued use of the Agreement is approved, there will be a delay of up to six months before the new leased vehicles are delivered. During this time, City staff will decommission the six vehicles to be eliminated from the leased vehicle fleet and return them to Enterprise, which should take about one month.

The table below summarizes the current leased vehicle fleet and outlines proposed adjustments upon approval by City Council. The not-to-exceed cost is currently estimated to be \$115,000 annually which is about \$450 per month per vehicle for the replaced leased vehicle fleet. The cost for the six vehicles to be decommissioned will be approximately \$3,000 for the month it will take the City to return them, and the estimated six-month cost for the current 21 vehicles to be replaced is \$60,000.

	Vehicle Assignment	Current Year	Current Make	Current Model		Proposed Year	Proposed Make	Proposed Model
1	Building Inspection	2020	Nissan	LEAF		2025	Toyota	Prius Prime
2	Building Inspection	2020	Toyota	Prius Prime		2025	Toyota	Prius Prime
3	Building Inspection	2020	Toyota	RAV4 Hybrid		2025	Toyota	RAV4 Hybrid
4	Building Inspection	2020	Toyota	RAV4 Hybrid		2025	Toyota	RAV4 Hybrid
5	Building Inspection	2020	Toyota	RAV4 Hybrid		2025	Toyota	RAV4 Hybrid
6	Building Inspection	2020	Toyota	RAV4 Hybrid		2025	Toyota	RAV4 Hybrid
7	Code Enforcement	2020	Toyota	Prius Prime		Eliminated		
8	Planning	2020	Nissan	LEAF		Eliminated		
9	Fire Prevention	2020	Toyota	RAV4 Hybrid		2025	Toyota	RAV4 Hybrid
10	Fire Prevention	2020	Toyota	RAV4 Hybrid		2025	Toyota	RAV4 Hybrid
11	Fire Prevention	2020	Toyota	RAV4 Hybrid		2025	Toyota	RAV4 Hybrid
12	Fire Prevention	2020	Toyota	RAV4 Hybrid		2025	Toyota	RAV4 Hybrid
13	Fire Prevention	2020	Toyota	RAV4 Hybrid		2025	Toyota	RAV4 Hybrid
14	Fire Prevention	2020	Toyota	RAV4 Hybrid		2025	Toyota	RAV4 Hybrid
15	IT Motor Pool	2020	Nissan	LEAF		2025	Toyota	Prius Prime
16	IT Motor Pool	2020	Nissan	LEAF		2025	Toyota	RAV4 Hybrid
17	City Hall Motor Pool	2020	Toyota	Prius Prime		2025	Toyota	RAV4 Hybrid
18	City Hall Motor Pool	2020	Toyota	Prius Prime		2025	Toyota	RAV4 Hybrid
19	City Hall Motor Pool	2020	Toyota	Prius Prime		2025	Toyota	RAV4 Hybrid
20	City Hall Motor Pool	2020	Nissan	LEAF		2025	Ford	Maverick
21	City Hall Motor Pool	2020	Nissan	LEAF		2025	Ford	Maverick
22	City Hall Motor Pool	2020	Nissan	LEAF		2025	Toyota	RAV4 Hybrid
23	City Hall Motor Pool	2020	Nissan	LEAF		Eliminated		
24	City Hall Motor Pool	2020	Nissan	LEAF		Eliminated		
25	City Hall Motor Pool	2020	Nissan	LEAF		Eliminated		
26	Recreation Motor Pool	2020	Toyota	Prius Prime		Eliminated		
27	Recreation Motor Pool	2020	Toyota	RAV4 Hybrid		2025	Toyota	RAV4 Hybrid

POLICY ALTERNATIVE(S):

Alternative 1: Do not approve these Recommendations, return current leased fleet in its entirety, and do not replace.

Pros: This would lower City costs.

Cons: This would significantly impact City operations and departments, such as Fire Prevention and Building Inspection, whose staff rely on City-provided vehicles to perform their job duties.

Alternative 2: Do not approve these Recommendations, return current leased fleet in its entirety, and purchase vehicles directly.

Pros: None.

Cons: Replacing leased vehicles with purchased vehicles will cost the City significantly more in upfront costs and will impact the General Fund over time for vehicle replacement costs. Additionally, purchased vehicles are typically not replaced until they are near or at the end of their useful life which will result in increased maintenance costs for the City due to the increased need for maintenance as vehicles get older.

Reason for Not Recommending: If vehicles are to be purchased instead of leased, the City would have to increase its Vehicle Replacement Fund budget and its budget for ongoing costs such as maintenance. Additionally, depending on how many vehicles are to be purchased, departments may experience an impact in to operations.

FISCAL IMPACT:

Sufficient funds to support this recommendation were requested in the City's non-departmental budget for Fiscal Year 2025-2026, which was approved by the City Council on [June 3, 2025](#). These funds will cover the estimated \$115,000 annual costs for the new leased vehicle fleet of 21 once they are replaced, following the six-month transitional period, as well as estimated additional costs of \$63,000 for maintaining the existing leased vehicles during the transitional period. Lease vehicles costs beyond Fiscal Year 2025-2026 will be subject to the appropriation of funds through the City's annual budgeting process.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment and is not a project pursuant to Pub. Resources Code, § 21065 and Cal. Code Regs., tit. 14, § 15378. Even if a project, the action is exempt from further CEQA review pursuant to Cal. Code Regs., tit. 14, § 15061(b)(3) as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The action entails the operation, leasing, or minor alteration of existing public equipment, involving negligible or no expansion of existing or former use, and is exempt from CEQA pursuant to Cal. Code Regs., tit. 14, § 15301.

ATTACHMENT(S):

- (a) Resolution
- (b) Master Equity Lease Agreement

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS
AUTHORIZING CONTINUANCE OF AN AGREEMENT WITH ENTERPRISE FLEET
MANAGEMENT FOR A VEHICLE LEASING PROGRAM THROUGH A
COOPERATIVE PROCUREMENT CONTRACT**

WHEREAS, Milpitas Municipal Code Section I-2-3.08 (“Cooperative Procurement”) authorizes the City Council to award contracts without competition, when the purchase is pursuant to a cooperative agreement by another public agency in California that used competitive negotiation or bidding procedures at least as restrictive as the City’s; and

WHEREAS, Municipal Code Section I-2-3.08 specifically authorizes the Purchasing Agent to make such purchases based on an agreement or cooperative purchasing program entered into by a public agency, as defined by Government Code Section 6500, regardless of whether the City is a named party to the agreement or an actual participant in such a program, provided that the underlying purchase was made using competitive negotiation or bidding procedures at least as restrictive as the City’s, and that the supplies or general services purchased must be the same and be offered at the same price as the supplies and general services subject to the agreement or program; and

WHEREAS, on June 4, 2019 the City Council adopted a Resolution No. 8878 authorizing a Master Equity Lease Agreement with Enterprise Fleet Management through a Cooperative Procurement Contract, facilitating the lease of 27 fuel-efficient vehicles; and

WHEREAS, on May 4, 2022, Sourcewell awarded [Contract No. 030122-EFM](#) to Enterprise Fleet Management, current through April 18, 2026, pursuant to RFP No. 030122; and

WHEREAS, consistent with Section I-2-3.05 of the Municipal Code, which authorizes the Purchasing Agent to make purchases based upon an agreement or cooperative purchasing program entered into by another public agency, the Purchasing Agent has reviewed all the documentation from Sourcewell and has determined the underlying agreement or program was made utilizing competitive negotiation or procurement procedures at least as restrictive as the City’s, and the price quoted is the same as offered in the original contract; and

WHEREAS, a Master Equity Lease agreement has allowed the City to replace aging vehicles at a lower cost, budget for consistent maintenance costs, reduce the City’s fuel costs, and achieve reduced greenhouse gas emissions through the lease of hybrid, plug-in hybrid, and all-electric vehicles.; and

WHEREAS, the Public Works Department conducted a review of vehicle utilization metrics and lease costs over the past five years to evaluate continued participation in a Master Equity Lease agreement with Enterprise Fleet Management.

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The City Council authorizes the continued utilization of the Master Equity Lease Agreement with Enterprise Fleet Management, Inc., and the continued lease of vehicles thereunder, subject to the appropriation of funds.

3. The Purchasing Agent, or designee, is authorized to negotiate and execute such documents as are necessary to lease vehicles under the Master Equity Lease Agreement, including by signing lease ordering documents and updating the applicable lease schedules as required.

PASSED AND ADOPTED this ____ day of June 2025 the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Suzanne Guzzetta, City Clerk

Carmen Montano, Mayor

APPROVED AS TO FORM:

Christopher Creech, Acting City Attorney

enterprise
FLEET MANAGEMENT

MASTER EQUITY LEASE AGREEMENT

This Master Equity Lease Agreement is entered into this 14th day of June, 2019 by and between Enterprise FV Trust (a Delaware statutory trust Lessor) and the lessee whose name and address is set forth on the signature page below Lessee

1 LEASE OF VEHICLES Lessor hereby leases to Lessee and Lessee hereby lease from Lessor the vehicles individually a vehicle and collectively the vehicles described in the schedules from time to time delivered by Lessor to Lessee as set forth below Schedule(s) for the rentals and on the terms set forth in this Agreement and in the applicable Schedule. References to this Agreement shall include this Master Equity Lease Agreement and the various Schedules and addenda to this Master Equity Lease Agreement. Lessor will on or about the date of delivery of each Vehicle to Lessee send Lessee a Schedule covering the Vehicle which will include among other things a description of the Vehicle the lease term and the monthly rental and other payments due with respect to the Vehicle. The terms contained in each such Schedule will be binding on Lessee unless Lessee objects in writing to such Schedule within ten (10) days after the date of delivery of the Vehicle covered by such Schedule. Lessor is the sole legal owner of each Vehicle. This Agreement is a lease only and Lessee will have no right title or interest in or to the Vehicles except for the use of the Vehicles as described in this Agreement. This Agreement shall be treated as a true lease for federal and applicable state income tax purposes with Lessor having all benefits of ownership of the Vehicles. It is understood and agreed that Enterprise Fleet Management Inc. or an affiliate thereof (together with any subservicer agent successor or assign as servicer on behalf of Lessor Servicer) may administer this Agreement on behalf of Lessor and may perform the service functions herein provided to be performed by Lessor.

2 TERM The term of this Agreement (Term) for each Vehicle begins on the date such Vehicle is delivered to Lessee (the Delivery Date) and unless terminated earlier in accordance with the terms of this Agreement continues for the Lease Term as described in the applicable Schedule.

3 RENT AND OTHER CHARGES

(a) Lessee agrees to pay Lessor monthly rental and other payments according to the Schedules and this Agreement. The monthly payments will be in the amount listed as the Total Monthly Rental Including Additional Services on the applicable Schedule (with any portion of such amount identified as a charge for maintenance services under Section 4 of the applicable Schedule being payable to Lessor as agent for Enterprise Fleet Management Inc.) and will be due and payable in advance on the first day of each month. If a Vehicle is delivered to Lessee on any day other than the first day of a month monthly rental payments will begin on the first day of the next month. In addition to the monthly rental payments Lessee agrees to pay Lessor a pro-rated rental charge for the number of days that the Delivery Date precedes the first monthly rental payment date. A portion of each monthly rental payment being the amount designated as Depreciation Reserve on the applicable Schedule will be considered as a reserve for depreciation and will be credited against the Delivered Price of the Vehicle for purposes of computing the Book Value of the Vehicle under Section 3(c). Lessee agrees to pay Lessor the Total Initial Charges set forth in each Schedule on the due date of the first monthly rental payment under such Schedule. Lessee agrees to pay Lessor the Service Charge Due at Lease Termination set forth in each Schedule at the end of the applicable Term (whether by reason of expiration early termination or otherwise).

(b) In the event the Term for any Vehicle ends prior to the last day of the scheduled Term whether as a result of a default by Lessee a Casualty Occurrence or any other reason the rentals and management fees paid by Lessee will be recalculated in accordance with the rule of 78 s and the adjusted amount will be payable by Lessee to Lessor on the termination date.

(c) Lessee agrees to pay Lessor within thirty (30) days after the end of the Term for each Vehicle additional rent equal to the excess if any of the Book Value of such Vehicle over the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule. If the Book Value of such Vehicle is less than the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith or (ii) except as provided below twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule Lessor agrees to pay such deficiency to Lessee as a terminal rental adjustment within thirty (30) days after the end of the applicable Term. Notwithstanding the foregoing if (i) the Term for a Vehicle is greater than forty-eight (48) months (including any extension of the Term for such Vehicle) (ii) the mileage on a Vehicle at the end of the Term is greater than 15 000 miles per year on average (prorated on a daily basis) (i.e. if the mileage on a Vehicle with a Term of thirty-six (36) months is greater than 45 000 miles) or (iii) in the sole judgment of Lessor a Vehicle has been subject to damage or any abnormal or excessive wear and tear the calculations described in the two immediately preceding sentences shall be made without giving effect to clause (ii) in each such sentence. The Book Value of a Vehicle means the sum of (i) the Delivered Price of the Vehicle as set forth in the applicable Schedule minus (ii) the total Depreciation Reserve paid by Lessee to Lessor with respect to such Vehicle plus (iii) all accrued and unpaid rent and/or other amounts owed by Lessee with respect to such Vehicle.

(d) Any security deposit of Lessee will be returned to Lessee at the end of the applicable Term except that the deposit will first be applied to any losses and/or damages suffered by Lessor as a result of Lessee's breach of or default under this Agreement and/or to any other amounts then owed by Lessee to Lessor.

(e) Any rental payment or other amount owed by Lessee to Lessor which is not paid within twenty (20) days after its due date will accrue interest payable on demand of Lessor from the date due until paid in full at a rate per annum equal to the lesser of (i) Eighteen Percent (18%) per annum or (ii) the highest rate permitted by applicable law (the Default Rate).

(f) If Lessee fails to pay any amount due under this Agreement or to comply with any of the covenants contained in this Agreement Lessor Servicer or any other agent of Lessor may at its option pay such amounts or perform such covenants and all sums paid or incurred by Lessor in connection therewith will be repayable by Lessee to Lessor upon demand together with interest thereon at the Default Rate.

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(g) Lessee's obligations to make all payments of rent and other amounts under this Agreement are absolute and unconditional and such payments shall be made in immediately available funds without setoff, counterclaim or deduction of any kind. Lessee acknowledges and agrees that neither any Casualty Occurrence to any Vehicle nor any defect, unfitness or lack of governmental approval in, of, or with respect to any Vehicle regardless of the cause or consequence nor any breach by Enterprise Fleet Management, Inc. of any maintenance agreement between Enterprise Fleet Management, Inc. and Lessee covering any Vehicle regardless of the cause or consequence will relieve Lessee from the performance of any of its obligations under this Agreement, including, without limitation, the payment of rent and other amounts under this Agreement.

4. USE AND SURRENDER OF VEHICLES Lessee agrees to allow only duly authorized, licensed and insured drivers to use and operate the Vehicles. Lessee agrees to comply with and cause its drivers to comply with all laws, statutes, rules, regulations and ordinances and the provisions of all insurance policies affecting or governing the use or operation. Lessee agrees to keep the Vehicles free of all liens, charges and encumbrances. Lessee agrees that in no event will any Vehicle be used or operated for transporting hazardous substances or persons for hire, for any illegal purpose or for pull trailers that exceed the manufacturer's trailer towing recommendations. Lessee agrees that no Vehicle is intended to be or will be utilized as a school bus, as defined in the Code of Federal Regulations or any applicable state or municipal statute or regulation. Lessee agrees not to remove any Vehicle from the continental United States without first obtaining Lessor's written consent. At the expiration or earlier termination of this Agreement with respect to each Vehicle, or upon demand by Lessor made pursuant to Section 14, Lessee at its risk and expense agrees to return such Vehicle to Lessor at such place and by such reasonable means as may be designated by Lessor. If for any reason Lessee fails to return any Vehicle to Lessor as and when required in accordance with this Section, Lessee agrees to pay Lessor additional rent for such Vehicle at twice the normal pro-rated daily rent. Acceptance of such additional rent by Lessor will in no way limit Lessor's remedies with respect to Lessee's failure to return any Vehicle as required hereunder.

5. COSTS, EXPENSES, FEES AND CHARGES Lessee agrees to pay all costs, expenses, fees, charges, fines, tickets, penalties and taxes (other than federal and state income taxes on the income of Lessor) incurred in connection with the titling, registration, delivery, purchase, sale, rental, use or operation of the Vehicles during the Term. If Lessor, Servicer or any other agent of Lessor incurs any such costs or expenses, Lessee agrees to promptly reimburse Lessor for the same.

6. LICENSE AND CHARGES Each Vehicle will be titled and licensed in the name designated by Lessor at Lessee's expense. Certain other charges relating to the acquisition of each Vehicle and paid or satisfied by Lessor have been capitalized in determining the monthly rental, treated as an initial charge or otherwise charged to Lessee. Such charges have been determined without reduction for trade-in, exchange allowance or other credit attributable to any Lessor-owned vehicle.

7. REGISTRATION PLATES, ETC. Lessee agrees, at its expense, to obtain in the name designated by Lessor all registration plates and other plates, permits, inspections and/or licenses required in connection with the Vehicles, except for the initial registration plates which Lessor will obtain at Lessee's expense. The parties agree to cooperate and to furnish any and all information or documentation which may be reasonably necessary for compliance with the provisions of this Section or any federal, state or local law, rule, regulation or ordinance. Lessee agrees that it will not permit any Vehicle to be located in a state other than the state in which such Vehicle is then titled for any continuous period of time that would require such Vehicle to become subject to the titling and/or registration laws of such other state.

8. MAINTENANCE OF AND IMPROVEMENTS TO VEHICLES

(a) Lessee agrees, at its expense, to (i) maintain the Vehicles in good condition, repair, maintenance and running order and in accordance with all manufacturer's instructions and warranty requirements and all legal requirements and (ii) furnish all labor, materials, parts and other essentials required for the proper operation and maintenance of the Vehicles. Any alterations, additions, replacement parts or improvements to a Vehicle will become and remain the property of Lessor and will be returned with such Vehicle upon such Vehicle's return pursuant to Section 4. Notwithstanding the foregoing, so long as no Event of Default has occurred and is continuing, Lessee shall have the right to remove any additional equipment installed by Lessee on a Vehicle prior to returning such Vehicle to Lessor under Section 4. The value of such alterations, additions, replacement parts and improvements will in no instance be regarded as rent. Without the prior written consent of Lessor, Lessee will not make any alterations, additions, replacement parts or improvements to any Vehicle which detract from its economic value or functional utility. Lessor will not be required to make any repairs or replacements of any nature or description with respect to any Vehicle, to maintain or repair any Vehicle or to make any expenditure whatsoever in connection with any Vehicle or this Agreement.

(b) Lessor and Lessee acknowledge and agree that if Section 4 of a Schedule includes a charge for maintenance, (i) the Vehicle(s) covered by such Schedule are subject to a separate maintenance agreement between Enterprise Fleet Management, Inc. and Lessee and (ii) Lessor shall have no liability or responsibility for any failure of Enterprise Fleet Management, Inc. to perform any of its obligations thereunder or to pay or reimburse Lessee for its payment of any costs and expenses incurred in connection with the maintenance or repair of any such Vehicle(s).

9. SELECTION OF VEHICLES AND DISCLAIMER OF WARRANTIES

(a) LESSEE ACCEPTANCE OF DELIVERY AND USE OF EACH VEHICLE WILL CONCLUSIVELY ESTABLISH THAT SUCH VEHICLE IS OF A SIZE, DESIGN, CAPACITY, TYPE AND MANUFACTURE SELECTED BY LESSEE AND THAT SUCH VEHICLE IS IN GOOD CONDITION AND REPAIR AND IS SATISFACTORY IN ALL RESPECTS AND IS SUITABLE FOR LESSEE'S PURPOSE. LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A MANUFACTURER OF ANY VEHICLE OR AN AGENT OF A MANUFACTURER OF ANY VEHICLE.

(b) LESSOR MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO ANY VEHICLE, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY AS TO CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, IT BEING AGREED THAT ALL SUCH RISKS ARE TO BE BORNE BY LESSEE. THE VEHICLES ARE LEASED AS IS, WITH ALL FAULTS. All warranties made by any supplier, vendor and/or manufacturer of a Vehicle are hereby assigned by Lessor to Lessee for the applicable Term and Lessee's only remedy, if any, is against the supplier, vendor or manufacturer of the Vehicle.

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(c) None of Lessor, Servicer or any other agent of Lessor will be liable to Lessee for any liability claim, loss, damage (direct, incidental or consequential) or expense of any kind or nature caused directly or indirectly by any Vehicle or any inadequacy of any Vehicle for any purpose or any defect (latent or patent) in any Vehicle or the use or maintenance of any Vehicle or any repair, servicing or adjustment of or to any Vehicle or any delay in providing or failure to provide any Vehicle or any interruption or loss of service or use of any Vehicle or any loss of business or any damage whatsoever and however caused. In addition, none of Lessor, Servicer or any other agent of Lessor will have any liability to Lessee under this Agreement or under any order authorized on form executed by Lessee if Lessor is unable to locate or purchase a vehicle ordered by Lessee or for any delay in delivery of any Vehicle ordered by Lessee.

10. RISK OF LOSS. Lessee assumes and agrees to bear the entire risk of loss of, theft of, damage to or destruction of any Vehicle from any cause whatsoever (Casualty Occurrence). In the event of a Casualty Occurrence to a Vehicle, Lessee shall give Lessor prompt notice of the Casualty Occurrence and thereafter will replace the applicable vehicle in good repair, condition and working order as provided, however, that if the applicable vehicle is determined by Lessor to be lost, stolen, destroyed or damaged beyond repair (a "Totaled Vehicle"), Lessee agrees to pay Lessor no later than the date thirty (30) days after the date of the Casualty Occurrence the amounts owed under Sections 3(b) and 3(c) with respect to such Totaled Vehicle. Upon such payment, this Agreement will terminate with respect to such Totaled Vehicle.

11. INSURANCE

(a) Lessee agrees to purchase and maintain in force during the Term, insurance policies in at least the amounts listed below covering each Vehicle, to be written by an insurance company or companies satisfactory to Lessor, insuring Lessee, Lessor and any other person or entity designated by Lessor against any damage, claim, suit, action or liability:

(i) Commercial Automobile Liability Insurance (including Uninsured Underinsured Motorist Coverage and No-Fault Protection where required by law) for the limits listed below. (Note: \$2,000,000 Combined Single Limit Bodily Injury and Property Damage with No Deductible is required for each Vehicle capable of transporting more than 8 passengers.)

<u>State of Vehicle Registration</u>	<u>Coverage</u>
Connecticut, Massachusetts, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont	\$1,000,000 Combined Single Limit Bodily Injury and Property Damage - No Deductible
Florida	\$500,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - No Deductible
All Other States	\$300,000 Combined Single Limit Bodily Injury and Property Damage or \$100,000 Bodily Injury Per Person, \$300,000 Per Occurrence and \$50,000 Property Damage (100/300/50) - No Deductible

(ii) Physical Damage Insurance (Collision & Comprehensive): Actual cash value of the applicable Vehicle. Maximum deductible of \$500 per occurrence - Collision and \$250 per occurrence - Comprehensive.

If the requirements of any governmental or regulatory agency exceed the minimums stated in this Agreement, Lessee must obtain and maintain the higher insurance requirements. Lessee agrees that each required policy of insurance will by appropriate endorsement or otherwise name Lessor and any other person or entity designated by Lessor as additional insureds and loss payees, as their respective interests may appear. Further, each such insurance policy must provide the following: (i) that the same may not be cancelled, changed or modified until after the insurer has given to Lessor, Servicer and any other person or entity designated by Lessor at least thirty (30) days prior written notice of such proposed cancellation, change or modification; (ii) that no act or default of Lessee or any other person or entity shall affect the right of Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns to recover under such policy or policies of insurance in the event of any loss of or damage to any Vehicle; and (iii) that the coverage is primary coverage for the protection of Lessee, Lessor, Servicer, any other agent of Lessor and their respective successors and assigns notwithstanding any other coverage carried by Lessee, Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns protecting against similar risks. Original certificates evidencing such coverage and naming Lessor, Servicer, any other agent of Lessor and any other person or entity designated by Lessor as additional insureds and loss payees shall be furnished to Lessor prior to the Delivery Date, and annually thereafter and/or as reasonably requested by Lessor from time to time. In the event of default, Lessee hereby appoints Lessor, Servicer and any other agent of Lessor as Lessee's attorney-in-fact to receive payment of, to endorse all checks and other documents and to take any other actions necessary to pursue insurance claims and recover payments. If Lessee fails to do so, Any expense of Lessor, Servicer or any other agent of Lessor in adjusting or collecting insurance shall be borne by Lessee.

Lessee, its drivers, servants and agents agree to cooperate fully with Lessor, Servicer, any other agent of Lessor and any insurance carriers in the investigation, defense and prosecution of all claims or suits arising from the use or operation of any Vehicle. If any claim is made or action commenced for death, personal injury or property damage resulting from the ownership, maintenance, use or operation of any Vehicle, Lessee will promptly notify Lessor of such action or claim and forward to Lessor a copy of every demand, notice, summons or other process received in connection with such claim or action.

(b) Notwithstanding the provisions of Section 11(a) above, (i) if Section 4 of a Schedule includes a charge for physical damage waiver, Lessor agrees that (A) Lessee will not be required to obtain or maintain the minimum physical damage insurance (collision and comprehensive) required under Section 11(a) for the Vehicle(s) covered by such Schedule and (B) Lessor will assume the risk of physical damage (collision and comprehensive) to the Vehicle(s) covered by such Schedule, provided, however, that such physical damage waiver shall not apply to, and Lessee shall be and remain liable and responsible for, damage to a covered Vehicle caused by wear and tear or mechanical breakdown or failure, damage to or loss of any parts, accessories or components added to a covered

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Vehicle by Lessee without the prior written consent of Lessor and/or damage to or loss of any property and/or personal effects contained in a covered Vehicle. In the event of a Casualty Occurrence to a covered Vehicle, Lessor may at its option replace rather than repair the damaged Vehicle with an equivalent vehicle which replacement vehicle will then constitute the Vehicle for purposes of this Agreement and (ii) if Section 4 of a Schedule includes a charge for commercial automobile liability enrollment, Lessor agrees that it will, at its expense, obtain for and on behalf of Lessee, by adding Lessee as an additional insured under a commercial automobile liability insurance policy issued by an insurance company selected by Lessor, commercial automobile liability insurance satisfying the minimum commercial automobile liability insurance required under Section 11(a) for the Vehicle(s) covered by such Schedule. Lessor may at any time during the applicable Term terminate said obligation to provide physical damage waiver and/or commercial automobile liability enrollment and cancel such physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least ten (10) days prior written notice. Upon such cancellation, insurance in the minimum amounts as set forth in 11(a) shall be obtained and maintained by Lessee at Lessee's expense. An adjustment will be made in monthly rental charges payable by Lessee to reflect any such change and Lessee agrees to furnish Lessor with satisfactory proof of insurance coverage within ten (10) days after mailing of the notice. In addition, Lessor may change the rates charged by Lessor under this Section 11(b) for physical damage waiver and/or commercial automobile liability enrollment upon giving Lessee at least thirty (30) days prior written notice.

12 INDEMNITY. To the extent permitted by state law, Lessee agrees to defend and indemnify Lessor, Servicer, any other agent of Lessor and their respective successors and assigns from and against any and all losses, damages, liabilities, suits, claims, demands, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses) which Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns may incur by reason of Lessee's breach or violation of, or failure to observe or perform, any term, provision or covenant of this Agreement, or as a result of any loss, damage, theft or destruction of any Vehicle or related to or arising out of or in connection with the use, operation or condition of any Vehicle. The provisions of this Section 12 shall survive any expiration or termination of this Agreement. Nothing herein shall be deemed to affect the rights, privileges and immunities of Lessee and the foregoing indemnity provision is not intended to be a waiver of any sovereign immunity afforded to Lessee pursuant to the law.

13 INSPECTION OF VEHICLES, ODOMETER DISCLOSURE, FINANCIAL STATEMENTS. Lessee agrees to accomplish, at its expense, all inspections of the Vehicles required by any governmental authority during the Term. Lessor, Servicer, any other agent of Lessor and any of their respective successors or assigns will have the right to inspect any Vehicle at any reasonable time(s) during the Term and for this purpose to enter into or upon any building or place where any Vehicle is located. Lessee agrees to comply with all odometer disclosure laws, rules and regulations and to provide such written and signed disclosure information on such forms and in such manner as directed by Lessor. Providing false information or failure to complete the odometer disclosure form as required by law may result in fines and/or imprisonment. Lessee hereby agrees to promptly deliver to Lessor such financial statements and other financial information regarding Lessee as Lessor may from time to time reasonably request.

14 DEFAULT REMEDIES. The following shall constitute events of default (Events of Default) by Lessee under this Agreement: (a) if Lessee fails to pay when due any rent or other amount due under this Agreement and any such failure shall remain unremedied for ten (10) days; (b) if Lessee fails to perform, keep or observe any term, provision or covenant contained in Section 11 of this Agreement; (c) if Lessee fails to perform, keep or observe any other term, provision or covenant contained in this Agreement and any such failure shall remain unremedied for thirty (30) days after written notice thereof is given by Lessor, Servicer or any other agent of Lessor to Lessee; (d) any seizure or confiscation of any Vehicle or any other act (other than a Casualty Occurrence) otherwise rendering any Vehicle unsuitable for use (as determined by Lessor); (e) if any present or future guaranty in favor of Lessor of all or any portion of the obligations of Lessee under this Agreement shall at any time for any reason cease to be in full force and effect or shall be declared to be null and void by a court of competent jurisdiction, or if the validity or enforceability of any such guaranty shall be contested or denied by any guarantor, or if any guarantor shall deny that he or she has any further liability or obligation under any such guaranty or if any guarantor shall fail to comply with or observe any of the terms, provisions or conditions contained in any such guaranty; (f) the occurrence of a material adverse change in the financial condition or business of Lessee or any guarantor; or (g) if Lessee or any guarantor is in default under or fails to comply with any other present or future agreement with or in favor of Lessor. The Crawford Group, Inc. or any direct or indirect subsidiary of The Crawford Group, Inc. For purposes of this Section 14, the term "guarantor" shall mean any present or future guarantor of all or any portion of the obligations of Lessee under this Agreement.

Upon the occurrence of any Event of Default, Lessor, without notice to Lessee, will have the right to exercise concurrently or separately (and without any election of remedies being deemed made) the following remedies: (a) Lessor may demand and receive immediate possession of any or all of the Vehicles from Lessee without releasing Lessee from its obligations under this Agreement; if Lessee fails to surrender possession of the Vehicles to Lessor on default (or termination or expiration of the Term), Lessor, Servicer, any other agent of Lessor and any of Lessor's independent contractors shall have the right to enter upon any premises where the Vehicles may be located and to remove and repossess the Vehicles; (b) Lessor may enforce performance by Lessee of its obligations under this Agreement; (c) Lessor may recover damages and expenses sustained by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns by reason of Lessee's default including, to the extent permitted by applicable law, all costs and expenses, including court costs and reasonable attorneys' fees and expenses, incurred by Lessor, Servicer, any other agent of Lessor or any of their respective successors or assigns in attempting or effecting enforcement of Lessor's rights under this Agreement (whether or not litigation is commenced) and/or in connection with bankruptcy or insolvency proceedings; (d) upon written notice to Lessee, Lessor may terminate Lessee's rights under this Agreement; (e) with respect to each Vehicle, Lessor may recover from Lessee all amounts owed by Lessee under Sections 3(b) and 3(c) of this Agreement (and if Lessor does not recover possession of a Vehicle, (i) the estimated wholesale value of such Vehicle for purposes of Section 3(c) shall be deemed to be \$0.00 and (ii) the calculations described in the first two sentences of Section 3(c) shall be made without giving effect to clause (ii) in each such sentence); and/or (f) Lessor may exercise any other right or remedy which may be available to Lessor under the Uniform Commercial Code, any other applicable law or in equity. A termination of this Agreement shall occur only upon written notice by Lessor to Lessee. Any termination shall not affect Lessee's obligation to pay all amounts due for periods prior to the effective date of such termination or Lessee's obligation to pay any indemnities under this Agreement. All remedies of Lessor under this Agreement or at law or in equity are cumulative.

15 ASSIGNMENTS. Lessor may from time to time assign, pledge or transfer this Agreement and/or any or all of its rights and obligations under this Agreement to any person or entity. Lessee agrees, upon notice of any such assignment, pledge or transfer of any amounts due or to become due to Lessor under this Agreement to pay all such amounts to such assignee, pledgee or transferee. Any such assignee, pledgee or transferee of any rights or obligations of Lessor under this Agreement will have all of the rights and obligations that have been assigned to it. Lessee's rights and interest in and to the Vehicles are and will continue

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at all times to be subject and subordinate in all respects to any assignment, pledge or transfer now or hereafter executed by Lessor with or in favor of any such assignee, pledgee or transferee, provided that Lessee shall have the right of quiet enjoyment of the Vehicles so long as no Event of Default under this Agreement has occurred and is continuing. Lessee acknowledges and agrees that the rights of any assignee, pledgee or transferee in and to any amounts payable by the Lessee under any provisions of this Agreement shall be absolute and unconditional and shall not be subject to any abatement whatsoever or to any defense, setoff, counterclaim or recoupment whatsoever, whether by reason of any damage to or loss or destruction of any Vehicle or by reason of any defect in or failure of title of the Lessor or interruption from whatsoever cause in the use, operation or possession of any Vehicle or by reason of any indebtedness or liability howsoever and whenever arising of the Lessor or any of its affiliates to the Lessee or to any other person or entity or for any other reason.

Without the prior written consent of Lessor, Lessee may not assign, lease, transfer, or pledge this Agreement, any Vehicle, or any interest in this Agreement, and no third party or permit its rights under this Agreement in any Vehicle to be subject to a lien, charge, or encumbrance. Lessee's interest in this Agreement is not assignable and cannot be assigned or transferred by operation of law. Lessee will not transfer or relinquish possession of any Vehicle (except for the sole purpose of repair or service of such Vehicle) without the prior written consent of Lessor.

16 MISCELLANEOUS This Agreement contains the entire understanding of the parties. This Agreement may only be amended or modified by an instrument in writing executed by both parties. Lessor shall not by any act, delay, omission or otherwise be deemed to have waived any of its rights or remedies under this Agreement, and no waiver whatsoever shall be valid unless in writing and signed by Lessor and then only to the extent therein set forth. A waiver by Lessor of any right or remedy under this Agreement on any one occasion shall not be construed as a bar to any right or remedy which Lessor would otherwise have on any future occasion. If any term or provision of this Agreement or any application of any such term or provision is invalid or unenforceable, the remainder of this Agreement and any other application of such term or provision will not be affected thereby. Giving of all notices under this Agreement will be sufficient if mailed by certified mail to a party at its address set forth below or at such other address as such party may provide in writing from time to time. Any such notice mailed to such address will be effective one (1) day after deposit in the United States mail, duly addressed with certified mail postage prepaid. Lessee will promptly notify Lessor of any change in Lessee's address. This Agreement may be executed in multiple counterparts (including facsimile and pdf counterparts), but the counterpart marked "ORIGINAL" by Lessor will be the original lease for purposes of applicable law. All of the representations, warranties, covenants, agreements and obligations of each Lessee under this Agreement (if more than one) are joint and several.

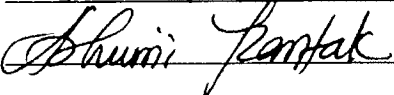
17 SUCCESSORS AND ASSIGNS GOVERNING LAW Subject to the provisions of Section 15, this Agreement will be binding upon Lessee and its heirs, executors, personal representatives, successors and assigns, and will inure to the benefit of Lessor, Servicer, any other agent of Lessor and their respective successors and assigns. This Agreement will be governed by and construed in accordance with the substantive laws of the State of Missouri (determined without reference to conflict of law principles).

18 NON-PETITION Each party hereto hereby covenants and agrees that, prior to the date which is one year and one day after payment in full of all indebtedness of Lessor, it shall not institute against, or join any other person in instituting against, Lessor any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings or other similar proceeding under the laws of the United States or any state of the United States. The provisions of this Section 18 shall survive termination of this Master Equity Lease Agreement.

19 NON-APPROPRIATION Lessee's funding of this Agreement shall be on a Fiscal Year basis and is subject to annual appropriations. Lessor acknowledges that Lessee is a municipal corporation, is precluded by the County or State Constitution and other laws from entering into obligations that financially bind future governing bodies, and that, therefore, nothing in this Agreement shall constitute an obligation of future legislative bodies of the County or State to appropriate funds for purposes of this Agreement. Accordingly, the parties agree that the lease terms within this Agreement or any Schedules relating hereto are contingent upon appropriation of funds. The parties further agree that should the County or State fail to appropriate such funds, the Lessor shall be paid all rentals due and owing hereunder up until the actual day of termination. In addition, Lessor reserves the right to be paid for any reasonable damages. These reasonable damages will be limited to the losses incurred by the Lessor for having to sell the vehicles on the open used car market prior to the end of the scheduled term (as determined in Section 3 and Section 14 of this Agreement).

IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Master Equity Lease Agreement as of the day and year first above written.

LESSEE City of Milpitas

Signature 

By Steven McHarris

Title Interim City Manager

Address 455 E. Calaveras Blvd.
Milpitas, CA 95035-5411

Date Signed 8/2/2019

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LESSOR Enterprise FM Trust
By Enterprise Fleet Management Inc. its attorney in fact

Signature 

By Brynn Searson

Title Regional Sales manager

Address 778 Buriway Rd.
Suite 200
Burlingame, CA 94010

Date Signed 8/6 19

ADDITIONAL SIGNATURES ON BACK

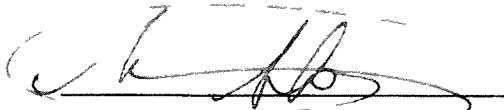
Enterprise Master Equity Lease Agreement

Approved As To Form

A handwritten signature in black ink, appearing to read "C. Diaz", written over a horizontal line.

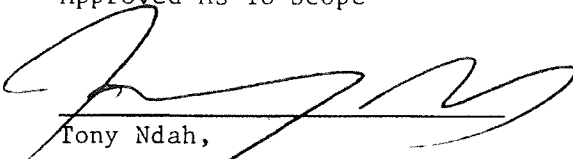
Christopher J. Diaz, City Attorney

Approved As To Content

A handwritten signature in black ink, appearing to read "W. Rossmann", written over a horizontal line.

Walter Rossmann,
Director of Financial Services

Approved As To Scope

A handwritten signature in black ink, appearing to read "Tony Ndah", written over a horizontal line.

Tony Ndah,
Director of Public Works

FLEET MANAGEMENT

AMENDMENT TO MASTER EQUITY LEASE AGREEMENT

THIS AMENDMENT (Amendment) dated this 14th day of June 2019 is attached to and made a part of the MASTER EQUITY LEASE AGREEMENT entered into on the 14th day of June 2019 (Agreement) by and between Enterprise FM Trust, a Delaware statutory trust (Lessor) and City of Milpitas (Lessee) This Amendment is made for good and valuable consideration the receipt of which is hereby acknowledged by the parties

Section 2 of the Master Equity Lease Agreement is amended to include the following paragraph

Lessee reserves the right to cancel this Agreement for any reason at all upon thirty (30) days prior written notice to Lessor In the event of such termination Lessor shall be paid all rentals due and owing hereunder up until the actual day of termination in accordance with Section 3(b) and 3(c) of the Master Equity Lease Agreement Additionally termination should not affect Lessee's obligation to pay any indemnities under this Agreement

Section 3c of the Master Equity Lease Agreement is amended to read as follows

Lessee agrees to pay Lessor within thirty (30) days after the end of the Term for each Vehicle additional rent equal to the excess if any of the Book Value of such Vehicle over the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith based on third party sources such as Black Book or (ii) except as provided below twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule If the Book Value of such Vehicle is less than the greater of (i) the wholesale value of such Vehicle as determined by Lessor in good faith based on third party sources such as Black Book or (ii) except as provided below twenty percent (20%) of the Delivered Price of such Vehicle as set forth in the applicable Schedule Lessor agrees to pay such deficiency to Lessee as a terminal rental adjustment within thirty (30) days after the end of the applicable Term Notwithstanding the foregoing if (i) the Term for a Vehicle is greater than forty-eight (48) months (including any extension of the Term for such Vehicle) (ii) the mileage on a Vehicle at the end of the Term is greater than 15 000 miles per year on average (prorated on a daily basis) (i.e. if the mileage on a Vehicle with a Term of thirty-six (36) months is greater than 45 000 miles) or (iii) in the sole judgment of Lessor a Vehicle has been subject to damage or any abnormal or excessive wear and tear the calculations described in the two immediately preceding sentences shall be made without giving effect to clause (ii) in each such sentence The Book Value of a Vehicle means the sum of (i) the "Delivered Price" of the Vehicle as set forth in the applicable Schedule minus (ii) the total Depreciation Reserve paid by Lessee to Lessor with respect to such Vehicle plus (iii) all accrued and unpaid rent and/or other amounts owed by Lessee with respect to such Vehicle

Section 3(g) of the Master Equity Lease Agreement is amended to add the following paragraph

In the event Lessee notifies Lessor of any claim or dispute under this Agreement and/or any claim involving the Vehicle Lessor will in good faith attempt to resolve the Lessee's claims in a manner satisfactory to all parties and Lessor will provide commercially reasonable assistance to Lessee in any communications and/or negotiations with the Vehicle's manufacturer with respect to claims relating to such Vehicle

Section 9(a) of the Master Equity Lease Agreement is amended to read as follows

LESSEE ACCEPTANCE OF DELIVERY AND USE OF EACH VEHICLE WILL CONCLUSIVELY ESTABLISH THAT SUCH VEHICLE IS OF A SIZE DESIGN CAPACITY, TYPE AND MANUFACTURE SELECTED BY LESSEE AND THAT SUCH VEHICLE IS IN GOOD CONDITION AND REPAIR AND IS SATISFACTORY IN ALL RESPECTS AND IS SUITABLE FOR LESSEE'S PURPOSE LESSEE HAS TEN (10) BUSINESS DAYS AFTER DELIVERY TO INSPECT THE VEHICLE AND IF LESSOR IS NOT NOTIFIED OF ANY REJECTION THE DELIVERY IS CONSIDERED ACCEPTED LESSEE ACKNOWLEDGES THAT LESSOR IS NOT A MANUFACTURER OF ANY VEHICLE OR AN AGENT OF A MANUFACTURER OF ANY VEHICLE

Section 9(b) of the Master Equity Lease Agreement is amended by adding the following paragraph

In the event Lessee notifies Lessor of any claim or dispute under this Agreement and/or any claim involving the Vehicle Lessor will in good faith attempt to resolve the Lessee's claims in a manner satisfactory to all parties and Lessor will provide commercially reasonable assistance to Lessee in any communications and/or negotiations with the Vehicle's manufacturer with respect to claims relating to such Vehicle

enterprise
FLEET MANAGEMENT

Section 14 first paragraph of the Master Equity Lease Agreement is amended to read as follows

The following shall constitute events of default (Events of Default) by Lessee under this Agreement (a) if Lessee fails to pay when due any rent or other amount due under this Agreement and any such failure shall remain unremedied for ten (10) days (b) if Lessee fails to perform keep or observe any term provision or covenant contained in Section 11 of this Agreement (c) if Lessee fails to perform keep or observe any other term provision or covenant contained in this Agreement and any such failure shall remain unremedied for thirty (30) days after written notice thereof is given by Lessor Servicer or any other agent of Lessor to Lessee (d) any seizure or confiscation of any Vehicle or any other act (other than a Casualty Occurrence) otherwise rendering any Vehicle unsuitable for use (as determined by Lessor) (e) if any present or future guaranty in favor of Lessor of all or any portion of the obligations of Lessee under this Agreement shall at any time for any reason cease to be in full force and effect or shall be declared to be null and void by a court of competent jurisdiction or if the validity or enforceability of any such guaranty shall be contested or denied by any guarantor or if any guarantor shall deny that it he or she has any further liability or obligation under any such guaranty or if any guarantor shall fail to comply with or observe any of the terms provisions or conditions contained in any such guaranty (f) the occurrence of a material adverse change in the financial condition or business of Lessee or any guarantor For purposes of this Section 14 the term 'guarantor' shall mean any present or future guarantor of all or any portion of the obligations of Lessee under this Agreement

Section 14 second paragraph of the Master Equity Lease Agreement is amended to read as follows

Upon the occurrence of any Event of Default, Lessor shall provide written notice to of Event of Default to Lessee Lessee shall have ten (10) days (exclusive of Section 11 Insurance) upon receipt of notice to cure the Event of Default Upon expiration of the ten (10) days without remedy of the Event of Default by the Lessee Lessor will have the right to exercise concurrently or separately (and without any election of remedies being deemed made) the following remedies (a) Lessor may demand and receive immediate possession of any or all of the Vehicles from Lessee without releasing Lessee from its obligations under this Agreement if Lessee fails to surrender possession of the Vehicles to Lessor on default (or termination or expiration of the Term) Lessor Servicer any other agent of Lessor and any of Lessor's independent contractors shall have the right to enter upon any premises where the Vehicles may be located and to remove and repossess the Vehicles (b) Lessor may enforce performance by Lessee of its obligations under this Agreement (c) Lessor may recover damages and expenses sustained by Lessor Servicer any other agent of Lessor or any of their respective successors or assigns by reason of Lessee's default including to the extent permitted by applicable law all costs and expenses including court costs and reasonable attorneys fees and expenses incurred by Lessor Servicer any other agent of Lessor or any of their respective successors or assigns in attempting or effecting enforcement of Lessor's rights under this Agreement (whether or not litigation is commenced) and/or in connection with bankruptcy or insolvency proceedings (d) upon written notice to Lessee Lessor may terminate Lessee's rights under this Agreement (e) with respect to each Vehicle Lessor may recover from Lessee all amounts owed by Lessee under Sections 3(b) and 3(c) of this Agreement (and if Lessor does not recover possession of a Vehicle (i) the estimated wholesale value of such Vehicle for purposes of Section 3(c) shall be deemed to be \$0.00 and (ii) the calculations described in the first two sentences of Section 3(c) shall be made without giving effect to clause (ii) in each such sentence) and/or (f) Lessor may exercise any other right or remedy which may be available to Lessor under the Uniform Commercial Code any other applicable law or in equity A termination of this Agreement shall occur only upon written notice by Lessor to Lessee Any termination shall not affect Lessee's obligation to pay all amounts due for periods prior to the effective date of such termination or Lessee's obligation to pay any indemnities under this Agreement All remedies of Lessor under this Agreement or at law or in equity are cumulative

Section 15 second paragraph of the Master Equity Lease Agreement is amended to read as follows

Without the prior written consent of Lessor Lessee may not assign sublease transfer or pledge this Agreement any Vehicle or any interest in this Agreement or in and to any Vehicle or permit its rights under this Agreement or any Vehicle to be subject to any lien charge or encumbrance Lessee's interest in this Agreement is not assignable and cannot be assigned or transferred by operation of law Lessee will not transfer or relinquish possession of any Vehicle (except for the sole purpose of repair or service of such Vehicle) without the prior written consent of Lessor Lessee shall have the right without the prior consent of Lessor to assign this Agreement to an affiliate only In the event these affiliate assignments are allowed Lessee remains responsible for all Provisions of the Master Equity Lease Agreement

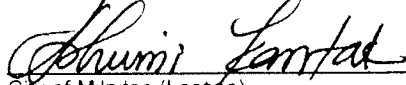
Section 17 of the Master Equity Lease Agreement is amended to read as follows

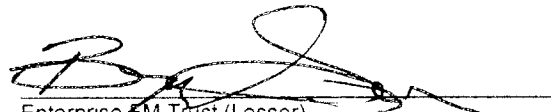
enterprise
FLEET MANAGEMENT

Subject to the provisions of Section 15, this Agreement will be binding upon Lessee and its heirs, executors, personal representatives, successors and assigns, and will inure to the benefit of Lessor, Servicer, any other agent of Lessor and their respective successors and assigns. This Agreement will be governed by and construed in accordance with the substantive laws of the State of California (determined without reference to conflict of law principles).

All references in the Agreement and in the various Schedules and addenda to the Agreement and any other references of similar import shall henceforth mean the Agreement as amended by this Amendment. Except to the extent specifically amended by this Amendment, all of the terms, provisions, conditions, covenants, representations and warranties contained in the Agreement shall be and remain in full force and effect and the same are hereby ratified and confirmed.

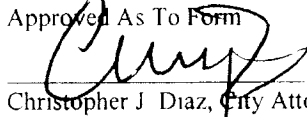
IN WITNESS WHEREOF, Lessor and Lessee have executed this Amendment to Master Equity Lease Agreement as of the 14th day of June, 2019.

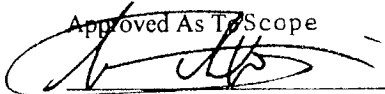

City of Milpitas (Lessee)

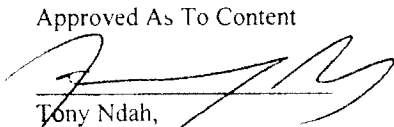

Enterprise FM Trust (Lessor)
By Enterprise Fleet Management, Inc., its attorney in fact

By Steve McHarris
Title Interim City Manager

By Brynn Searson
Title Regional Sales manager

Approved As To Form

Christopher J. Diaz, City Attorney

Approved As To Scope

Walter Rossman
Director of Financial Services

Approved As To Content

Tony Ndah,
Director of Public Works

FLEET MANAGEMENT

INDEMNITY AGREEMENT

This Agreement is entered into as of the 14th day of June 2019 by and between Enterprise Fleet Management, Inc. (EFM) a Missouri corporation and City of Milpitas

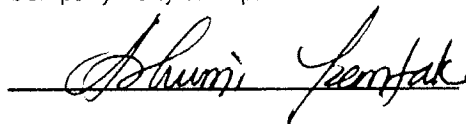
WITNESSETH

INDEMNITY Enterprise Fleet Management Inc ("EFM") agrees to defend and indemnify City of Milpitas from and against any and all losses damages liabilities suits claims demands costs and expenses (including without limitation reasonable attorneys fees and expenses) which City of Milpitas may incur by reason of EFM's breach or violation of or failure to observe or perform any of its obligations as Servicer (EFM in such capacity "Servicer") for Enterprise FM Trust in connection with the Master Equity Lease Agreement between City of Milpitas and Enterprise FM Trust dated as of the date hereof or as a result of any loss damage theft or destruction of any Vehicle or related to or arising out of or in connection with the use operation or condition of any Vehicle in each case while the Vehicle was in possession of the Servicer

Capitalized terms used herein and not defined herein shall have the meanings given in the Lease

IN WITNESS WHEREOF EFM and City of Milpitas have executed this Indemnity Agreement as of the day and year first above written

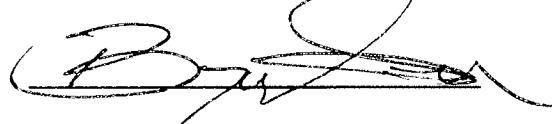
Company City of Milpitas



By Steven McHarris
Title Interim City Manager

Address 455 E. Calaveras Blvd.
Milpitas, CA 95035-5411

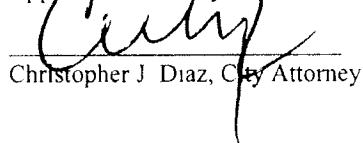
EFM ENTERPRISE FLEET MANAGEMENT INC



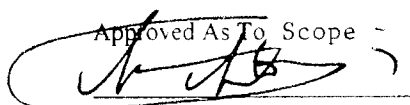
By Brynn Searson
Title Regional Sales manager

Address 778 Burlway Rd.
Suite 200
Burlingame, CA 94010

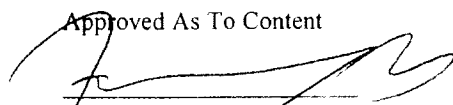
Approved As To Form


Christopher J. Diaz, City Attorney

Approved As To Scope


Walter Rossmann
Director of Financial Services

Approved As To Content


Tony Ndah,
Director of Public Works

enterprise
FLEET MANAGEMENT

SELF-INSURANCE ADDENDUM TO MASTER EQUITY LEASE AGREEMENT
(Physical Damage Only)

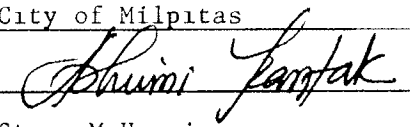
This Addendum is attached to Master Equity Lease Agreement dated 14th day of June, 2012, between Enterprise Fleet Management, Inc. ("Enterprise Fleet Management") and City of Milpitas ("City of Milpitas").

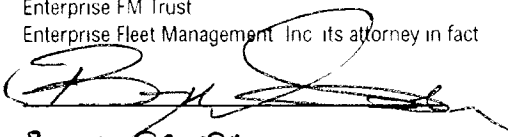
This Addendum is attached to and made a part of the Agreement (including each Schedule to the Agreement). All capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Agreement.

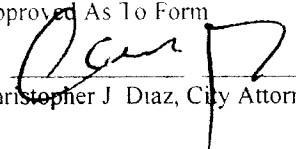
Notwithstanding the provisions of Section 11 of the Agreement, Lessee shall be permitted to assume and self-insure the risks covered by the Physical Damage insurance policy set forth in Section 11 of the Agreement and shall not be required to purchase or maintain any Physical Damage insurance policy of any kind with respect to any Vehicle, provided, however, that if any Federal, state, local or other law, statute, rule, regulation or ordinance requires Lessee to maintain any amount of Physical Damage insurance with respect to any Vehicle, Lessee shall purchase and maintain such amount of Physical Damage insurance in the form of a Physical Damage insurance policy which complies in all respects, other than the amount of Physical Damage insurance required, with Section 11 of the Agreement.

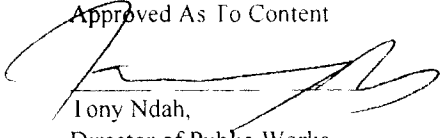
Notwithstanding the foregoing, if (1) Lessor, at any time in its good faith judgment, is not satisfied with the condition, prospects or performances financial or otherwise, of Lessee or (2) any default or event of default occurs under the Agreement, then Lessor may, at its option, revoke this Addendum and terminate Lessee's right to self-insure by providing Lessee with at least thirty (30) days prior written notice thereof. Upon the termination of Lessee's right to self-insure, Lessee shall comply in all respects with Section 11 of the Agreement.

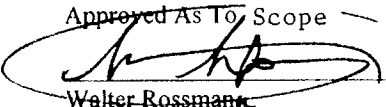
Except as amended hereby, all the terms and provisions of the Agreement shall remain in full force and effect. In the event of any conflict between this Addendum and the Agreement or any of the Schedules, the terms and provisions of this Addendum will govern and control.

LESSEE City of Milpitas

By Steve McHarris
Title Interim City Manager
Date Signed 8/2/2019

LESSOR Enterprise FM Trust
By 
By Brynn Searson
Title Regional Sales manager
Date Signed 8/6/19

Approved As To Form

Christopher J. Diaz, City Attorney

Approved As To Content

Tony Ndah,
Director of Public Works

Approved As To Scope

Walter Rossman
Director of Financial Services

Current Vehicle	Year	Make	Model and Series	Exterior Color	Interior Color	Term	Capitalized Price of Vehicle	Capitalized Price Reduction*	Total Delivered Price	Initial Lease Fee	Monthly Depreciation Percent	Monthly Depreciation Reserve	Monthly Lease Charge	Monthly Use Tax	Total Monthly Payment	Reduced Book Value	Service Charge
Z405 1995 Ford Taurus	2019	Nissan	LEAF S 4dr Hatchback	Glacier White	Black w/Cloth Seat Trim	60 months	\$ 27,186.00	\$0.00	\$27,496.00	\$463.42	1.35%	\$371.20	\$107.75	\$43.11	\$522.06	\$5,224.00	\$400.00
Z403 1996 Ford Sable	2019	Nissan	LEAF S 4dr Hatchback	Glacier White	Black w/Cloth Seat Trim	60 months	\$ 27,186.00	\$0.00	\$27,496.00	\$463.42	1.35%	\$371.20	\$107.75	\$43.11	\$522.06	\$5,224.00	\$400.00
N280 1998 Ford Ranger	2020	Toyota	RAV 4 Hybrid LE 4dr AWD	Super White	Black w/Fabric Seat Trim	60 months	\$ 27,241.00	\$0.00	\$27,551.00	\$423.63	1.35%	\$371.94	\$105.14	\$42.94	\$520.02	\$5,234.60	\$400.00
N281 1998 Ford Ranger	2020	Toyota	RAV 4 Hybrid LE 4dr AWD	Super White	Black w/Fabric Seat Trim	60 months	\$ 27,241.00	\$0.00	\$27,551.00	\$423.63	1.35%	\$371.94	\$105.14	\$42.94	\$520.02	\$5,234.60	\$400.00
N282 1998 Ford Ranger	2020	Toyota	RAV 4 Hybrid LE 4dr AWD	Super White	Black w/Fabric Seat Trim	60 months	\$ 27,241.00	\$0.00	\$27,551.00	\$423.63	1.35%	\$371.94	\$105.14	\$42.94	\$520.02	\$5,234.60	\$400.00
Z419 1999 Ford Ranger	2020	Toyota	RAV 4 Hybrid LE 4dr AWD	Super White	Black w/Fabric Seat Trim	60 months	\$ 27,241.00	\$0.00	\$27,551.00	\$423.63	1.35%	\$371.94	\$105.14	\$42.94	\$520.02	\$5,234.60	\$400.00
Z477 1999 Ford Crown Victoria	2019	Nissan	LEAF S 4dr Hatchback	Glacier White	Black w/Cloth Seat Trim	60 months	\$ 27,186.00	\$0.00	\$27,496.00	\$463.42	1.35%	\$371.20	\$107.75	\$43.11	\$522.06	\$5,224.00	\$400.00
F478 1999 Ford Crown Victoria	2019	Nissan	LEAF S 4dr Hatchback	Glacier White	Black w/Cloth Seat Trim	60 months	\$ 27,186.00	\$0.00	\$27,496.00	\$463.42	1.35%	\$371.20	\$107.75	\$43.11	\$522.06	\$5,224.00	\$400.00
Z498 1999 Ford Crown Victoria	2019	Nissan	LEAF S 4dr Hatchback	Glacier White	Black w/Cloth Seat Trim	60 months	\$ 27,186.00	\$0.00	\$27,496.00	\$463.42	1.35%	\$371.20	\$107.75	\$43.11	\$522.06	\$5,224.00	\$400.00
Z410 2000 Ford Crown Victoria	2020	Toyota	Plus Prime LE 5dr Hatchback	Super White	Black w/Fabric Seat Trim	60 months	\$ 24,442.00	\$0.00	\$24,752.00	\$414.54	1.35%	\$334.15	\$96.56	\$38.76	\$469.47	\$4,703.00	\$400.00
Z420 2000 Ford Mustang	2020	Toyota	RAV 4 Hybrid LE 4dr AWD	Super White	Black w/Fabric Seat Trim	60 months	\$ 27,241.00	\$0.00	\$27,551.00	\$423.63	1.35%	\$371.94	\$105.14	\$42.94	\$520.02	\$5,234.60	\$400.00
F464 2000 Ford Crown Victoria	2020	Toyota	LEAF S 4dr Hatchback	Glacier White	Black w/Cloth Seat Trim	60 months	\$ 27,186.00	\$0.00	\$27,496.00	\$463.42	1.35%	\$371.20	\$107.75	\$43.11	\$522.06	\$5,224.00	\$400.00
82 2000 Ford Crown Victoria	2020	Toyota	Plus Prime LE 5dr Hatchback	Super White	Black w/Fabric Seat Trim	60 months	\$ 24,442.00	\$0.00	\$24,752.00	\$414.54	1.35%	\$334.15	\$96.56	\$38.76	\$469.47	\$4,703.00	\$400.00
F465 2001 Ford Crown Victoria	2020	Toyota	RAV 4 Hybrid LE 4dr AWD	Super White	Black w/Fabric Seat Trim	60 months	\$ 27,241.00	\$0.00	\$27,551.00	\$423.63	1.35%	\$371.94	\$105.14	\$42.94	\$520.02	\$5,234.60	\$400.00
F467 2001 Ford Crown Victoria	2020	Toyota	RAV 4 Hybrid LE 4dr AWD	Super White	Black w/Fabric Seat Trim	60 months	\$ 27,241.00	\$0.00	\$27,551.00	\$423.63	1.35%	\$371.94	\$105.14	\$42.94	\$520.02	\$5,234.60	\$400.00
M62 2001 Ford Crown Victoria	2019	Nissan	LEAF S 4dr Hatchback	Glacier White	Black w/Cloth Seat Trim	60 months	\$ 27,186.00	\$0.00	\$27,496.00	\$463.42	1.35%	\$371.20	\$107.75	\$43.11	\$522.06	\$5,224.00	\$400.00
Z475 2001 Ford Taurus	2020	Toyota	Plus Prime LE 5dr Hatchback	Super White	Black w/Fabric Seat Trim	60 months	\$ 24,442.00	\$0.00	\$24,752.00	\$414.54	1.35%	\$334.15	\$96.56	\$38.76	\$469.47	\$4,703.00	\$400.00
Z491 2001 Ford Crown Victoria	2020	Toyota	RAV 4 Hybrid LE 4dr AWD	Super White	Black w/Fabric Seat Trim	60 months	\$ 27,241.00	\$0.00	\$27,551.00	\$423.63	1.35%	\$371.94	\$105.14	\$42.94	\$520.02	\$5,234.60	\$400.00
J469 2001 Ford Crown Victoria	2020	Toyota	RAV 4 Hybrid LE 4dr AWD	Super White	Black w/Fabric Seat Trim	60 months	\$ 27,241.00	\$0.00	\$27,551.00	\$423.63	1.35%	\$371.94	\$105.14	\$42.94	\$520.02	\$5,234.60	\$400.00
F420 2003 Ford Crown Victoria	2020	Toyota	LEAF S 4dr Hatchback	Glacier White	Black w/Cloth Seat Trim	60 months	\$ 27,186.00	\$0.00	\$27,496.00	\$463.42	1.35%	\$371.20	\$107.75	\$43.11	\$522.06	\$5,224.00	\$400.00
K423 2003 Ford Crown Victoria	2019	Nissan	LEAF S 4dr Hatchback	Glacier White	Black w/Cloth Seat Trim	60 months	\$ 27,186.00	\$0.00	\$27,496.00	\$463.42	1.35%	\$371.20	\$107.75	\$43.11	\$522.06	\$5,224.00	\$400.00
Z492 2003 Ford Crown Victoria	2020	Toyota	Plus Prime LE 5dr Hatchback	Super White	Black w/Fabric Seat Trim	60 months	\$ 24,442.00	\$0.00	\$24,752.00	\$414.54	1.35%	\$334.15	\$96.56	\$38.76	\$469.47	\$4,703.00	\$400.00
F465 2004 Ford Crown Victoria	2020	Toyota	RAV 4 Hybrid LE 4dr AWD	Super White	Black w/Fabric Seat Trim	60 months	\$ 27,241.00	\$0.00	\$27,551.00	\$423.63	1.35%	\$371.94	\$105.14	\$42.94	\$520.02	\$5,234.60	\$400.00
F465 2004 Ford Crown Victoria	2020	Toyota	RAV 4 Hybrid LE 4dr AWD	Super White	Black w/Fabric Seat Trim	60 months	\$ 27,241.00	\$0.00	\$27,551.00	\$423.63	1.35%	\$371.94	\$105.14	\$42.94	\$520.02	\$5,234.60	\$400.00
N413 2005 Ford Crown Victoria	2020	Toyota	Plus Prime LE 5dr Hatchback	Glacier White	Black w/Cloth Seat Trim	60 months	\$ 27,186.00	\$0.00	\$27,496.00	\$463.42	1.35%	\$371.20	\$107.75	\$43.11	\$522.06	\$5,224.00	\$400.00
Z415 2005 Ford Crown Victoria	2019	Nissan	LEAF S 4dr Hatchback	Glacier White	Black w/Cloth Seat Trim	60 months	\$ 27,186.00	\$0.00	\$27,496.00	\$463.42	1.35%	\$371.20	\$107.75	\$43.11	\$522.06	\$5,224.00	\$400.00

Notes

2020 Toyota RAV4 Hybrid LE AWD is an estimated cost based on 2019 Model Year and expected price increase. Price will be adjusted once Toyota releases pricing.

Enterprise FM Trust will be the owner of the vehicle covered by this Quote. Enterprise FM Trust (not Enterprise Fleet Management) will be the Lessor of such vehicle under the Master Open End (Equity) Lease Agreement and shall have all rights and obligations of the Lessor under the Master Open End (Equity) Lease Agreement with respect to such vehicle.

ALL TAX AND LICENSE FEES TO BE BILLED TO LESSEE AS THEY OCCUR.

Lessee hereby authorizes this vehicle order, agrees to lease the vehicle on the terms set forth herein and in the Master Equity Lease Agreement and agrees that Lessor shall have the right to collect damages in the event Lessee fails or refuses to accept delivery of the ordered vehicle.

certifies that it intends that more than 50% of the use of the vehicle is to be in a trade or business of the Lessee.

LESSEE: City of Milpitas
by Steve McHarris, Interim City Manager

* INDICATES ITEMS TO BE BILLED ON DELIVERY

1 Capitalized Price of Vehicle May be Adjusted to Reflect Final Manufacturer's Invoice. Lessee Hereby Assigns to Lessor any Manufacturer Rebates And/Or Manufacturer Incentives Intended for the Lessee Which Rebates And/Or Incentives Have Been Used By Lessor to Reduce the Capitalized Price of the Vehicle.

2 Monthly Lease Charge Will be Adjusted to Reflect the Interest Rate on the Delivery Date (Subject to a Floor).

3 The inclusion herein of references to maintenance fees/services are solely for the administrative convenience of Lessee. Notwithstanding the inclusion of such references in this [Invoice/Schedule/Quote] all such maintenance services are to be performed by Enterprise Fleet Management, Inc. and all such maintenance fees are payable by Lessee solely for the account of Enterprise Fleet Management, Inc. pursuant to that certain separate [Maintenance Agreement] entered into by and between Lessee and Enterprise Fleet Management, Inc. provided that such maintenance fees are being billed by Enterprise FM Trust, and are payable at the direction of Enterprise FM Trust, solely as an authorized agent, for collection on behalf of Enterprise Fleet Management, Inc.

GOVERNMENT CREDIT APPLICATION

Please complete all applicable items

Company Name City of Milpitas Credit Applicant Tony Ndah Year Business Started 1954
 Street Address 455 E. Calaveras Blvd. City Milpitas State CA Zip 95035-5411
 E-mail tndah@ci.milpitas.ca.gov Phone # 408-586-7812 Fax # n/a
 Government Entity Type ☐ State ☐ County ☒ City ☐ Other _____
 Type of Business n/a Duns Number 038142624
 Parent Company or Affiliates (Name & Address) n/a

PERSONAL INFORMATION

Name Tony Ndah E-mail tndah@ci.milpitas.ca.gov Phone # 408-586-7812
 Fleet Manager Address Public Works / Corporation Yard 1265 N. Milpitas Blvd. Milpitas, CA 95035-5411

FINANCIAL STATEMENTS

Are your books prepared by an outside Accountant? ☐ Yes ☐ No
 Accountant Name _____ Email Address _____ Phone # _____

FINANCIAL STATEMENTS

Three years of Financial Statements (with footnotes) ☐ Audited ☐ Opinioned ☐ Internal
 Published Annual Reports ☐ Yes ☐ No
 Income Tax Returns (3 years) ☐ Yes ☐ No
 Other Items Included _____
 Federal ID Number _____
 Fiscal Year End (Month) _____

VEHICLE INFORMATION

Year	Make	Model	Color	Engine
☐ Purchasing ☐ Leasing ☐ Finance				

INSURANCE

Company Plan JPA Agent n/a Policy # GAL 2019-20 Exp. Date 6/30/2020
 Street Address 1750 Creekside Oaks Dr. #200 City Sacramento State CA Zip 95833
 Phone # 916-244-1100 Fax # n/a The City of Milpitas is self-insured.

RESOLVED The undersigned hereby certifies (i) that he/she is the duly appointed Interim City Manager (Title) for City of Milpitas (Entity legal name) hereafter known as The Entity (ii) that he/she is authorized by The Entity to execute and deliver on behalf of The Entity to Enterprise Fleet Management hereafter known as Enterprise (Lessor) and the Master Lease Agreement between Enterprise and the Entity the (Lessee) and (iii) that the following individuals are authorized and empowered on behalf of and in the name of The Entity to execute and deliver to Enterprise Schedules to the Lease for individual motor vehicles together with any other necessary documents in connection with those Schedules

RESOLVED FURTHER that

Tony Ndah
Print Name

Director Public Works
Title

Steve McHarris
Print Name

Interim City Manager
Title

Print Name

Title

Print Name

Title

Print Name

Title

Print Name

Title

Bond Rating _____ Rating Agency _____ Federal ID# 94-6019192

RESOLVED FURTHER that EFM is authorized to act upon this authorization until written notice of its revocation is received by EFM

I do hereby certify that the information contained in this Credit Application is accurate in all material aspects as required by law Further I do hereby certify

Steve McHarris
Print Name

Interim City Manager
Title

Signature

City of Milpitas
Company Name

8/2/19
Date

For the purpose of seeking to secure credit from Enterprise Fleet Management, Inc. (together with its affiliates, successors, and third parties) we provide to EFM the Credit Applicant's authorization to investigate and verify the information in this Credit Agreement and to obtain financial and/or credit information from any person or entity with whom the Credit Applicant has or had financial dealings including banks, lending institutions and trade or credit references, whether or not such person or entity is identified in this Credit Application, which information may include financial statements, tax returns, and bank records. () EFM may contact any Credit Applicant's current or former employers or creditors to verify any information contained herein or received in connection with this Credit Application. If Credit Applicant is a sole proprietor and () any third party who may have relevant information to provide such information to EFM. (b) will notify EFM if there is any change in name, address, or any material adverse change () in any of the information contained in this Credit Application () in Credit Applicant's financial condition () in Credit Applicant's ability to perform the respective obligations of EFM and (c) represents and warrants that any annual information provided to EFM by Credit Applicant is true, correct and complete, so that the information hereof is not false, misleading or change in the representations and warranties included in this Credit Application shall be considered a continuing statement that the information provided in this Credit Application remains true, correct and complete.

As permitted by law, EFM may also release information about EFM's credit experience with Credit Applicant. Credit Applicant understands and agrees that all reports and records developed by EFM or any third party agent in connection with the foregoing investigations are the sole property of EFM and will not be provided to Credit Applicant unless otherwise required by applicable law or agreed by EFM in writing.

The Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, sex, marital status, age, provided that Credit Applicant has the capacity to enter into a binding contract, because all or part of Credit Applicant's income derives from any public assistance program, or because Credit Applicant has in good faith exercised any right under the Consumer Credit Protection Act. If this credit application is denied, Credit Applicant may have the right to a written statement of the specific reason(s) for the denial. To request to obtain the statement, Credit Applicant may contact EFM at 60 Corporate Park Drive, ATTN: EFM Credit Department, St. Louis, MO 63105, within 60 days from the date Credit Applicant is notified of the denial of application within 30 days of EFM's receipt of the request. EFM will send Credit Applicant a written statement specifying the reason(s) for the denial.

The undersigned hereby represents and warrants to EFM that he/she is authorized to make this application for credit on behalf of Credit Applicant.

Please note that this Credit Application is an application and does not commit or require EFM to extend any credit whatsoever to Credit Applicant.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Accept Grants from Silicon Valley Clean Energy Member Agency Grant Program and Authorize the Purchase of Ford F-150 Lightning Vehicles (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	6/17/2025
Recommendation:	(1) Accept grant funding from Silicon Valley Clean Energy Member Agency Grants program in the amount of \$372,233 for the non-competitive grant and \$502,000 for the competitive grant for a total of \$874,233; and (2) Authorize the City Manager to execute two grant agreements with Silicon Valley Clean Energy; and (3) Approve the purchase of up to five (5) Ford F-150 Lightning Vehicles, and authorize the City Manager to negotiate and execute any documents necessary to effectuate the purchase.

BACKGROUND:

In late 2024, Silicon Valley Clean Energy (SVCE) announced its new round of member agency grants. SVCE offered both non-competitive and competitive funding to support electrification, energy resilience, or community engagement projects. The purpose of the grants is to support each of the member agency's clean energy and climate goals.

Non-competitive Member Agency Grants

SVCE's Non-competitive Member Agency Grants provide \$3 Million for SVCE's thirteen member agencies (including Milpitas). Each member agency is to be awarded funding to invest in a project that supports building or transportation electrification, energy resilience, or community engagement. Projects can be located at public sites or municipal operation facilities. Each member agency will receive a baseline of \$100,000 in grant funding, with the remaining grant funding divided based on each agencies' percentage of SVCE electric load. Milpitas' funding allocation for the non-competitive grant is \$372,233. To be eligible to receive the non-competitive grant funds, agencies were required to submit a complete Grant Form by December 5, 2024.

Competitive Member Agency Grants

SVCE's Competitive Member Agency Grants award \$3.5 Million to SVCE's member agencies through a competitive solicitation process. Two tracks are available: 1) the Decarbonization Track and 2) the Engagement Track. The Decarbonization Track provides capital funding for building and transportation electrification and/or energy resilience projects that demonstrate the feasibility of all-electric technology to the community. The Engagement Track provides funding for community engagement projects that educate the community on building and transportation electrification in innovative ways. Competitive funding may be stacked with non-competitive funding, depending on the project. Grant applications for the Decarbonization Track were due on March 28, 2025.

ANALYSIS:

The City Climate Action Plan (CAP) establishes the City's goal to be carbon neutral by 2045. Over half (59%) of community-wide greenhouse gas (GHG) emissions from 2019 were generated by on-road transportation. One of the key strategies of the CAP is to decarbonize vehicles through increased adoption and use of electric vehicles (EV) and increasing access to EV charging infrastructure. Under the Milpitas Operations sub-category, the CAP includes an action to convert the City fleet vehicles to all-electric or alternate fuels.

Multiple State agencies are also responsible for driving climate action and greenhouse gas reduction and have promulgated regulations intended to reduce statewide GHG emissions. One example is the California Air Resources Board Advanced Clean Fleet regulations which include requirements for State and local government fleets to purchase zero-emissions vehicles (50% of purchases should be zero-emission vehicles starting in 2024 and 100% beginning in 2027).

In 2021, the City received \$700,702 through SVCE's first round of member agency grants which were focused on community resiliency. Those funds were used to offset a portion of the costs to construct the solar and back-up battery microgrids at the Community Center and Senior Center.

For this newest round of member agency grants, City staff sought to stack both the non-competitive and competitive grants and use the funds to support the City fleet electrification and add electric vehicle charging infrastructure at the Public Works Administration building on 1265 N. Milpitas Boulevard. Proposals were submitted to SVCE for the following:

Non-Competitive Grant	\$ 372,233	Grant funds will be used to fund electrification for a portion of the City Public Works maintenance fleet replacement over the fiscal year (FY 2025-26) and possibly the year thereafter (FY 2026-27) based on the City's ability to source and procure the vehicles. The City plans to purchase up to five all-electric Ford F150 Lightning Vehicles, estimated at \$80,000 each. The Lightnings will be used by Public Works field operations and utility maintenance divisions. Public Works will work with the City Purchasing Agent and Ford dealers to acquire the electric vehicles.
Competitive Grant – Decarbonization Track	\$ 502,000	Grant funds will be used to fund the installation of two high-capacity DC fast chargers and one dual port level 2 charger at the City Public Works Administration building to be used for public and City fleet charging and to leverage this infrastructure – along with the City's electric fleet and other charging stations throughout Milpitas – in a community education and engagement campaign designed to highlight EVs and EV infrastructure.

The stacking of the two grants enables the City to efficiently and cost-effectively advance our fleet electrification efforts. Considering the challenges with resolving the City structural budget deficit, the grant will fund the full costs of replacing existing work trucks with new, all-electric Ford F-150 Lightning Vehicles, thereby offsetting the \$372,233 costs from the Vehicle Replacement Fund. At the same time, the competitive grant funds will fund the installation of new charging infrastructure, most importantly the high cost of a DC fast charger which will be able to quickly charge the Lightnings and other electric fleet vehicles in a time-efficient manner. Absent this opportunity, the vehicles would have needed to be charged through the existing Level 2 chargers (slower charging rate). These projects demonstrate the City leadership in sustainability and a portion of the grant will be used to increase community education about EVs and EV charging infrastructure.

The deadline to spend funds from both grants is December 31, 2028.

POLICY ALTERNATIVE(S):

Alternative 1: Do not accept the grant funds.

Pros: None.

Cons: The City will lose an opportunity to use external funds to support vehicle replacements and improving public charging infrastructure.

Reason for Not Recommending: It is in the City's interest to leverage external funding to offset City costs, when feasible.

FISCAL IMPACT:

The non-competitive grant funds received from SVCE will offset \$372,233 for planned replacements from the Equipment Replacement Fund. The competitive grant funds will be used to fully fund the installation of the three EV charging stations at the Public Works Administration site, which is also shared by the Information Technology Department, and community education efforts around electric vehicles and EV charging infrastructure. There is no local match requirement for either of these grants. These are reimbursement grants with a spend deadline of December 31, 2028.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

In accordance with the California Environmental Quality Act, the installation of EV chargers at an existing parking lot is categorically exempt pursuant to CEQA Guidelines Section 15301, Class 1 (Existing Facilities) and Section 15303, Class 3 (New Construction or Conversion of Small Structures). The new EV charging stations meet the criteria in each of these sections and is categorically exempt.

The purchase of these vehicles has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment and is not a project pursuant to Pub. Resources Code, § 21065 and Cal. Code Regs., tit. 14, § 15378. Even if a project, the action is exempt from further CEQA review pursuant to Cal. Code Regs., tit. 14, § 15061(b)(3) as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

ATTACHMENT(S):

- (a) SVCE Grant Member Agency Grant Agreement for Non-competitive Grant
- (b) SVCE Member Agency Grant Agreement for Competitive Grant

SILICON VALLEY CLEAN ENERGY MEMBER AGENCY GRANT PROGRAM

AGREEMENT

THIS AGREEMENT is made and effective on the date of last signature below (“Effective Date”) by and between the Silicon Valley Clean Energy Authority (“SVCE”), an independent public agency and City of Milpitas (“Recipient”) In consideration of the covenants, conditions and undertakings set forth herein, the parties agree as follows:”

1. RECITALS. This Agreement is made with respect to the following facts and purposes which each of the parties acknowledge and agree are true and correct:

A. SVCE’s Member Agency Competitive Grant Program (“Program”) will provide \$3M in grants to member jurisdictions to plan and develop decarbonization demonstration, energy resilience, and engagement projects.

B. Recipient submitted an application for Program funding, attached hereto and incorporated herein as Exhibit A, for a decarbonization demonstration, energy resilience, and engagement projects (“Project”). The scope and estimated budget for the Project are included in Exhibit A.

C. SVCE finds that the use of Grant Funds described herein furthers a public purpose and meets the goals and objectives established for the Program, and desires to award Recipient a one-time grant pursuant to the terms of this Agreement.

2. GRANT. SVCE hereby agrees to provide funding to Recipient in an amount not to exceed \$372,233 subject to the provisions of this Agreement (“Grant Funds”). Such Grant Funds shall be disbursed to Recipient on a reimbursement basis. It is agreed and understood that the Grant Amount is a ceiling and that SVCE will only reimburse the allowable cost of services actually rendered as authorized by SVCE at or below the Grant Amount established herein.

3. REIMBURSEMENT OF GRANT FUNDS. Grant Funds shall be reimbursed pursuant to the following process:

A. SVCE shall reimburse Recipient for its actual and reasonable costs of constructing the Project up to the agreed upon Grant Funds.

B. Requests for payment submitted to SVCE shall include: 1) a cover letter in the agency’s letterhead summarizing the project and requested dollar amount for reimbursement 2) an itemized list of all expenditures; and 3) supporting documentation that clearly identifies the expenditure(s) in relation to the scope of the Project set forth in Exhibit A of this Agreement. Payment requests should be aggregated and submitted after Project completion.

C. SVCE shall process requests for payment and remit payment within 30 days.

D. If, in SVCE’s sole discretion, the request for payment is incomplete, inadequate, or inaccurate, SVCE may dispute the invoice for reasonable cause and hold all or a portion of the payment request until all required information is received or corrected. Any penalties imposed

on the Recipient by a contractor, or other consequence, because of delays in payment or other breach of the agreement between the Recipient and the contractor are the responsibility of the Recipient and are not reimbursable under this Agreement.

E. Unless otherwise authorized by SVCE in writing, Recipient shall submit all documentation of Project completion, including a final request for payment, within sixty (60) days of Project completion.

F. Final payment of remaining Grant Funds, including any amounts withheld from previous payments, shall be paid up to the total amount of the actual Project cost, not to exceed the Grant Funds amount set forth in this Agreement, upon completion of the Project, receipt of the final report and final request for payment from the Recipient in a form and content satisfactory to SVCE.

4. USE OF GRANT FUNDS. Recipient shall use the Grant Funds to support the Program as set forth in Exhibit A. Any use(s) of Grant Funds not contemplated in this Agreement must be approved in writing by SVCE. This Agreement was awarded to Recipient based on the application submitted by Recipient with the intention that the awarded funds would be used to implement the Project as described in Exhibit A. Any substantive deviation during Project implementation may require reevaluation or result in loss of funding. In no event shall Recipient's Grant Funds or scope of work be increased. If Recipient knows or should have known that substantive changes to the Project will occur or have occurred, Recipient will immediately notify SVCE in writing. SVCE will then determine whether the Project is still consistent with the overall objectives of the Program and whether the changes would have negatively affected the Project ranking during the Grant evaluation process. SVCE reserves the right to have Grant Funds withheld from Recipient, or refunded to SVCE, due to Recipient's failure to satisfactorily complete the Project or due to substantive changes to the Project.

5. TERM. This Agreement shall commence on the Effective Date, and shall remain and continue in effect until the final Grant Funds are paid to Recipient, unless sooner terminated pursuant to the provisions of this Agreement. Project completion dates shall not be extended unless SVCE determines, in its sole discretion, that extenuating circumstances justify an extension. Projects must be complete no later than December 31, 2028.

6. REPORTING AND RECORDS. Recipient agrees to cooperate with SVCE and provide requested information, if any, related to the use of Grant Funds and the Project, including for the purposes of SVCE's evaluation, measurement, and verification activities for the Program. Recipient will cooperate in good faith with SVCE or its authorized representative in performing evaluation, measurement and verification (EM&V) of the Program. Information accessed for EM&V may include, but is not limited to, onsite verification of Project operation, Program compliance, and Project records, analysis of facility billing metered data, analysis of data collected from facility-owned submetering, and collection of supplementary metered data on-site. All information collected will be held confidentially and will be used by SVCE or its authorized representative for Program analysis purposes only. Recipient is responsible for ensuring, through a separate agreement between Recipient and property owner, that property owner shall cooperate with SVCE to provide any documentation and assist in analysis and provide access to the Project site at reasonable times, during the construction of the Project and for a period of up to two (2) years from the completion of the Project. During the course of the

Project and for three (3) years thereafter from the receipt of the final Grant Funds, the Recipient agrees to maintain, intact and readily accessible, all communications, data, documents, reports, records, contracts, and supporting materials relating to the Project, as SVCE may require. The Recipient agrees to have financial and compliance audits performed as SVCE may require.

7. LEGAL RESPONSIBILITIES. Recipient shall keep itself informed of all local, State and Federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance under this Agreement. Recipient shall at all times observe and comply with all such ordinances, laws and regulations. SVCE, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Recipient to comply with this Section.

8. PREVAILING WAGES. By accepting the Grant Funds, Recipient as a material term of this Agreement shall be fully responsible for complying with all California public works requirements including but not limited to payment of prevailing wage. Therefore, as a material term of this Agreement, to the extent required by California law, Recipient shall ensure that prevailing wages are paid, that the project budget for labor reflects these prevailing wage requirements, and that the project complies with all other requirements of prevailing wage law, including that Recipient's subcontractors also comply with all applicable public works/prevaling wage requirements.

9. PROCUREMENT. At minimum, Recipient shall abide by Recipient's purchasing regulations and policies and all California laws and regulations in procuring goods or services where the costs are eligible for reimbursement under this Agreement.

9. CALIFORNIA PUBLIC RECORDS ACT. Recipient acknowledges that SVCE is subject to the California Public Records Act (Gov. Code § 7920.000 *et seq.*). SVCE acknowledges that Recipient may submit information to SVCE that Recipient considers to be confidential, proprietary, or trade secret information. Only such information clearly designated in writing as "confidential" shall be deemed "Confidential Information." Upon request or demand of any third person or entity ("Requestor") for the production, inspection, and/or copying of Confidential Information, SVCE shall notify Recipient that such request has been made. Recipient shall be solely responsible for taking whatever legal steps are necessary to protect Confidential Information and to prevent its release to the Requestor. Without limiting SVCE's right to disclose Confidential Information as may be required by law, if Recipient takes no such action after receiving the foregoing notice from SVCE, SVCE shall be permitted to release information it deems subject to disclosure.

10. NOTICES. Any notices provided under this Agreement must be in writing and may be given either by mail or e-mail to the following addresses:

SVCE:

Silicon Valley Clean Energy Authority 333 W. El Camino Real #330

Sunnyvale, CA 94087

Attention: jessica.cornejo@svcleanenergy.org

RECIPIENT:

City of Milpitas Public Works
1265 N Milpitas Blvd
Milpitas, CA 95035
Attention: Elaine Marshall
emarshall@milpitas.gov

11. INDEPENDENT CONTRACTOR.

A. Recipient shall at all times remain as to the SVCE a wholly independent contractor. The personnel performing the services under this Agreement on behalf of Recipient shall at all times be under Recipient's exclusive direction and control. Neither SVCE nor any of its officers, employees, agents, or volunteers shall have control over the conduct of Recipient or any of Recipient's officers, employees, or agents except as set forth in this Agreement. Recipient shall not at any time or in any manner represent that it or any of its officers, employees or agents are in any manner officers, employees or agents of the SVCE. Recipient shall not incur or have the power to incur any debt, obligation or liability whatever against SVCE, or bind SVCE in any manner.

B. No employee benefits shall be available to Recipient in connection with the performance of this Agreement. Except for the fees paid to Recipient as provided in the Agreement, SVCE shall not pay salaries, wages, or other compensation to Recipient for performing services hereunder for SVCE. SVCE shall not be liable for compensation or indemnification to Recipient for injury or sickness arising out of performing services hereunder.

- 12. INDEMNIFICATION; WAIVER.** Recipient shall indemnify, protect, defend and hold harmless SVCE, its elected officials, officers, employees, volunteers, and representatives from any and all suits, claims, demands, losses, defense costs or expenses, actions, liability or damages of whatsoever kind and nature which SVCE, its officers, agents and employees may sustain or incur or which may be imposed upon them for injury to or death of persons, or damage to property arising out of Recipient's acts or omissions arising out of or in any way related to the performance or non-performance of this Agreement. Recipient expressly waives the provisions of California Civil Code section 1542, which provides: "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party." This Section shall survive the terminate of this Agreement.

13. INSURANCE.

A. On or before the commencement of the term of this Agreement, Recipient shall furnish SVCE with certificates showing the type, amount, class of operations covered, effective dates, and dates of expiration of insurance coverage in compliance with the requirements in this Section. Recipient shall maintain such coverage in full force at all times for the duration of this Agreement, at its sole cost and expense. Nothing herein shall be construed as a limitation on Recipient indemnification obligations under this Agreement.

B. Recipient shall maintain the following minimum insurance coverages:

- 1) Workers' compensation, as required by the State of California;
- 2) Commercial general liability coverage with minimum limits of \$3,000,000 per occurrence and \$5,000,000 aggregate for bodily injury and property damage. ISO occurrence Form CG 0001 or equivalent is required;
- 3) Comprehensive automotive liability coverage with minimum limits of

\$1,000,000 per accident for bodily injury and property damage. ISO Form CA 0001 or equivalent is required.

C. Such coverages shall be issued by an insurer(s) licensed to conduct business in the State of California, with a minimum A.M. Best's Insurance Rating of A:VII unless otherwise approved in writing as satisfactory to SVCE. The Recipient may satisfy its obligations under this Section through self-insurance.

D. The insurance limits required by SVCE are not represented as being sufficient to protect Recipient. Recipient is advised to confer with its insurance broker to determine adequate coverage for Recipient.

14. DEFAULT AND TERMINATION. Should an Event of Default occur, SVCE shall provide a notice of default to Recipient and shall give Recipient at least fifteen (15) calendar days from the date the notice is sent to cure the Event of Default. If Recipient fails to cure the Event of Default within the time prescribed, SVCE may, at SVCE's sole discretion, withhold Grant Funds not yet disbursed hereunder, require the return or repayment of Grant Funds already disbursed, and/or terminate this Agreement by written notice which shall be effective upon receipt by Recipient. "Event of Default" shall mean the occurrence of any one or more of the following events by Recipient: (a) any false statement, representation, or warranty contained in this Agreement, the Application, or any other document submitted to SVCE; (b) failure to comply with applicable laws; (c) a failure to maintain in effect any policy of insurance required under this Agreement; or (d) a material breach of this Agreement.

15. NON-APPROPRIATION. Recipient acknowledges that SVCE is a public agency. In the event that sufficient funds for the performance of this Agreement are not appropriated by the SVCE Board of Directors in any fiscal year covered by this Agreement, this Agreement may be terminated by SVCE, without penalty, by giving notice to Recipient of such facts and of SVCE's intention to terminate.

16. NON-WAIVER. Failure to exercise any right the SVCE may have or be entitled to, in the event of default hereunder, shall not constitute a waiver of such right or any other right in the event of a subsequent default.

17. AMENDMENT OF AGREEMENT. No modification, rescission, waiver, release or amendment of any provision of this Agreement shall be made except by a written agreement executed by the Recipient and the SVCE.

18. ASSIGNMENT PROHIBITED. In no event shall the Recipient assign or transfer any portion of this Agreement.

19. GOVERNING LAW. This Agreement shall be governed by the laws of the State of

California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Santa Clara, State of California.

20. NO THIRD-PARTY BENEFIT. The provisions of this Agreement are for the sole benefit of the parties hereto and confer no rights, benefits, or claims upon any person or entity not a party hereto.

21. SEVERABILITY. If any provision of this Agreement is held to be invalid or unenforceable for any reason, the remaining provisions will continue in full force without being impaired or invalidated in any way. The parties agree to replace any invalid provision with a valid provision that most closely approximates the intent and economic effect of the invalid provision.

22. RECIPIENT'S AUTHORITY. Recipient represents and warrants that (a) it has the power and authority to enter into this Agreement and to perform its obligations hereunder; (b) the person who executes this Agreement on its behalf has the necessary authority to bind Recipient; and (c) neither the execution and delivery of this Agreement nor the performance of its obligations hereunder will constitute a violation of, a default under, or conflict with any term of any governance documents or other agreements to which it is bound.

23. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall be taken together and deemed to be one instrument. Faxed and PDF counterpart signatures are sufficient to make this Agreement effective.

24. ENTIRE AGREEMENT. This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

25. COMMUNICATIONS AND ENGAGEMENT. Recipient agrees that SVCE may use and publicize information and visual materials (photos, videos, etc.) related to this project, including (but not limited to) information and visual materials provided in this application, updates, or follow-up information. Recipient will coordinate in good faith with SVCE on follow-up activities, such as interviews, outreach coordination, photo or video shoots, requests for additional information, and the design of educational materials and signage related to the project. Recipient will work with SVCE to schedule all coordination and activities within a determined and mutually agreed-upon time frame and understand that refusal or failure to collaborate on marketing and outreach may result in termination of the funding.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

SILICON VALLEY CLEAN ENERGY AUTHORITY

NAME: _____
TITLE: _____

APPROVED AS TO FORM:

NAME: _____
TITLE: _____

City of Milpitas

By: _____
Luz Cofresi-Howe, Finance Director
Date: _____

By: _____
Deanna Santana, Interim City Manager
Date: _____

APPROVED AS TO FORM BY COUNSEL FOR
CITY OF MILPITAS:

By: _____
Christopher Creech, Acting City Attorney
Date: _____

EXHIBIT A

[Attach Grant Application]



333 W El Camino Real, Suite 330 | Sunnyvale, CA 94087 | 1-844-474-SVCE (7823) | SVCleanEnergy.org

2024 SVCE Member Agency Noncompetitive Grant Application Form

Grant Program Overview

The Silicon Valley Clean Energy (SVCE) Noncompetitive Member Agency Grant program provides \$3 Million for SVCE's thirteen member agencies. Each member agency will be awarded funding to invest in a project that supports building or transportation electrification, energy resilience, or community engagement on these topics. The purpose of this grant is to support each member agency's clean energy and climate goals by providing a wide range of project options that align with SVCE's mission.

Member agencies may split their funding between two projects and may choose to pass all or part of their funds to a public or community entity that is an SVCE customer for activities within its jurisdiction. Two member agencies can combine their funds for a single project if a site serves both jurisdictions. A separate Grant Form must be submitted for each project. SVCE requires a completed 2024 SVCE Member Agency Noncompetitive Grant Application Form ("Grant Form") and an executed Grant Agreement for each project.

The dates are as follows:

- **Submit a complete Grant Form by Friday, December 5, 2025.** Please complete the Grant Form and have it approved as required by the member agency and signed by the member agency's chief executive. Please title the email subject "[INSERT AGENCY] Noncompetitive Grant Application" and send to Jessica Cornejo [jessica.cornejo@svcleanenergy.org]. Staff will review and ensure it meets the requirements prior to initiating the Grant Agreement.
- **Execute the Grant Agreement at the earliest convenience after Grant Form approval.** SVCE's standard Grant Agreement is attached at the end of the Grant Form. Upon approval of the Grant Form, the member jurisdiction will need to accept and complete SVCE's Grant Agreement prior to expending any grant funds. Please complete it and have it approved as required by the member agency and signed by the member agency's chief executive and send to Jessica Cornejo [jessica.cornejo@svcleanenergy.org]. The Grant Agreement will then be routed to SVCE's Chief Executive Officer for final approval and signature.

If Member Agencies do not meet the Grant Form deadline of December 5, 2025, their grant fund allocation will be revoked.

Funding Distribution by Jurisdiction

Agency	% of SVCE Load	Total Allocation
Campbell	5%	\$177,644
Cupertino	5%	\$186,769
Gilroy	6%	\$196,717
Los Altos	3%	\$149,093
Los Altos Hills	1%	\$117,275
Los Gatos	4%	\$173,184
Milpitas	16%	\$372,233
Monte Sereno	0%	\$106,521
Morgan Hill	5%	\$186,529
Mountain View	14%	\$341,460
Saratoga	3%	\$146,076
Sunnyvale	29%	\$594,923
Unincorporated Santa Clara County	9%	\$251,577
Total	100%	\$3,000,000

Grant funds will be disbursed as reimbursement post-project. Funds for capital projects must be spent by December 31, 2028. Funds for community engagement projects must be spent by December 31, 2027.

Grant Goals and Project Eligibility

SVCE's Noncompetitive Member Agency Grants will support the development of building and/or transportation electrification and/or energy resilience projects that enhance a municipal or community site. Projects can also include community engagement and education campaigns that address electrification and climate change, but this is not required. Project examples include, but are not limited to:

Project Type and Examples

- Fleet Electrification (e.g., convert to electric fleet vehicles, install level 2 chargers or direct current fast chargers, install bidirectional EV charger and purchase compatible bidirectional fleet electric vehicle [EV]¹)
- Facility Electrification (e.g., remove gas infrastructure and replace space/water/pool heating with heat pumps, kitchen electrification)

¹ SVCE is collaborating with PG&E on an upcoming Vehicle to Everything (V2X) pilot program. This program will recruit project partners in SVCE territory with bidirectional charging capabilities (both a charger and a compatible EV) to participate in a V2X pilot to test out hourly rates, grid reliability, and resilience during power outages. Member agencies that install bidirectional EV charging station(s) and purchase a compatible bidirectional EV for their jurisdiction's fleet may be eligible to receive additional EV infrastructure incentives from PG&E's V2X pilot program and to receive financial incentives of up to \$2/kWh through the Emergency Load Reduction Program for reducing electrical loads during grid emergencies. Please contact SVCE if your jurisdiction is considering applying grant funds to support bidirectional charging or bidirectional fleet EVs.

- Facility & Fleet Resilience (e.g., solar + battery storage, battery added to existing solar, off-grid EV chargers)
- Decarb Demonstration (any of the above examples combined with an educational component. Remove gas infrastructure and replace space/water/pool heating with heat pumps, kitchen electrification paired with an optional community engagement and education plan)
- Innovative Community Engagement (e.g., Community Needs Assessment, resilience hub tours, electric home tours, induction cooktop campaigns, rebates or incentives for electric appliances)

Solar and Battery Project Requirement

Member agencies understand that to receive grant funds for solar and battery storage projects, SVCE shall have the first right of refusal to receive attributes from the project, such as resource adequacy (RA) or other capacity attributes, and renewable energy credits (RECs). During the procurement process, the member agency must request that the vendor provide the following information: Option 1) bid for the project including attributes (vendor gives up right to attributes) and Option 2) bid for the project without attributes (vendor owns right to attributes). SVCE will review vendor responses before the member agency begins contracting with the vendor. If the project is contracted for under Option 1, and if SVCE does not communicate a need to use the project's RA or capacity attributes, the vendor may keep the attributes. Member agency understands that to receive grant funds for solar and battery storage projects, their site may be required to participate in an SVCE Demand Response (DR) program. If the member agency is interested in participating in an external DR program, they must notify SVCE to receive approval. If the member agency has questions on this requirement, please reach out to SVCE.

Grant Form Terms and Conditions

All parties acknowledge that SVCE is a public agency subject to the requirements of the California Public Records Act, Cal. Gov. Code section 7920.000 et seq. Applications submitted are public records subject to public review.

The submission of a Grant Form shall be deemed a representation and certification by the member agency that it:

- Has read, understands and agrees to the information and requirements set forth in this Grant Form.
- Has the capability to complete the responsibilities and obligations of the Grant Form being submitted.
- Represents that all information contained in the Grant Form is true and correct.
- Acknowledges that SVCE has the right to make any inquiry it deems appropriate to substantiate or supplement information supplied by member agency.
- Will provide any and all documentation related to the Grant Form in a timely manner.
- Has disclosed any conflicts of interest.

- This Grant Form does not commit SVCE to enter into a contract or disburse any grant funds, nor does it obligate SVCE to pay for any costs incurred in the preparation and submission of forms or in anticipation of a contract.

The person signing below hereby represents and warrants that they are signing with full and complete authority to bind the party on whose behalf of whom they are signing.

Signed:



Printed Name:

Ned Thomas

Date:

12/5/2024

Organization:

City of Milpitas

Title:

City Manager

Email Address:

nthomas@milpitas.gov

Grant Form Questions:

Date of Grant Form: December 3, 2024 <i>Project Summary Updated June 2025</i>	Name of Agency: City of Milpitas
Name and Email of Project Team: Elaine Marshall, Samu Tiumalu	Project Name: Milpitas Fleet Electrification
Email: emarshall@milpitas.gov; stiumalu@milptias.gov	Project Address: 1265 N Milpitas Blvd, Milptias, CA 95035

Project Summary- Please briefly describe the project, site, technology (if applicable), and intended audience.

The City is proposing to use the non-competitive grant funds to support electrification of the City's public fleet. The City's fleet is primarily housed and maintained at the City's Public Works Corporation Yard located at 1265 N Milpitas Blvd, Milpitas, CA 95035. Certain dedicated fleet vehicles are located with departments at other sites such as at City Hall (Building Inspection, Fire Prevention, Code Enforcement, etc). While the City has initiated efforts and has established an electric and plug-in electric motor pool for non-dedicated fleet vehicles through a lease option, electrification of remainder of the dedicated fleet is a challenge technologically, functionally, and financially.

Dedicated fleet vehicles consist mostly of larger trucks and mid-duty vehicles that are commonly used for specialty functions such as utility maintenance, street, park, and tree maintenance and also need to be available for emergency response. As such, the City would like to test use of electric vehicles in these functions to understand operating implications and identify best management practices to ensure optimum vehicle availability and readiness. Additionally, the City needs to understand and identify the best electric replacement vehicle based on use case.

The City has an underfunded fleet/equipment replacement fund and has been experiencing supply chain challenges replacing existing fleet vehicles. On top of that, the State's new Advanced Clean Fleet requirements create a larger funding gap for replacements of internal combustion engine vehicles with electric.

Grant funds will be used to fund electrification for a portion of the City's Public Works maintenance fleet replacement over the fiscal year (FY 25-26) and possibly the year thereafter (FY 26-27) based on the City's ability to source and procure the vehicles. The City plans to purchase up to five all-electric Ford F150 Lightings, estimated at \$80,000 each. The Lightings will be used by Public Works field operations and utility maintenance divisions. Our Public Works Division Manager over Operations (including Fleet Maintenance) will work with City Purchasing Officer and Ford dealers to acquire the electric vehicles.

Project Details – Please explain why your agency has selected this project. What are you hoping to learn from the project? What information will you be using to assess the impact of the project? Who will benefit from the project?

This project is a priority area for the City because of the many challenges associated with medium-duty fleet electrification including acceptance, reliability concerns, and costs. Through this project, the City hopes to learn more about market availability of all-electric medium duty vehicles, functional use of all-electric vehicle in our public works and other dedicated fleet operations, increase the City staff understanding of best ways to manage electric fleets to optimize uptime and vehicle readiness. Additionally, this project will also support increasing user acceptance as there is concern among maintenance staff regarding usability of electric vehicles in a maintenance operation. Ultimately this project will benefit our fleet management team and the City staff that will be using these vehicles on a daily basis. These vehicles will be out in the community daily and community members will also benefit from seeing electric vehicles in action and increase community awareness and acceptance.

Decarbonization and/or Resilience Benefits - Please describe how this project supports your agency's greenhouse gas reduction goals or climate action goals. How will the project deliver immediate decarbonization and/or resilience benefits? How will it deliver/influence long-term decarbonization and/or resilience goals? Quantify the impacts, if possible, and discuss the more qualitative impacts.

The Milpitas City Council adopted an update to the City's Climate Action Plan in August 2022. With this update, the City set goal to be carbon neutral by 2045. In 2019, emissions from On-Road Transportation contributed to 59% of the City's communitywide GHG emissions, followed by Building Energy Use (32%). While the City's fleet represents a very small portion of the communitywide emissions, electrifying the City's fleet is an important action to demonstrate the City's environmental leadership and serves to increase awareness of electric vehicle among City staff and within the community. The grant funds will be used to fund multiple vehicle replacements with all-electric alternatives over the next two fiscal years and support the City's compliance with California's Advanced Clean Fleet requirements. Actual quantification of emissions reductions will be carried out during the course of the project once vehicle replacements and alternatives are identified.

Community Engagement (OPTIONAL) – Please outline your agency's plan to engage the community for this project. If you are opting to include a community engagement plan, please include the needed items and activities in the proposed budget.

NA

Project Budget – Please provide a detailed budget table of the project’s activities and how SVCE’s funding will be used. Please list any external grants, matching funds, and in-kind resources that will be used with the project. There is no matching contribution required.

Project Timeline – Please provide a detailed timeline of the project’s activities and key milestones.

Eligible and Ineligible Project Costs:

Eligible project costs include:

- Purchase of technologies that are either listed above or are alternatives to gas-powered appliances and align with SVCE’s mission.
- Consultant costs for planning, designing, and construction of the project.
- Costs associated with community feedback sessions, outreach and education events, and marketing materials (e.g., banners, flyers, and permanent signage).
- Fellow or intern. The fellow/intern’s assigned project must produce a deliverable directly related to decarbonization or complementary to the proposed project.
- Only costs directly related to activities or improvements made within the jurisdiction are eligible.

Ineligible project costs include:

- Solar projects not paired with a battery.
- Energy and water efficiency, lighting, and landscape upgrade.
- Permit fees.
- Permanent staff time.
- Engagement activities that only address online engagement (e.g., webinars, online surveys).
- Physical maintenance costs not related to the project’s primary purpose of electrification or resilience (e.g., asphalt and repainting).

Stacking SVCE & External Grants:

SVCE will allow stacking with the 2024 Competitive Member Agency Grant. The Competitive Member Agency Grant offers competitive funding to each of the thirteen member agencies to support the development of capital or engagement projects that support the electrification of member agency public buildings and/or electric vehicle infrastructure (EVI). If an Applicant is inclined to stack these two grant programs on a single project, that project must be at a site that is open to the public and available for demonstration purposes. A separate grant application for the project must be submitted for both grant programs. Depending on the applicant pool, additional funds from the Competitive Member Agency Grant are not guaranteed. SVCE will allow stacking and matching with regional, utility, state, and federal grants.

SVCE will not allow stacking with previous SVCE grants, such as the 2020 Community Resilience Grant and the 2022 Decarbonization Demonstration & Engagement Grant. While previous sites can be considered for this grant, all proposed work in this application should be a new project.

Please send questions to Project Manager, Jessica Cornejo [jessica.cornejo@svcleanenergy.org]

Anticipated Project Task	Start Date	End Date	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27
Grant Award	Jan-25	Jan-25																														
Grant Agreement Establishment	Jan-25	Jun-25																														
Work with City Purchasing and Ford Dealers to Purchase up to 5 F150 Lightings, continues in FY 26-27 if needed	Jul-25	Jun-26																														
Receive Vehicles, continues in FY 26-27 if needed	Aug-25	Jul-26																														

Project Budget: Fleet Electrification

City of Milpitas

Line Item Description	SVCE Grant Funding	Other Funding*	Total Cost (Line B + C)
Electric Vehicle Replacement Total Incremental Costs**	\$ 372,233.00	\$ -	\$ 372,233.00
Totals	\$ 372,233.00	\$ -	\$ 372,233.00

*Other Funding should match Project Funding Sources below.

** City intends to use all grant dollars to offset incremental costs of electric vehicle replacements; number and cost per vehicle to be determined once vehicles and suitable replacements have been identified.

Project Funding Sources

Please list all the sources of other funding below. The total of Other Funding Sources should match Total Other Funding Contribution above.

Source of Other Funding	Monetary	In-Kind \$ Value	Total Contribution of Funding from Other Sources (Line B + C)	Funding Secured (yes/no)
City of Milpitas Equipment Replacement Funds/Other City Funds	TBD***		#VALUE!	Yes
	\$ -	\$ -	\$ -	
	\$ -	\$ -	\$ -	
Totals Other Funding Contributions	\$ -	\$ -	#VALUE!	

***Amount of City funding for base vehicle replacement to be determined once actual replacement vehicles have been identified.

EXHIBIT B

[Member Agency
Guiding
Documents]

SVCE Member Agency Grant: Decarbonization Track

Reimbursement Guidance

Reimbursement Overview

- The following activities must be completed before requesting reimbursement:
 - Construction
 - Community engagement activities as listed in your grant application
 - Marketing activities such as press release, photos, construction videos, and interviews with city staff for SVCE spotlight video
- The reimbursement request must be submitted with the final report
- If the reimbursement request or final report is missing information, SVCE will notify the grantee to resolve before processing
- When possible, try to compile documents in a single PDF file
- Reimbursement will be delivered as a physical check

Key Items for Reimbursement Packet

- Cover letter on agency letterhead with a summary of the project, date, grant reimbursement amount, and signature from authority (e.g., Department Director, City Manager)
- Accounts payable information such as official name and invoicing address
- All applicable project invoices
- Itemized list of expenditures and invoices listing SVCE's applied grant funds
- Photos, videos, and any publications related to the project
- Reimbursement requests and questions can be sent to Jess Cornejo (jessica.cornejo@svcleanenergy.org)

SVCE Member Agency Grant: Decarbonization Track Final Report Outline

[Guidance for grantees: This document is meant to present a high-level summary of the grant project for easy consumption by a general audience. Please use non-technical language, define acronyms, and limit the page range from 3-5 pages. You are encouraged to include any graphics or visualizations that help illustrate the project.]

Grant Project Title: _____

Grant project Timeline:

Budget Amount: (List SVCE funding, external grant funding, and any match funding)

Partners: (List all project partners)

- ...

Targeted Groups: List the groups this project targets (e.g., single-family residential, multi-unit dwellings, commercial/industrial, public agencies, demographic of groups, etc.)

Summary (~5-6 sentences, max 200 words)

Provide a brief summary of the grant project.

Project Goals (~2-4 paragraphs, max 300 words)

List the goals and objectives of the project.

Outcomes (~3-5 paragraphs, max 400 words)

- What are the anticipated short-, medium- and long-term outcomes?
- What are key metrics of success, and how did you measure success of the project?
- Any notable improvements and differences in the site before and after building upgrades?
- What were your agency's challenges during the project, and how did you resolve them?
- What were the lessons learned from the project?

Please try to quantify anticipated outcomes where possible – e.g., number of events hosted at the site and number of people engaged, materials distributed, number and type of permits pulled for the project, improved building features, potential GHG reductions (direct or indirect), etc. Please attach any additional materials associated with the project if applicable.

Future Plans (~2-5 paragraphs, max 400 words)

- Is the project completely finished? If not, what are your agency's plans for continuing this work?
- What special maintenance activities are planned for the demonstration project?
- What might you do differently in the future for similar projects, and what advice might you have for others doing similar projects?
- How can SVCE further support your agency in future grant cycles?

Final reports must be submitted with the reimbursement request and can be sent to Jess Cornejo (jessica.cornejo@svcleanenergy.org).

Silicon Valley Clean Energy Community Grant Marketing Guidelines

HOW TO USE THIS DOCUMENT

This document is designed to provide guidance for grantees developing communications and marketing materials related to projects receiving Silicon Valley Clean Energy (SVCE) Community Grant funding.

Grantees are responsible for ensuring all branding and related marketing materials, press releases, social media, online assets and communications are consistent with the guidelines in this document. SVCE can require grantees to change and/or remove any material deemed to veer from the following guidelines.

Please share this with marketing, communications, public relations, graphics, and web teams in addition to any staff working on materials that reference SVCE.

Grantee's Role

- Submit all materials created around the project receiving SVCE grant funding for SVCE review at least **one week** prior to planned material publication.
- If requesting SVCE content support or guidance, please notify SVCE as soon as possible and allow for **at least 2 weeks** prior to planned publication.

SVCE's Role

- SVCE will complete a timely review for all materials that relate to SVCE grant-funded projects or reference SVCE programs and resources.
- SVCE will support planned press, media, or events around the project.

Key Contacts

If you have questions about your project, funding or timeline, please contact Senior Community Strategies Specialist Jess Cornejo at Jessica.cornejo@svcleanenergy.org.

If you have questions about these guidelines, marketing, public relations, or communications materials about the funded project, please contact Communications Specialist Emily Muniz at Emily.muniz@svcleanenergy.org.

Approved Language

Referring to SVCE:

1. Silicon Valley Clean Energy
2. SVCE (acronym may be used after first spelling out full agency name)
3. SV Clean Energy

Describing SVCE grant funding:

1. "Funding for *[title of project that received grant funding]* is provided [or partly funded] by the Silicon Valley Clean Energy Community Grants Program."

Sharing SVCE resources:

1. "Explore rebates and incentives to go electric at svcleanenergy.org/offers-services/"
2. "Talk to a trusted energy advisor for FREE at goelectric.svcleanenergy.org/"
3. "Start your journey to go electric with eHub (svcleanenergy.org/ehub/), the Silicon Valley Clean Energy resource that simplifies your switch to all-electric living. Find personalized rebates, incentives, and tips to power your home, car, appliances, and business with clean energy."
4. Additional resources to share: <https://svcleanenergy.org/digital-media-assets/>

Optional language to provide information about SVCE:

1. "Silicon Valley Clean Energy is the community choice electricity provider for thirteen communities in Santa Clara County formed to reduce greenhouse gas emissions and fight climate change locally. Silicon Valley Clean Energy provides homes and businesses with clean electricity at competitive rates, reinvests locally through programs and community grants, and accelerates electric technologies through rebates, technical support, and innovative solutions supporting grid-wide resilience."

SVCE Logo Use

Grantees may use the [SVCE full logo](#) or [SVCE abbreviated logo](#) in marketing materials related to the funded project, but must submit the materials to SVCE for review prior to publication.

The SVCE logo shall not be cropped, rotated, compressed or have the colors changed. If the grantee needs a specific logo not provided (i.e. all-white logo for dark backgrounds), the grantee should contact SVCE with the request.

SILICON VALLEY CLEAN ENERGY MEMBER AGENCY GRANT PROGRAM

AGREEMENT

THIS AGREEMENT is made and effective on the date of last signature below (“Effective Date”) by and between the Silicon Valley Clean Energy Authority (“SVCE”), an independent public agency and City of Milpitas (“Recipient”) In consideration of the covenants, conditions and undertakings set forth herein, the parties agree as follows:”

1. RECITALS. This Agreement is made with respect to the following facts and purposes which each of the parties acknowledge and agree are true and correct:

A. SVCE’s Member Agency Competitive Grant Program (“Program”) will provide \$3M in grants to member jurisdictions to plan and develop decarbonization demonstration, energy resilience, and engagement projects.

B. Recipient submitted an application for Program funding, attached hereto and incorporated herein as Exhibit A, for a decarbonization demonstration, energy resilience, and engagement projects (“Project”). The scope and estimated budget for the Project are included in Exhibit A.

C. SVCE finds that the use of Grant Funds described herein furthers a public purpose and meets the goals and objectives established for the Program, and desires to award Recipient a one-time grant pursuant to the terms of this Agreement.

2. GRANT. SVCE hereby agrees to provide funding to Recipient in an amount not to exceed \$502,000 subject to the provisions of this Agreement (“Grant Funds”). Such Grant Funds shall be disbursed to Recipient on a reimbursement basis. It is agreed and understood that the Grant Amount is a ceiling and that SVCE will only reimburse the allowable cost of services actually rendered as authorized by SVCE at or below the Grant Amount established herein.

3. REIMBURSEMENT OF GRANT FUNDS. Grant Funds shall be reimbursed pursuant to the following process:

A. SVCE shall reimburse Recipient for its actual and reasonable costs of constructing the Project up to the agreed upon Grant Funds.

B. Requests for payment submitted to SVCE shall include: 1) a cover letter in the agency’s letterhead summarizing the project and requested dollar amount for reimbursement 2) an itemized list of all expenditures; and 3) supporting documentation that clearly identifies the expenditure(s) in relation to the scope of the Project set forth in Exhibit A of this Agreement. Payment requests should be aggregated and submitted after Project completion.

C. SVCE shall process requests for payment and remit payment within 30 days.

D. If, in SVCE’s sole discretion, the request for payment is incomplete, inadequate, or inaccurate, SVCE may dispute the invoice for reasonable cause and hold all or a portion of the payment request until all required information is received or corrected. Any penalties imposed

on the Recipient by a contractor, or other consequence, because of delays in payment or other breach of the agreement between the Recipient and the contractor are the responsibility of the Recipient and are not reimbursable under this Agreement.

E. Unless otherwise authorized by SVCE in writing, Recipient shall submit all documentation of Project completion, including a final request for payment, within sixty (60) days of Project completion.

F. Final payment of remaining Grant Funds, including any amounts withheld from previous payments, shall be paid up to the total amount of the actual Project cost, not to exceed the Grant Funds amount set forth in this Agreement, upon completion of the Project, receipt of the final report and final request for payment from the Recipient in a form and content satisfactory to SVCE.

4. USE OF GRANT FUNDS. Recipient shall use the Grant Funds to support the Program as set forth in Exhibit A. Any use(s) of Grant Funds not contemplated in this Agreement must be approved in writing by SVCE. This Agreement was awarded to Recipient based on the application submitted by Recipient with the intention that the awarded funds would be used to implement the Project as described in Exhibit A. Any substantive deviation during Project implementation may require reevaluation or result in loss of funding. In no event shall Recipient's Grant Funds or scope of work be increased. If Recipient knows or should have known that substantive changes to the Project will occur or have occurred, Recipient will immediately notify SVCE in writing. SVCE will then determine whether the Project is still consistent with the overall objectives of the Program and whether the changes would have negatively affected the Project ranking during the Grant evaluation process. SVCE reserves the right to have Grant Funds withheld from Recipient, or refunded to SVCE, due to Recipient's failure to satisfactorily complete the Project or due to substantive changes to the Project.

5. TERM. This Agreement shall commence on the Effective Date, and shall remain and continue in effect until the final Grant Funds are paid to Recipient, unless sooner terminated pursuant to the provisions of this Agreement. Project completion dates shall not be extended unless SVCE determines, in its sole discretion, that extenuating circumstances justify an extension. Projects must be complete no later than December 31, 2028.

6. REPORTING AND RECORDS. Recipient agrees to cooperate with SVCE and provide requested information, if any, related to the use of Grant Funds and the Project, including for the purposes of SVCE's evaluation, measurement, and verification activities for the Program. Recipient will cooperate in good faith with SVCE or its authorized representative in performing evaluation, measurement and verification (EM&V) of the Program. Information accessed for EM&V may include, but is not limited to, onsite verification of Project operation, Program compliance, and Project records, analysis of facility billing metered data, analysis of data collected from facility-owned submetering, and collection of supplementary metered data on-site. All information collected will be held confidentially and will be used by SVCE or its authorized representative for Program analysis purposes only. Recipient is responsible for ensuring, through a separate agreement between Recipient and property owner, that property owner shall cooperate with SVCE to provide any documentation and assist in analysis and provide access to the Project site at reasonable times, during the construction of the Project and for a period of up to two (2) years from the completion of the Project. During the course of the

Project and for three (3) years thereafter from the receipt of the final Grant Funds, the Recipient agrees to maintain, intact and readily accessible, all communications, data, documents, reports, records, contracts, and supporting materials relating to the Project, as SVCE may require. The Recipient agrees to have financial and compliance audits performed as SVCE may require.

7. LEGAL RESPONSIBILITIES. Recipient shall keep itself informed of all local, State and Federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance under this Agreement. Recipient shall at all times observe and comply with all such ordinances, laws and regulations. SVCE, and its officers and employees, shall not be liable at law or in equity occasioned by failure of Recipient to comply with this Section.

8. PREVAILING WAGES. By accepting the Grant Funds, Recipient as a material term of this Agreement shall be fully responsible for complying with all California public works requirements including but not limited to payment of prevailing wage. Therefore, as a material term of this Agreement, to the extent required by California law, Recipient shall ensure that prevailing wages are paid, that the project budget for labor reflects these prevailing wage requirements, and that the project complies with all other requirements of prevailing wage law, including that Recipient's subcontractors also comply with all applicable public works/prevaling wage requirements.

9. PROCUREMENT. At minimum, Recipient shall abide by Recipient's purchasing regulations and policies and all California laws and regulations in procuring goods or services where the costs are eligible for reimbursement under this Agreement.

9. CALIFORNIA PUBLIC RECORDS ACT. Recipient acknowledges that SVCE is subject to the California Public Records Act (Gov. Code § 7920.000 *et seq.*). SVCE acknowledges that Recipient may submit information to SVCE that Recipient considers to be confidential, proprietary, or trade secret information. Only such information clearly designated in writing as "confidential" shall be deemed "Confidential Information." Upon request or demand of any third person or entity ("Requestor") for the production, inspection, and/or copying of Confidential Information, SVCE shall notify Recipient that such request has been made. Recipient shall be solely responsible for taking whatever legal steps are necessary to protect Confidential Information and to prevent its release to the Requestor. Without limiting SVCE's right to disclose Confidential Information as may be required by law, if Recipient takes no such action after receiving the foregoing notice from SVCE, SVCE shall be permitted to release information it deems subject to disclosure.

10. NOTICES. Any notices provided under this Agreement must be in writing and may be given either by mail or e-mail to the following addresses:

SVCE:

Silicon Valley Clean Energy Authority 333 W. El Camino Real #330

Sunnyvale, CA 94087

Attention: jessica.cornejo@svcleanenergy.org

RECIPIENT:

City of Milpitas Public Works

1265 N Milpitas Blvd

Milpitas, CA 95035

Attention: Elaine Marshall

emarshall@milpitas.gov

11. INDEPENDENT CONTRACTOR.

A. Recipient shall at all times remain as to the SVCE a wholly independent contractor. The personnel performing the services under this Agreement on behalf of Recipient shall at all times be under Recipient's exclusive direction and control. Neither SVCE nor any of its officers, employees, agents, or volunteers shall have control over the conduct of Recipient or any of Recipient's officers, employees, or agents except as set forth in this Agreement. Recipient shall not at any time or in any manner represent that it or any of its officers, employees or agents are in any manner officers, employees or agents of the SVCE. Recipient shall not incur or have the power to incur any debt, obligation or liability whatever against SVCE, or bind SVCE in any manner.

B. No employee benefits shall be available to Recipient in connection with the performance of this Agreement. Except for the fees paid to Recipient as provided in the Agreement, SVCE shall not pay salaries, wages, or other compensation to Recipient for performing services hereunder for SVCE. SVCE shall not be liable for compensation or indemnification to Recipient for injury or sickness arising out of performing services hereunder.

- 12. INDEMNIFICATION; WAIVER.** Recipient shall indemnify, protect, defend and hold harmless SVCE, its elected officials, officers, employees, volunteers, and representatives from any and all suits, claims, demands, losses, defense costs or expenses, actions, liability or damages of whatsoever kind and nature which SVCE, its officers, agents and employees may sustain or incur or which may be imposed upon them for injury to or death of persons, or damage to property arising out of Recipient's acts or omissions arising out of or in any way related to the performance or non-performance of this Agreement. Recipient expressly waives the provisions of California Civil Code section 1542, which provides: "A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party." This Section shall survive the terminate of this Agreement.

13. INSURANCE.

A. On or before the commencement of the term of this Agreement, Recipient shall furnish SVCE with certificates showing the type, amount, class of operations covered, effective dates, and dates of expiration of insurance coverage in compliance with the requirements in this Section. Recipient shall maintain such coverage in full force at all times for the duration of this Agreement, at its sole cost and expense. Nothing herein shall be construed as a limitation on Recipient indemnification obligations under this Agreement.

B. Recipient shall maintain the following minimum insurance coverages:

- 1) Workers' compensation, as required by the State of California;
- 2) Commercial general liability coverage with minimum limits of \$3,000,000 per occurrence and \$5,000,000 aggregate for bodily injury and property damage. ISO occurrence Form CG 0001 or equivalent is required;
- 3) Comprehensive automotive liability coverage with minimum limits of

\$1,000,000 per accident for bodily injury and property damage. ISO Form CA 0001 or equivalent is required.

C. Such coverages shall be issued by an insurer(s) licensed to conduct business in the State of California, with a minimum A.M. Best's Insurance Rating of A:VII unless otherwise approved in writing as satisfactory to SVCE. The Recipient may satisfy its obligations under this Section through self-insurance.

D. The insurance limits required by SVCE are not represented as being sufficient to protect Recipient. Recipient is advised to confer with its insurance broker to determine adequate coverage for Recipient.

14. DEFAULT AND TERMINATION. Should an Event of Default occur, SVCE shall provide a notice of default to Recipient and shall give Recipient at least fifteen (15) calendar days from the date the notice is sent to cure the Event of Default. If Recipient fails to cure the Event of Default within the time prescribed, SVCE may, at SVCE's sole discretion, withhold Grant Funds not yet disbursed hereunder, require the return or repayment of Grant Funds already disbursed, and/or terminate this Agreement by written notice which shall be effective upon receipt by Recipient. "Event of Default" shall mean the occurrence of any one or more of the following events by Recipient: (a) any false statement, representation, or warranty contained in this Agreement, the Application, or any other document submitted to SVCE; (b) failure to comply with applicable laws; (c) a failure to maintain in effect any policy of insurance required under this Agreement; or (d) a material breach of this Agreement.

15. NON-APPROPRIATION. Recipient acknowledges that SVCE is a public agency. In the event that sufficient funds for the performance of this Agreement are not appropriated by the SVCE Board of Directors in any fiscal year covered by this Agreement, this Agreement may be terminated by SVCE, without penalty, by giving notice to Recipient of such facts and of SVCE's intention to terminate.

16. NON-WAIVER. Failure to exercise any right the SVCE may have or be entitled to, in the event of default hereunder, shall not constitute a waiver of such right or any other right in the event of a subsequent default.

17. AMENDMENT OF AGREEMENT. No modification, rescission, waiver, release or amendment of any provision of this Agreement shall be made except by a written agreement executed by the Recipient and the SVCE.

18. ASSIGNMENT PROHIBITED. In no event shall the Recipient assign or transfer any portion of this Agreement.

19. GOVERNING LAW. This Agreement shall be governed by the laws of the State of

California. Any legal action brought under this Agreement must be instituted in the Superior Court of the County of Santa Clara, State of California.

20. NO THIRD-PARTY BENEFIT. The provisions of this Agreement are for the sole benefit of the parties hereto and confer no rights, benefits, or claims upon any person or entity not a party hereto.

21. SEVERABILITY. If any provision of this Agreement is held to be invalid or unenforceable for any reason, the remaining provisions will continue in full force without being impaired or invalidated in any way. The parties agree to replace any invalid provision with a valid provision that most closely approximates the intent and economic effect of the invalid provision.

22. RECIPIENT'S AUTHORITY. Recipient represents and warrants that (a) it has the power and authority to enter into this Agreement and to perform its obligations hereunder; (b) the person who executes this Agreement on its behalf has the necessary authority to bind Recipient; and (c) neither the execution and delivery of this Agreement nor the performance of its obligations hereunder will constitute a violation of, a default under, or conflict with any term of any governance documents or other agreements to which it is bound.

23. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall be taken together and deemed to be one instrument. Faxed and PDF counterpart signatures are sufficient to make this Agreement effective.

24. ENTIRE AGREEMENT. This Agreement contains the entire understanding between the parties relating to the obligations of the parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

25. COMMUNICATIONS AND ENGAGEMENT. Recipient agrees that SVCE may use and publicize information and visual materials (photos, videos, etc.) related to this project, including (but not limited to) information and visual materials provided in this application, updates, or follow-up information. Recipient will coordinate in good faith with SVCE on follow-up activities, such as interviews, outreach coordination, photo or video shoots, requests for additional information, and the design of educational materials and signage related to the project. Recipient will work with SVCE to schedule all coordination and activities within a determined and mutually agreed-upon time frame and understand that refusal or failure to collaborate on marketing and outreach may result in termination of the funding.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

SILICON VALLEY CLEAN ENERGY AUTHORITY

NAME: _____
TITLE: _____

APPROVED AS TO FORM:

NAME: _____
TITLE: _____

City of Milpitas

By: _____
Luz Cofresi-Howe, Finance Director
Date: _____

By: _____
Deanna Santana, Interim City Manager
Date: _____

APPROVED AS TO FORM BY COUNSEL FOR
CITY OF MILPITAS:

By: _____
Christopher Creech, Acting City Attorney
Date: _____

EXHIBIT A

[Attach Grant Application]

SVCE 2025 Competitive Member Agency Grant: Decarbonization Track

Application From City of Milpitas



City Motor Pool and Fleet Charging Stations at Milpitas City Hall

Charge Connect

Building community around the EV transition in Milpitas



Charge Connect

Building community around the EV transition in Milpitas

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Proposal Summary

Following City Council adoption of Milpitas' 2022 Climate Action Plan, efforts have been made to reduce Greenhouse Gas (GHG) emissions in high-emitting sectors across the city with transportation serving as an important area of focus due to its contribution to over half of the City's emissions.

Milpitas recognizes the importance of normalizing awareness of availability of electric vehicle (EV) charging infrastructure in order to address charging

access and range anxiety concerns among traditional drivers. The City proposes to use the requested \$502,000 towards the installation of two high capacity DC fast chargers and one dual port level 2

charger at the City's Public Works building to be used for public and City fleet charging and to leverage this infrastructure – along with the City's electric fleet and other charging stations throughout Milpitas – in a dynamic two-way engagement campaign designed highlight EVs and EV infrastructure throughout our community. The City is

growing its electric vehicle fleet and has plans to purchase (with other funds) an all-electric sewer

inspection (CCTV) truck in April 2025 and several Ford F-150 Lightnings for our

operations and maintenance staff. These vehicles will be housed at Public Works and will utilize these proposed charging stations. Additionally, the City intends for these stations to be available for personal vehicles belonging to City staff working onsite and to make the charging stations available for public use.

These new EV charging stations will serve as a springboard for a broader community engagement effort designed to increase awareness of EV infrastructure and EV adoption throughout Milpitas.

Community members will see more City branded EVs being used to provide critical city services and, as a part of the proposed community engagement campaign, be encouraged to look for EV

infrastructure throughout the course of their daily lives in Milpitas and beyond. This will be supported through a combination of digital resources, gamification, and in-person events to improve visibility and awareness of the EV transition as a city priority. Even more so, these efforts will begin the process of building a community around the EV transition, drawing in more community support and creating a more impactful result.

Description of the Project and Site

The majority of the grant budget, approximately \$430,000, will go towards the installation of four EV charging ports – two high-capacity DC fast chargers and one dual port level 2 charger – located at the Public Works Department Building (1265 N Milpitas Blvd, Milpitas, CA 95035). This is a prime location due to its proximity to the 880 freeway as well as both residential and commercial zones. As a result, it sees regular traffic by both municipal personnel and the public. This mix of populations will allow for messaging and influence that extend beyond Milpitas city lines, contributing to a broader Bay Area impact.



Major roadways 880 and c50 are located within a 1-mile radius of the proposed EV charger site.

The remaining grant funds will be used to support and interactive digital and in-person community engagement campaign aimed to improve awareness of Milpitas' EV infrastructure availability. Several approaches will be taken, including:

- Developing Milpitas EV Hub which will be promoted through traditional digital marketing techniques via social media and newsletter promotion
- Scavenger hunts and other gamifications that will encourage participants to look for EV infrastructure while they are out and about
- Hosting Electrification Block Parties, EV showcases, and EV Ride and Drive events throughout the City including at the PW Building where we can showcase the grant funded stations and the City's EV fleet
- Tabling at various City events

Project Value and Impacts

In August of 2022, the Milpitas City Council adopted an update to the City's Climate Action Plan that set a goal of carbon neutrality by 2045. Over half (59%) of communitywide greenhouse gas (GHG) emissions from 2019 were generated by on-road transportation, and the City has since sought opportunities to address perceived barriers related to EV reliability and costs.

Initial steps to address this issue have taken the form of City service fleet electrification which began in 2022, when the City introduced an all-electric and plug-in hybrid motor pool for employee business travel at City Hall. Conversion to EVs is still being conducted, but the City foresees a strong need for fast charging infrastructure to ensure that City vehicles can be quickly charged and remain in “ready state” for City maintenance operations as needed. DC fast charging will be essential for Public Works personnel who regularly travel throughout the city during the work week and when responding to emergencies, but they will also be key in serving members of the public who need fast charging before heading to 880 on the weekends and the work week.

Following discussions with community members, the City has determined that development of charging infrastructure is a major priority in establishing EV acceptance amongst Milpitas residents. Investing in more EV chargers will increase community access which is an essential component to facilitate effective communitywide transition. This is one of many actions outlined in the City’s Climate Action Plan to decarbonize vehicles. Other actions identified in the CAP include establishment of preferential parking for EVs and reach codes requiring additional EV infrastructure (implemented).

This project also serves as an opportunity to showcase Milpitas’ commitment to environmental leadership in conjunction with increasing EV adoption as a city priority. Increased accessibility to chargers will encourage residents to have more confidence to purchase and drive EVs more often, thus reducing GHG emissions from on-road vehicles.

The larger goal, however, is to normalize electric transportation infrastructure as a way of encouraging the entire Milpitas community to transition away from gas powered vehicles to EVs. The City aims to electrify 59% of passenger vehicles by 2030; 59% by 2040; and 85% by 2045 as is outlined in the Climate Action Plan. While progress has been made, the proposed project would ensure amplification of current efforts and establish longevity in this investment.

Community Engagement Plan Outline

The City recognizes that a perceived lack of established charging infrastructure stands as a major barrier to EV conversion in Milpitas. For non-EV drivers, a lot of concerns hamper one’s willingness to purchase an all-electric vehicle – in terms of both time and finances – including how and where to charge both routinely and while out and about and uncertainty related to costs to charge as compared to regular gas fueling. The community engagement plan addresses this by developing a centralized space for residents to access EV-related resources while also improving awareness of charger availability through Milpitas and

possibly the greater Bay Area. The interactive plan will be completed digitally using different online platforms and social media for broader reach but will include in-person outreach as an opportunity to answer questions and further engage with residents.

The online campaign will feature a webpage modeled after the City’s home electrification “Incentive Corner” (<https://www.milpitas.gov/566/Incentive-Corner>) previously established to collect resources including rebates and selection resources in a centralized location. The EV resource will be hosted through the City’s Public Works website and will highlight available EV charging apps that will more easily aid residents in identifying public chargers near them. Signage promoting the online resource will be posted alongside the installed EV chargers to ensure these two elements create a feedback loop, and its promotion will also be pushed through city-wide social media and newsletter campaigns. The City will also promote this information through all of our digital and social media channels including Sustainable Milpitas Newsletter, other online and print newsletters, and social media.

Beyond more traditional approaches, the City proposes to create an interactive experience called “Charge It Up Milpitas”: a series of scavenger hunts and contests with the goal of increasing awareness of EV infrastructure throughout the community. The City will host regular contests and award prizes for “spotting” EV charging infrastructure while out and about in Milpitas. Gamifying the City’s engagement encourages people of all ages to participate, thus increasing awareness of where EV infrastructure is being put in place. In the long run, this initiative addresses concerns related to lack of EV charging access by ensuring members of the community who may be on the fence about purchasing an EV see and process how many options are available for public charging ports.

Building onto the information shared about EVs, the City sees value in giving residents first- hand experience with vehicles. Acterra’s GoEV program is a leader in this field, and the City will work with the organization to host EV Expos, Ride and Drives, and additional in-person workshops. These opportunities will open spaces to demystify stigmas and start conversations amongst community members. The City plans to host some of these events at the Public Works building to feature the grant funded charging infrastructure as well as showcasing the City’s electric fleet vehicles.

Further expansion upon this in-person community engagement will take the form of block parties hosted by the City to promote electrification. These events will be planned in partnership with electrification ambassadors from the community who can provide testimonials for their electric vehicles and appliances.

The goal of this multi-faceted community engagement campaign is to build community awareness, acceptance, and use of EVs in Milpitas. These collaborative efforts will move the City and its community toward community-wide vehicle electrification together.

Community Engagement Evaluation Metrics

This project will employ the Plan-Do-Check-Act method and will strive to learn from each event with the goal to improve for the next one. Over the course of the Project, the following measurement tools will be used to track progress, if we are reaching our intended objectives, and number of contacts that lead to action. Additional measurement tools will likely be identified and added over the course of the Project.

Proposed Measurement/Measurement Tool	What We Can Deduce
Tracking of Milpitas EV Hub website trends	Are outreach efforts resulting in action or follow-up by the participants?
Tracking attendance at Electrification Block Parties/EV Showcases/Ride and Drives	Number of people reached at event
Number of interactions/submissions to “Charge It Up” scavenger hunt and other contests	How many people are paying attention to the EV infrastructure in Milpitas?
Tracking quantity of flyers distributed at outreach events	Number of people reached at event
Tracking “number of clicks” on EV newsletter updates	Are newsletter promotions supporting EV Hub engagement?
Number of overall charging sessions per week at grant-funded stations	How many people are utilizing the EV infrastructure?

Project Budget

Project Budget: Charge Connect		City of Milpitas	
Line Item Description	SVCE Grant Funding	Other Funding*	Total Cost (Line B + C)
High capacity DC fast EV charging station equipment	\$ 200,000.00	\$ -	\$ 200,000.00
Dual port level 2 EV charging station equipment	\$ 10,000.00	\$ -	\$ 10,000.00
Permitting Fees	\$ 2,000.00	\$ -	\$ 2,000.00
EV Charging Station Site Validation and Activation	\$ 1,000.00	\$ -	\$ 1,000.00
Engineering and Design	\$ 65,000.00	\$ -	\$ 65,000.00
Construction/Electrical/Installation	\$ 150,000.00	\$ -	\$ 150,000.00
EV Charger Signage (3)	\$ 2,000.00	\$ -	\$ 2,000.00
Scavenger Hunt/Contest Prizes	\$ 15,000.00	\$ -	\$ 15,000.00
EV Pull-up Banner for Event Tabling	\$ 300.00	\$ -	\$ 300.00
EV Ride and Drives and Showcase Events	\$ 50,000.00		\$ 50,000.00
Electrification Block Party Gift Card Raffles	\$ 5,000.00	\$ -	\$ 5,000.00
Electrification Block Party Banners/Signage	\$ 1,700.00	\$ -	\$ 1,700.00
Totals	\$ 502,000.00	\$ -	\$ 502,000.00

Project Workplan and Timeline

The following depicts the anticipated project timeline based on the grant schedule provided by SVCE. Milpitas staff will work to keep the project on-time and on-budget. Any issue that result in project delays will be communicated to the grant manager in a timely fashion.

EV Installation Timeline

Anticipated Project Task	Start Date	End Date	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26
Grant Award	Apr-25	Apr-25																					
Grant Agreement Establishment	Apr-25	May-25																					
Identify Chargers	May-25	Oct-25																					
Work with Dealers/Purchasing	Oct-25	Mar-26																					
Place Orders for EV Chargers	Mar-26	Apr-26																					
Receive EV Chargers	Apr-26	Jul-26																					
Install EV Chargers	Jul-26	Dec-26																					

Community Engagement Timeline

Anticipated Project Task	Start Date	End Date	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27
Grant Award	Apr-25	Apr-25																																	
Grant Agreement Establishment	Apr-25	May-25																																	
Design EV Digital Dashboard	May-25	Aug-25																																	
Publish EV Digital Dashboard	Jun-25	Dec-27																																	
Host Electrification Block Parties	Aug-25	Dec-27																																	
Promote EV at community events	Aug-25	Dec-27																																	
"Charge It Up" Scavenger Hunt Planning	Aug-25	Jun-26																																	
"Charge It Up" Scavenger Hunt Promotion	May-26	Dec-27																																	
"Charge It Up" Scavenger Hunt Implementation	Jun-26	Dec-27																																	
Acterra EV Showcases, Ride and Drives, and other events	Nov-25	Sep-26																																	

History of Project/Grant Management

This project will be overseen by the Deputy Public Works Director who has more than two decades of experience successfully implementing and building community engagement with high quality environmental programs. Beyond this, the Milpitas Public Works Department has completed several successful large-scale sustainability initiatives with built-in community engagement including but not limited to:

- Milpitas Smart City Infrastructure Project (<https://smartcitymilpitas.org/>) which included, among many efficiency and resiliency projects, outreach to prepare for the upgrade of all water meters to smart water meters and the launch of our WaterSmart portal for customers to track real time water use and receive leak alerts. Since the launch in May 2022, the portal has over 4,000 registered users and continues to see new registrations each day;
- Our Drought Outreach Campaign continues to encourage community water conservation and has resulted in Milpitas achieving State and local water conservation targets (Milpitas achieved ~11% reduction in water use between 2020-21 fiscal year and the 2023-24 fiscal year);
- Milpitas' Climate Action Plan Update was adopted by the City Council in August 2022 following a multi-year community engagement process that included online

community workshops, in-person pop-up engagements at the Milpitas Farmers' Market, online surveys, neighborhood association presentations, and much more;

- Various ongoing environmental program outreach efforts including for solid waste, food scraps, street sweeping, and the Sustainable Milpitas Newsletter which continues to grow its audience and experiences an open rate of more than 50%.

Experience Administering Grants

The City of Milpitas has a strong history of successfully applying, receiving, and administering grants from various local, regional, and federal agencies. The list below provides a snapshot of recently awarded or completed grants.

Information on additional grants can be provided upon request.

Grant Project	Granting Agency	Grant Amount	Project Status
Milpitas Fleet Electrification	Silicon Valley Clean Energy – 2024 Noncompetitive Grant	\$372,233 for electrification of city vehicle fleet	In progress.
Decarb Central Event Collaboration	Silicon Valley Clean Energy – 2023 Community Engagement Grant	For large-scale outreach event promoting home electrification	In progress.
Senior Center Solar PV and Microgrid Resiliency Project	Silicon Valley Clean Energy – 2021 Community Resilience Grant	\$700,702 for upgrades to city electrification infrastructure	Completed
BAAQMD Charge! Grant	Bay Area Air Quality Management District FYI 2019 Transportation fund for Clean Air Grant Program	\$32,000 for EV charging infrastructure for fleet charging at City facilities	Completed
Milpitas Community Shuttle	Santa Clara Valley Transportation Authority	\$1,084,732 to implement Community Shuttle Pilot	In progress.

EXHIBIT B

[Member Agency
Guiding
Documents]

SVCE Member Agency Grant: Decarbonization Track

Reimbursement Guidance

Reimbursement Overview

- The following activities must be completed before requesting reimbursement:
 - Construction
 - Community engagement activities as listed in your grant application
 - Marketing activities such as press release, photos, construction videos, and interviews with city staff for SVCE spotlight video
- The reimbursement request must be submitted with the final report
- If the reimbursement request or final report is missing information, SVCE will notify the grantee to resolve before processing
- When possible, try to compile documents in a single PDF file
- Reimbursement will be delivered as a physical check

Key Items for Reimbursement Packet

- Cover letter on agency letterhead with a summary of the project, date, grant reimbursement amount, and signature from authority (e.g., Department Director, City Manager)
- Accounts payable information such as official name and invoicing address
- All applicable project invoices
- Itemized list of expenditures and invoices listing SVCE's applied grant funds
- Photos, videos, and any publications related to the project
- Reimbursement requests and questions can be sent to Jess Cornejo (jessica.cornejo@svcleanenergy.org)

SVCE Member Agency Grant: Decarbonization Track Final Report Outline

[Guidance for grantees: This document is meant to present a high-level summary of the grant project for easy consumption by a general audience. Please use non-technical language, define acronyms, and limit the page range from 3-5 pages. You are encouraged to include any graphics or visualizations that help illustrate the project.]

Grant Project Title: _____

Grant project Timeline:

Budget Amount: (List SVCE funding, external grant funding, and any match funding)

Partners: (List all project partners)

- ...

Targeted Groups: List the groups this project targets (e.g., single-family residential, multi-unit dwellings, commercial/industrial, public agencies, demographic of groups, etc.)

Summary (~5-6 sentences, max 200 words)

Provide a brief summary of the grant project.

Project Goals (~2-4 paragraphs, max 300 words)

List the goals and objectives of the project.

Outcomes (~3-5 paragraphs, max 400 words)

- What are the anticipated short-, medium- and long-term outcomes?
- What are key metrics of success, and how did you measure success of the project?
- Any notable improvements and differences in the site before and after building upgrades?
- What were your agency's challenges during the project, and how did you resolve them?
- What were the lessons learned from the project?

Please try to quantify anticipated outcomes where possible – e.g., number of events hosted at the site and number of people engaged, materials distributed, number and type of permits pulled for the project, improved building features, potential GHG reductions (direct or indirect), etc. Please attach any additional materials associated with the project if applicable.

Future Plans (~2-5 paragraphs, max 400 words)

- Is the project completely finished? If not, what are your agency's plans for continuing this work?
- What special maintenance activities are planned for the demonstration project?
- What might you do differently in the future for similar projects, and what advice might you have for others doing similar projects?
- How can SVCE further support your agency in future grant cycles?

Final reports must be submitted with the reimbursement request and can be sent to Jess Cornejo (jessica.cornejo@svcleanenergy.org).

Silicon Valley Clean Energy Community Grant Marketing Guidelines

HOW TO USE THIS DOCUMENT

This document is designed to provide guidance for grantees developing communications and marketing materials related to projects receiving Silicon Valley Clean Energy (SVCE) Community Grant funding.

Grantees are responsible for ensuring all branding and related marketing materials, press releases, social media, online assets and communications are consistent with the guidelines in this document. SVCE can require grantees to change and/or remove any material deemed to veer from the following guidelines.

Please share this with marketing, communications, public relations, graphics, and web teams in addition to any staff working on materials that reference SVCE.

Grantee's Role

- Submit all materials created around the project receiving SVCE grant funding for SVCE review at least **one week** prior to planned material publication.
- If requesting SVCE content support or guidance, please notify SVCE as soon as possible and allow for **at least 2 weeks** prior to planned publication.

SVCE's Role

- SVCE will complete a timely review for all materials that relate to SVCE grant-funded projects or reference SVCE programs and resources.
- SVCE will support planned press, media, or events around the project.

Key Contacts

If you have questions about your project, funding or timeline, please contact Senior Community Strategies Specialist Jess Cornejo at Jessica.cornejo@svcleanenergy.org.

If you have questions about these guidelines, marketing, public relations, or communications materials about the funded project, please contact Communications Specialist Emily Muniz at Emily.muniz@svcleanenergy.org.

Approved Language

Referring to SVCE:

1. Silicon Valley Clean Energy
2. SVCE (acronym may be used after first spelling out full agency name)
3. SV Clean Energy

Describing SVCE grant funding:

1. "Funding for *[title of project that received grant funding]* is provided [or partly funded] by the Silicon Valley Clean Energy Community Grants Program."

Sharing SVCE resources:

1. "Explore rebates and incentives to go electric at svcleanenergy.org/offers-services/"
2. "Talk to a trusted energy advisor for FREE at goelectric.svcleanenergy.org/"
3. "Start your journey to go electric with eHub (svcleanenergy.org/ehub/), the Silicon Valley Clean Energy resource that simplifies your switch to all-electric living. Find personalized rebates, incentives, and tips to power your home, car, appliances, and business with clean energy."
4. Additional resources to share: <https://svcleanenergy.org/digital-media-assets/>

Optional language to provide information about SVCE:

1. "Silicon Valley Clean Energy is the community choice electricity provider for thirteen communities in Santa Clara County formed to reduce greenhouse gas emissions and fight climate change locally. Silicon Valley Clean Energy provides homes and businesses with clean electricity at competitive rates, reinvests locally through programs and community grants, and accelerates electric technologies through rebates, technical support, and innovative solutions supporting grid-wide resilience."

SVCE Logo Use

Grantees may use the [SVCE full logo](#) or [SVCE abbreviated logo](#) in marketing materials related to the funded project, but must submit the materials to SVCE for review prior to publication.

The SVCE logo shall not be cropped, rotated, compressed or have the colors changed. If the grantee needs a specific logo not provided (i.e. all-white logo for dark backgrounds), the grantee should contact SVCE with the request.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive an Update on Emergency Water Main Repairs at Curtis Avenue and Yosemite Avenue and Determine that the Condition No Longer Constitutes an Emergency (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	6/17/2025
Recommendation:	(1) Receive an update on the emergency water main repairs at 330 Curtis Avenue (Recycled Water Main) and 878 Yosemite Avenue (Potable Water Main); and (2) Determine by a four-fifths vote that the condition no longer constitutes an emergency and, therefore, terminate the emergency declaration.

BACKGROUND:

Pursuant to Public Contract Code section 22050 and City Council Resolution No. 9134, the Director of Public Works, in the case of emergency, may authorize a repair of a public facility and procure the work without giving notice for bids. An emergency is defined as “a sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.” Additionally, State law requires the Public Works Director, as the City official with delegated authority to take emergency action, to report any emergency authorization and the reason(s) for the authorization to the City Council not later than seven days after the action, or at its next regularly scheduled meeting if that meeting will occur not later than 14 days after the action. The City Council received this report at its regularly scheduled meeting on [May 20, 2025](#) and by a four-fifths vote determined there was a need to continue emergency work without giving notice for bids.

Further, the Public Works Director is required to report why the emergency would not permit a delay resulting from a competitive solicitation for bids and the City Council is required to review the emergency action at every regularly scheduled meeting thereafter until the emergency repair is completed. The City Council shall continue to review the emergency action at every regularly scheduled meeting thereafter until the action is terminated. At each review, the City Council shall determine, by a four-fifths vote, whether there is a need to continue the action.

Pursuant to Public Contract Code Section 22050 and Resolution No. 9134, the Director of Public Works has determined that Water Main Repairs on Curtis Avenue and Yosemite Drive constitute emergencies. Both incidents meet the legal definition of an emergency as a “sudden, unexpected occurrence that poses a clear and imminent danger, requiring immediate action to prevent or mitigate the loss or impairment of life, health, property, or essential public services.” Delaying these repairs to complete a formal bidding process would significantly increase the risk of further infrastructure failure, extended service disruptions, environmental impacts, and property damage.

PROJECT/STATUS UPDATE:

Project #1: 18-inch ductile iron recycled water main located at 330 Curtis Avenue

Per the agreement entered on October 8, 1997 with the City of San José, the City of Milpitas is responsible for the operation and maintenance of the recycled water distribution system and all associated facilities located within Milpitas city limits. The portion of the recycled water distribution system within Milpitas includes approximately 24 miles of pipeline and related appurtenances. In addition to routine operations and maintenance, the City is also responsible for providing emergency services on an as-needed basis.

On April 11, 2025, City staff were notified of a significant recycled water spill into the storm drain system due to a main break in the recycled water system. Crews promptly began potholing to locate the source of the leak. The affected water main was isolated to prevent further discharge into the local drainage system, resulting in service interruptions for eight recycled water customers, including landscaping services for the Great Mall.

Repairs, originally scheduled to begin on May 16, 2025, were deferred until May 19 due to a delay in the delivery of necessary parts. Excavation efforts were significantly hampered by large volumes of surrounding concrete and hard base materials, as well as the proximity of fiber optic conduits and other critical utilities. These conditions required careful, methodical excavation and increased both the complexity and duration of the repair process.

The initial excavation did not reveal the source of the leak, requiring crews to extend their efforts eastward and deeper along the alignment. The leak appears to be located inside the casing where the pipeline runs beneath the railroad tracks. This location presents additional technical challenges and will require further work to fully expose and repair the damaged pipe segment. To mitigate impacts in the interim, a new isolation valve was installed on May 28, and service was successfully restored to all affected customers on May 29.

Due to these unforeseen site conditions including the depth of the break, obstructions from surrounding infrastructure, and the extended effort needed to trace the leak, the total cost of the emergency repair has increased to approximately \$138,000. The City will continue to coordinate with South Bay Water Recycling (SBWR) to determine their preferred approach for completing the full repair of the line within the casing under the railway. No further emergency work is required at this time, and any remaining work can be done through regular contracting procedures.

Project #2: 16-Inch Spiral Welded Steel Water Main Repair – 878 Yosemite Avenue

Background:

On April 16, 2025, City crews responded to a major water leak at the intersection of Yosemite Avenue and Hillview Drive. Upon investigation, a large hole was found on the underside of a 16-inch spiral welded steel water main, located at a transition fitting. This type of pipe requires specialized materials and certified welding expertise for repairs.

Given the complexity of the job, City staff contacted Preston Pipeline to assist with the emergency repair and provide a cost proposal. The total cost for the work, including labor, materials, and pavement restoration, was not to exceed \$214,000. The initial plan was to begin work the week of June 2, with an estimated repair duration of up to five days.

Due to a delay in the delivery of specialized parts, the project start date was pushed back to June 6. On that day, crews mobilized to the site and began preparatory work. On June 7, Preston Pipeline successfully removed the damaged section of the steel water main and initiated installation and certified welding of the replacement pipe.

Repairs were completed on Sunday, June 8. Following pressure testing and inspection, City staff removed temporary jumper hoses that had been supplying nearby businesses, and full potable water service was restored without further issue. On June 9 and 10, final surface restoration was conducted, including pavement repair and roadway striping, ensuring the area was returned to its original condition.

All work associated with the emergency repair at Yosemite Avenue and Hillview Drive is now complete. Water service has been fully restored to all affected customers, and no further disruptions are anticipated.

FISCAL IMPACT:

Funding for these repairs is available in the City's Capital Improvement Program (CIP) budget. CIP Project 7118 – Dempsey Road Water Line Replacement will fund the repairs. The available balance as of May 14, 2025 is \$5,172,576.79. SBWR will subsequently be invoiced for the expenses incurred to repair and improve the recycled water line at 330 Curtis Avenue.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The Projects entail replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced, and will have substantially the same purpose and capacity as the structure replaced and is exempt from CEQA pursuant to Cal. Code Regs., tit. 14, § 15302.

ATTACHMENT(S):

None.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Authorize the City Manager to Negotiate and Execute a Public Art Agreement with Vickie Jo Sowell (Staff Contact: Renee Lorentzen, Recreation and Community Services Director, 408-586-3409)
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	6/17/2025
Recommendation:	Authorize the City Manager, or designee, to negotiate and execute a Professional Services Agreement with Vickie Jo Sowell for a term of one year in an amount not to exceed \$100,000, for historical park markers to be fabricated and installed in Bob McGuire Park, Fredrick Creighton Park, Delano Manongs Park, Peter Gill Park, Jose Higuera Adobe Park, Murphy Park, and Sunnyhills Albert Augustine Jr. Memorial Park.

BACKGROUND:

As part of their City Council-approved FY2020-21 Workplans, the Arts Commission and Parks Recreation and Cultural Resources Commission (PRCRC) were directed to collaborate on a project to develop historical park markers that would be public art pieces, honoring park namesakes. With the recent addition of Delano Manongs Park, Milpitas has 20 parks named for people and/or cultural groups.

A joint subcommittee of the Arts Commission and PRCRC was convened in May 2021 to develop a plan for a Historical Park Marker Project. The Park Marker Subcommittee (Subcommittee) consisted of two Arts Commissioners and three PRCRC Commissioners, one of whom also represented the Milpitas Historical Society.

The Subcommittee developed a concept of a unique-to-Milpitas, artist-designed kiosk which would contain interpretive signage about the park's namesake, community designed artwork, and depending on space, possibly interpretive signage about the parkland's former use, or native floral/fauna.

On [September 19, 2023](#), the City Council approved the concept and \$90,000 funding for Phase One projects, which will be Bob McGuire Park, Fredrick Creighton Park, Delano Manongs Park, Peter Gill Park, Jose Higuera Adobe Park, Murphy Park, and Sunnyhills Albert Augustine Jr. Memorial Park.

On [March 18, 2025](#), the City Council approved the unanimous joint recommendation of the Arts Commission and Parks, Recreation and Cultural Resources Commission to approve the historical park markers design "Natives" by artist Vickie Jo Sowell, and approved an additional \$10,000 from CP3489 Public Art Program to fully fund this project.

ANALYSIS:

Staff is recommending a professional services agreement with Vickie Jo Sowell for a term of one year in an amount not to exceed \$100,000, for the "Natives" historical park markers to be fabricated and installed in Bob McGuire Park, Fredrick Creighton Park, Delano Manongs Park, Peter Gill Park, Jose Higuera Adobe Park, Murphy Park, and Sunnyhills Albert Augustine Jr. Memorial Park.

FISCAL IMPACT:

This agreement is fully funded with the City Council appropriating \$90,000 from the Public Art Fund at its September 19, 2023 meeting and \$10,000 from the Delano Manongs Park CIP to the Public Art CIP No. 3489 at its March 18, 2025 meeting, for a total of \$100,000.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment and is not a project pursuant to Pub. Resources Code, § 21065 and Cal. Code Regs., tit. 14, § 15378. Even if a project, the action is exempt from further CEQA review pursuant to Cal. Code Regs., tit. 14, § 15061(b)(3) as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

ATTACHMENT(S):

None.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Authorize the City Manager to Negotiate and Execute an Agreement with RecTrac, LLC dba Vermont Systems for Recreation Management Software (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Renee Lorentzen, Recreation and Community Services Director, 408-586-3409)
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	6/17/2025
Recommendation:	Authorize the City Manager, or designee, to negotiate and execute a Software License and Professional Services Agreement with RecTrac, LLC dba Vermont Systems for Recreation Management Software, including related professional services and as-required hardware, for an initial three-year term and a maximum compensation of \$140,000, subject to the appropriation of funds.

BACKGROUND:

The City full-service Recreation and Community Services Department (Department) provides recreational services and activities, including class registrations, memberships, facility and park rentals, and point of sale transactions to a diverse population ranging from technically savvy dotcom engineers who handle all interactions online to non-computer users who typically conduct their transactions in person with staff members. The Department also serves a high percentage of non-native English speakers. As such, an intuitive, contemporary, robust, and user-friendly recreational management software solution is essential to delivering these services and serving the community. Last year, the Department processed nearly 9,000 transactions valued at almost \$3 million. However, the City's current recreation management solution no longer supports the City's existing and anticipated future needs. Customer participation and diverseness are expected to continue to increase over the coming years so the City needs a software solution that will help the City continue to expand the program and better serve the community.

ANALYSIS:

On January 3, 2025, the City released a Request for Proposal (RFP 25-1010) for Recreation Management Software. The scope of work required a fully vendor-hosted, cloud-based, browser-agnostic, user-friendly solution that included childcare management, customer communications, facility reservations, league scheduling, membership management, intuitive entry procedures, class and session cloning, remote activity registration and payment processing, online activity registration, onsite activity registration, payment processing and payment plans, point of sale capability, reporting, scholarship accounting, marketing incentives, and more to facilitate Department operations and public use.

The RFP was publicly noticed on the [City website](#) and [OpenGov](#), the City e-procurement website, in accordance with City Municipal Code. Upon release, 961 firms received notification of the RFP, and 41 firms downloaded the RFP documents. Six vendors submitted proposal responses by the published closing date of February 5, 2025.

The proposals were evaluated and scored in accordance with the evaluation criteria set forth in the RFP. Following initial scoring, the top five-ranked vendors provided system demonstrations to the evaluation panel, as well as other subject matter experts in the City. After score adjustments based on information provided to the evaluation panel during the system demonstration, the top three-ranked proposers submitted Best and Final Offers (BAFOs), and customer references were conducted. Finalist scores following score adjustments based on BAFO responses and customer references are as follows:

		Points Range : Minimum = 0; Maximum = 10		
Evaluation Criteria	Evaluation Criteria Weight (%)	CivicPlus, LLC	Kaizen Laboratories Inc.	RecTrac LLC dba Vermont Systems
Cover Letter and Compliance with RFP Requirements	5.0%	7.20	7.40	7.00
Company Profile	10.0%	7.80	8.00	7.80
Execution Plan	10.0%	6.60	8.20	7.00
References	10.0%	7.00	7.60	7.20
Personnel Assigned	10.0%	6.20	8.20	6.00
Technical Capabilities	40.0%	6.40	8.20	8.20
Proposed Compensation	15.0%	10.00	1.83	7.01
Weighted Average Score	100.0%	71.80	71.25	74.81

Based on these results of the weighted average score calculation, RecTrac LLC dba Vermont Systems was the best value proposer in accordance with the evaluation criteria set forth in the RFP.

POLICY ALTERNATIVE(S):

Alternative 1: Do not negotiate and execute an Agreement with RecTrac LLC dba Vermont Systems.

Pros: None.

Cons: The recommended new software will provide considerable improvement in functionality and user interfaces for both customers and City staff, as well as improved reporting, and a clear, simple pricing structure that does not burden Department customers with excessive online fees.

Reason for Not Recommending: By not approving staff's recommendation, the Department and its customers would continue to be limited by its current software solution and would necessitate considerable additional staff time to conduct another solicitation.

FISCAL IMPACT:

RecTrac LLC dba Vermont Systems services will cost an estimated \$140,000 of general fund monies over the next three years, which represents a slight savings over the current system, but also establishes known costs for each year's subscription fees. Under the current vendor contract, fees are deducted directly from revenue so the actual cost to the City is not known in advance. The fees for the current system over the same three-year period are estimated to be in excess of \$150,000. Under this recommendation and the new solution, all revenue comes directly to the City, so the City will see an increase in revenue to offset the expense.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment and is not a project pursuant to Pub. Resources Code, § 21065 and Cal. Code Regs., tit. 14, § 15378. Even if a project, the action is exempt from further CEQA review pursuant to Cal. Code Regs., tit. 14, § 15061(b)(3) as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

ATTACHMENT(S):

None.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Authorize the City Manager to Negotiate and Execute an Amendment to the Agreement for Asian-Inspired Congregate Nutritious Meals Services with Moonchef, LLC (Staff Contact: Luz Cofresí-Howe, Finance Director, 408-586-3111; and Renee Lorentzen, Recreation and Community Services Director, 408-586-3409)
Category:	Consent Calendar-Community Services and Sustainable Infrastructure
Meeting Date:	6/17/2025
Recommendation:	Authorize the City Manager, or designee, to negotiate and execute an amendment to the Agreement for Asian-Inspired Congregate Nutritious Meals Services with Moonchef, LLC to extend the term for one additional year through June 30, 2026 and add \$68,217 to the Agreement for a revised not-to-exceed compensation of \$167,587 for the full three-year term.

BACKGROUND:

On July 14, 2023, the City released Request for Proposal (RFP) 24-002 seeking vendors to prepare and deliver Asian-Inspired Congregate Meals for the City's Senior Nutrition Program. The City Senior Nutrition Program is a collaborative partnership with the County of Santa Clara Senior Nutrition Program and is aimed at providing hot, nutritious meals to seniors aged 60 and above. For Fiscal Year 2025-26, the City will serve 88+ meals daily to our senior population across 243 service days.

The RFP was publicly noticed on the [City website](#) and [OpenGov](#), the City e-procurement website, in accordance with City Municipal Code. Upon release, 127 firms received notification of the RFP, and 5 firms downloaded the RFP documents. One vendor submitted a proposal response by the published closing date of July 28, 2023. Moonchef, LLC (Moonchef), as the sole responsive and responsible proposer, was awarded the contract.

The City entered into an Agreement with Moonchef on August 24, 2023 for an initial term of August 27, 2023 to August 26, 2024 and a maximum compensation of \$47,370. On June 21, 2024, the City executed Amendment No. 1 to the Agreement to extend the term through June 30, 2025 and add an additional \$52,000 for a revised maximum compensation of \$99,370.

ANALYSIS:

The RFP through which this contract was awarded allowed for an initial one-year term and two one-year options to extend. However, adding the third option year requires City Council approval as the maximum revised compensation will be \$167,587.

The requested amendment will extend the term of the existing Agreement for the additional option year, as allowed by the RFP, through June 30, 2026 and add \$68,217. This will provide up to 10,709 meals at a cost \$6.37 per meal for the additional one-year term and will result in a revised maximum compensation of \$167,587 for the three-year Agreement.

Staff will conduct a new RFP within the next few months to establish contract(s) for the next fiscal year.

POLICY ALTERNATIVE(S):

Alternative 1: Do not authorize the City Manager, or designee, to amend the Agreement for Asian-Inspired Congregate Nutritious Meals Services with Moonchef.

Pros: The City saves these funds.

Cons: Seniors in the Senior Nutrition Program will have only one meal provider, TRIO Community Meals, LLC, without an alternative option like the Asian-inspired meals from MoonChef.

Reason not recommended: Seniors in the Senior Nutrition Program benefit from a diverse range of meal options, particularly with the inclusion of an Asian-inspired meal provider. Furthermore, past surveys of participating seniors indicate that this type of cuisine is a popular choice among them.

FISCAL IMPACT:

Approval to amend this Agreement will increase the total not-to-exceed amount of the Agreement from \$99,370 to \$167,587. Sufficient funds are available in the Fiscal Year 2025-2026 Adopted, Amended Operating Budget.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment and is not a project pursuant to Pub. Resources Code, § 21065 and Cal. Code Regs., tit. 14, § 15378. Even if a project, the action is exempt from further CEQA review pursuant to Cal. Code Regs., tit. 14, § 15061(b)(3) as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

ATTACHMENT(S):

None.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution to Confirm the 2025 Weed Abatement Assessment Report (Staff Contact: Arthur Belton, Deputy Fire Chief / Fire Marshal, 408-586-3384)
Category:	Public Hearings-Public Safety
Meeting Date:	6/17/2025
Recommendation:	Adopt a resolution confirming the 2025 Weed Abatement Assessment Report and Assessment List to be entered into the tax assessment rolls.

BACKGROUND:

On February 2, 1976, an Agreement was established and approved to abate weeds by the County of Santa Clara for the City of Milpitas. The purpose of the Agreement is to promote the efficiency and economy of operations in the abatement of weeds by the City and the County.

On June 21, 2022, City Council approved and authorized the City Manager to execute and sign the Amended and Restated Weed Abatement Agreement Between City of Milpitas and the County of Santa Clara Consumer and Environmental Protection Agency – Weed Abatement Program. The intent of this updated agreement was to provide consistency with current County standards. The County typically adjusts fees annually to ensure costs of the program are fully recovered from property owners within the program. Language in the agreement included a provision for a true-up, where the City will be responsible for any potential shortfall if the amounts collected from property owners are inadequate to reimburse the County for services provided.

The major procedural functions to be performed by the County and/or City shall include but not be limited to:

1. The County shall prepare the list of parcels requiring abatement of weeds in the City and transmit the said list to the City for review and approval for processing.
2. The County shall prepare the notice of weed abatement and cause such notice to be mailed to the owners of the parcels requiring weed abatement.
3. The City Council shall conduct public hearings on the proposed removal of weeds pursuant to the provisions of the City Ordinance when the City Fire Marshal presents such appropriate resolutions for adoption. The City Council may, by adoption of a resolution, declare the weeds on the respective parcels of the land as a public nuisance, and make the determination to proceed with the abatement of weeds, and authorize the performance of the service to remove the weeds in accordance with the aforementioned Agreement.
4. Upon proper authorization by the City, the County shall remove the weeds on the designated properties.
5. The County shall render to the City an itemized assessment report for the cost of the weed abatement services performed per the respective parcels.
6. Pursuant to California Health and Safety Code 14915, a copy of the report, as confirmed, shall be turned over to the auditor of the county, on or before the tenth day of August following such confirmation, and the auditor shall enter the amounts of the assessments against the respective parcels of land as they appear on the current assessment roll, (Amended by Stats. 1939, Ch. 354).

7. The City Council, after a public hearing, shall require the County Assessor's Office to include the costs of the weed abatement services performed for the City for the current year, as a special assessment on bills for taxes levied against the affected parcels. Such special assessments shall be liens on the respective properties.

ANALYSIS:

On March 4, 2025, the City Council adopted Resolution No. 9392 declaring noxious or dangerous weeds growing upon specific listed properties to be a public nuisance that must be abated by the removal of the weeds. If the public nuisance was not removed from a property by the owner, the City contracted with the County of Santa Clara Consumer and Environmental Protection Agency- Weed Abatement Program (County) to remove weeds and abate the nuisance. In accordance with Title V, Chapter 202 of the Milpitas Municipal Code, the County filed with the City Clerk a report and assessment list on weeds abated within the City as nuisances. A notice for the public hearing was sent by the City Clerk's Office to the local newspaper for publication, as well as mailed to the affected property owners by the Fire Marshal's Office pursuant to Milpitas Municipal Code Section V-202-9.00.

The City's Municipal Code requires City Council to hear the report together with any objections from property owners liable to be assessed and make such modifications on the proposed assessment as it deems necessary.

Following adoption by the City Council, the resolution will be recorded and charges thereon become a lien on the land involved to be collected in the same manner as property taxes. A copy of the assessment list and the proposed resolution confirming the weed abatement report are included in the Council's agenda packet.

POLICY ALTERNATIVE(S):

There are no policy alternatives other than what is outlined under the Recommendations section. Pursuant to the amended agreement of March 21, 2022, the County under the provisions of the Health and Safety Code of the State of California and its ordinance has the authority to enforce the abatement of weeds. Likewise, the City under the California Fire Code and Milpitas Municipal Code, Title V, Chapter 202 has the authority to enforce the abatement of weeds.

FISCAL IMPACT:

Each year during a public hearing, the City's municipal code provides that City Council hear the assessment report for the list of abated properties within the City, together with objections from property owners liable to be assessed, and make modifications on the proposed assessment as it deems necessary. Following adoption by the City Council, the resolution will be recorded and charges thereon become a lien on the land involved to be collected in the same manner as property taxes.

If the County's costs to administer the program are not fully recovered through fees from the property owners, Section 7C of the agreement may be applied. If this true-up were to occur, it would impact on the General Fund via the Unanticipated Expenditure Reserve.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment and is not a project pursuant to Pub. Resources Code, § 21065 and Cal. Code Regs., tit. 14, § 15378. Even if a project, the action is exempt from further CEQA review pursuant to Cal. Code Regs., tit. 14, § 15061(b)(3) as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

ATTACHMENT(S):

- (a) 2025 Weed Abatement Assessment Report
- (b) Resolution

2025 Weed Abatement
Program Assessment Report
City of Milpitas

Exhibit A

	Situs	APN	AMT
634	ABEL	022-06-010	\$105.00
7280	MARYLINN	022-07-007	\$2,541.68
99	MAIN	022-24-017	\$210.00
111	Main	022-24-040	\$807.00
	VALLEY	022-28-026	\$807.00
1735	CALIFORNIA	022-37-002	\$3,984.11
	CALIFORNIA	022-38-026	\$105.00
	CALIFORNIA	022-38-027	\$105.00
81	DIXON	026-05-021	\$105.00
	DIXON	026-05-023	\$105.00
1878	MILPITAS	026-05-024	\$105.00
51	DIXON	026-05-053	\$105.00
	DIXON	026-06-012	\$105.00
1720	ARIZONA	026-07-016	\$105.00
1840	ARIZONA	026-07-051	\$105.00
1640	ARIZONA	026-11-067	\$105.00
	BOTHELO	028-23-017	\$105.00
	RAILROAD	028-24-006	\$3,776.89
1390	EL CAMINO HIGURA	029-02-007	\$105.00
1327	CALLE ORIENTE	029-05-010	\$651.00
880	EVANS	029-06-003	\$105.00
666	EVANS	029-06-008	\$105.00
826	CALAVERAS RIDGE	029-06-031	\$105.00
322	PARK VICTORIA	029-16-006	\$105.00
1220	COUNTRY CLUB	029-52-014	\$105.00
1039	CAMARILLO	029-52-015	\$105.00
673	QUINCE	029-59-014	\$105.00
517	VISTA RIDGE	042-30-009	\$105.00
519	VISTA RIDGE	042-30-010	\$807.00
529	VISTA RIDGE	042-30-015	\$105.00
410	VISTA RIDGE	042-30-024	\$105.00
350	VISTA RIDGE	042-30-025	\$105.00
531	VISTA RIDGE	042-30-029	\$105.00
	SERRA	083-06-006	\$1,353.00
	MAIN	083-06-008	\$1,818.90
	MAIN	083-07-015	\$807.00
91	MONTAGUE	083-42-002	\$210.00
	HAMMOND	086-25-018	\$4,557.32
	MAIN	086-25-028	\$105.00
	HAMMOND	086-25-030	\$1,869.80
	HAMMOND	086-25-032	\$1,865.98
	BOTHELO	086-26-039	\$2,129.16
	HAMMOND	086-26-040	\$2,236.05
	HAMMOND	086-26-042	\$3,722.56

	MILPITAS	086-28-006	\$105.00
	VISTA	086-29-005	\$5,279.59
	WRIGLEY	086-29-036	\$105.00
	YOSEMITE	086-29-047	\$2,887.80
876	YOSEMITE	086-30-047	\$807.00
	YOSEMITE	086-30-048	\$3,910.89
	AMES	086-30-060	\$3,488.17
	SINCLAIR FRONTAGE	086-31-003	\$5,025.60
	MILPITAS	086-32-084	\$4,094.64
1646	CENTRE POINT	086-33-110	\$105.00
	COSTA	086-41-014	\$105.00
1001	MILPITAS	086-42-033	\$105.00
	GARDEN	086-94-014	\$1,603.00
375	DEMPSEY	088-01-002	\$105.00
	PARK VICTORIA	088-04-062	\$105.00
	DEMPSEY	088-04-076	\$105.00
534	PARK VICTORIA	088-06-039	\$105.00
1459	CANTON	088-09-039	\$105.00
1496	JUPITER	088-09-089	\$105.00
2013	YOSEMITE	088-20-023	\$105.00
575	CARLSBAD	088-20-102	\$105.00
632	CARLSBAD	088-20-125	\$105.00
1791	ROCKY MOUNTAIN	088-23-075	\$105.00
1966	YOSEMITE	088-26-149	\$105.00
	OLD PIEDMONT	092-34-008	\$2,705.80
1250	PIEDMONT	092-34-014	\$702.00
2235	URIDIAS RANCH	092-37-050	\$807.00
			\$69,875.94

When Recorded Mail to:

City of Milpitas
Attention: City Clerk
455 East Calaveras Boulevard
Milpitas, CA 95035

Record without fee under
Section 6103 - Government Code
State of California

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS CONFIRMING A
WEED ABATEMENT ASSESSMENT REPORT AND ASSESSMENT LIST TO BE ENTERED
ON TAX ASSESSMENT ROLLS**

WHEREAS, on March 4, 2025, the City Council of the City of Milpitas adopted Resolution No. 9392 declaring noxious or dangerous weeds growing upon and/or the accumulation of rubbish, refuse or dirt upon certain described property to be a public nuisance that must be abated by removal; and

WHEREAS, if the public nuisance was not removed from the properties by the owner, the City contracted with the Office of Santa Clara County Agricultural and Environmental Management to remove the weeds, rubbish, refuse and/or dirt and abate the nuisance; and

WHEREAS, the Office of Santa Clara County Agricultural and Environmental Management filed a report and abatement assessment list with the City Clerk in conformance with Title V, Chapter 202 of the Milpitas Municipal Code; and

WHEREAS, notice of the report and abatement assessment list was posted in accordance with Milpitas Municipal Code, Section V-202-9.00; and

WHEREAS, on June 17, 2025 a public hearing was held on said report and assessment list, a copy of which is attached hereto as Exhibit A; and

WHEREAS, the City Council heard and overruled any objections of the property owners liable to be assessed for the abatement.

NOW, THEREFORE, the City Council hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The City Council hereby confirms the 2025 Weed Abatement Assessment Report and Abatement List by the County of Santa Clara for the City of Milpitas, filed by the Office of Santa Clara County Agricultural and Environmental Management, without modification.
3. The City Council orders that the cost of abating such public nuisance upon the various properties respectively referred to in the 2025 Weed Abatement Assessment Report and Assessment List shall constitute special assessments against such respective parcels of land and shall constitute a lien against such parcels for the amount of such assessments.

4. The City Manager shall cause a certified copy of this Resolution confirming the 2025 Weed Abatement Assessment Report and Assessment List to be recorded in the Office of the Santa Clara County Recorder and to be filed with the County Tax Assessor and Collector's office and the County Auditor's office in order for said assessments to be entered on the tax rolls as provided by Title V, Chapter 202 of the Milpitas Municipal Code.

PASSED AND ADOPTED this _____ day of _____, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Carmen Montano, Mayor

ATTEST:

Suzanne Guzzetta, City Clerk

APPROVED AS TO FORM:

Christopher Creech, Acting City Attorney



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Certifying the City of Milpitas Sewer System Management Plan (Staff Contact: Christian Di Renzo, Public Works Director, 408-586-2602)
Category:	Public Hearings-Community Services and Sustainable Infrastructure
Meeting Date:	6/17/2025
Recommendation:	Adopt a resolution certifying the City of Milpitas 2025 Sewer System Management Plan.

BACKGROUND

The City of Milpitas maintains a sanitary sewer collection system. The State Water Resources Control Board ("SWRCB") Order# 2022-0103-DWQ requires all entities that own and operate sanitary sewer systems that convey untreated wastewater to a publicly-owned treatment plant to prepare a Sewer System Management Plan ("SSMP"). The SSMP is a document that addresses procedures to operate, maintain and manage wastewater collection systems. The goal of the Sewer System Management Plan (Plan) is to provide a plan and schedule to: (1) properly manage, operate, and maintain all parts of the Enrollee's sanitary sewer system(s), (2) reduce and prevent spills, and (3) contain and mitigate spills that do occur. Utilization of the SSMP provides the guidelines and procedures to reduce the number and frequency of sanitary sewer overflows ("SSOs") thereby decreasing the risk to both human health and the environment. Staff recently completed a regulatorily required self-audit and has identified several SSMP revisions that will improve program effectiveness.

SWRCB Order #2022-0103-DWQ became effective June 5, 2023, and replaces the previous order that was issued in 2006. This reissued Order imposed several new requirements on agencies including new spill response procedures, spill monitoring and notification requirements, revised self-audit frequencies, additional spill categories, and new certification and reporting requirements. The Order also requires that agencies update their SSMPs by August 2, 2025, and that the SSMPs are certified by the agency's governing body.

ANALYSIS

The 2025 update of the City of Milpitas' Sewer System Management Plan (SSMP) is a comprehensive response to the updated State Water Resources Control Board (SWRCB) Order No. 2022-0103-DWQ, and incorporates findings from the City's 2021 Sewer Master Plan (SMP) and the 2020 Asset Renewal and Replacement (R&R) Study. The updated SSMP consolidates and documents significant enhancements in operation, maintenance, and risk management strategies.

Significant updates include:

1. Revised SSMP Structure and Compliance Alignment

The SSMP was reorganized using the 2024 BACWA SSMP Guidance to align with the latest WDR requirements, including new certification, reporting, and audit mandates.

2. Enhanced Condition Assessment and Rehabilitation Planning

- Integrated findings from the 2021 SMP and 2020 R&R Study, which evaluated 105,000 feet of sewer pipe using CCTV inspection.
- Segments were prioritized based on Business Risk Exposure (BRE) scores derived from Likelihood of Failure (LoF) and Consequence of Failure (CoF) criteria, guiding future rehabilitation investments.

3. Modernized Mapping and GIS Protocols

- Updated protocols for maintaining accurate wastewater collection system maps in GIS.
- Mobile redlining and QA/QC review now ensure real-time updates and accuracy post-construction.

4. Spill Emergency Response Plan (SERP) Updates

- a. SERP fully revised to incorporate the new spill category (Category 4), improved interagency notifications, and provisions for public observations via the City's work order system.
- 5. Capacity Planning Based on Latest Hydraulic Modeling**
 - a. The 2021 SMP model evaluated both existing and projected (2040) conditions and found no major capacity deficiencies.
 - b. One pipe segment flagged as “marginally deficient” (MH GID 1392) has been proactively fitted with SmartCover® monitoring to mitigate potential SSOs.
- 6. Expanded Use of Technology in Preventive Maintenance**
 - a. Deployment of 33 SmartCover® sensors and expanded use of the Lucity CMMS for scheduling and tracking cleaning, root control, and inspection activities.
 - b. Real-time level monitoring allows for targeted maintenance and spill prevention.
- 7. New Climate Resilience Section**
 - a. The SSMP includes a new section on climate adaptation, outlining a three-year review cycle and strategies for sea level rise, extreme precipitation, and wildfire impacts on system operations.
- 8. Formalization of Private Lateral Maintenance Program (PLMP)**
 - a. The SSMP initiates development of a Private Lateral Maintenance Plan by 2026, consistent with regional best practices.
- 9. FOG (Fats, Oils, and Grease) Program Updates**
 - a. Improved inspections, enforcement, and recordkeeping.
 - b. Education and BMP outreach are being implemented to reduce commercial and residential FOG sources.
- 10. Training and Certification Improvements**
 - a. Staff training requirements now include annual SERP drills, CIWQS reporting, and SSMP implementation.

These updates reflect a continued commitment to regulatory compliance, public health protection, and infrastructure resilience, while incorporating robust asset management principles and data-driven planning tools. The Order also requires that the City audit its implementation of the SSMP every 3 years and update the SSMP every 6 years.

POLICY ALTERNATIVE(S)

Alternative 1: City Council does not adopt a resolution to re-certify the City of Milpitas’ 2025 Sewer System Management Plan.

Pros: None.

Cons: Does not comply with the State Water Resources Control Board (“SWRCB”) Order# 2022-0103-DWQ which requires the City Council to update and re-certify the SSMP by August 2, 2025.

Reason for Not Recommending: The City would be out of compliance with the State Water Resources Control Board (“SWRCB”) Order# 2022-0103-DWQ.

FISCAL IMPACT

None.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

The introduction and adoption of this Ordinance is not a project subject to the California Environmental Quality Act (CEQA) as it can be seen with certainty that the ordinance does not have the potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, and is more akin to an administrative activity of the government pursuant to CEQA Guidelines Section 15378.

ATTACHMENT(S)

- (a) Resolution
- (b) Draft 2025 Sanitary System Management Plan

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF MILPTIAS APPROVING AND CERTIFYING THE CITY'S SEWER SYSTEM MANAGEMENT PLAN IN ACCORDANCE WITH THE CALIFORNIA STATE WATER RESOURCES CONTROL BOARD'S ADOPTED STATEWIDE GENERAL WASTE DISCHARGE REQUIEMENTS FOR SANITARY SEWER SYSTEMS, WATER QUALITY ORDER NO. 2022-0103-DWQ

WHEREAS, on May 2, 2006, the California State Water Resources Control Board ("Water Board") adopted Statewide General Waste Discharge Requirements for Sanitary Sewer Systems, requiring owners of public sanitary sewer collection systems to prepare a Sewer System Management Plan ("SSMP"); and

WHEREAS, on December 6, 2022, the Water Board adopted Order #2022-0103-DWQ replaces the previous order that was issued in 2006 and became effective June 5, 2023; and

WHEREAS, Order #2022-0103-DWQ requires that agencies update their SSMPs by August 2, 2025 and that the SSMPs are approved and certified the agency's governing body; and

WHEREAS, the SSMP is a document that addresses procedures to operate, maintain and manage wastewater collection systems; and

WHEREAS, utilization of the SSMP provides the guidelines and procedures to reduce the number and frequency of sanitary sewer overflows ("SSOs") and thereby decrease the risk to human health and the environment in our community; and

WHEREAS, the City Council approved and certified previous SSMPs on August 18, 2009, August 19, 2014, December 16, 2016, and October 19, 2021; and

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The City Council has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The City Council hereby approves and certifies the 2025 SSMP, attached hereto as **Exhibit A**.

PASSED AND ADOPTED this ____ day of _____, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Suzanne Guzzetta, City Clerk

APPROVED AS TO FORM:

Christopher Creech, Acting City Attorney

APPROVED:

Carmen Montano, Mayor

City of Milpitas

Sewer System Management Plan (SSMP)

2025 Update

Sanitary Sewer Collection System

Waste Discharge ID (WDID): # 2SSO10156



REVIEWED AND APPROVED BY:

Elaine Marshall, Deputy Public Works Director

Legally Responsible Official

City of Milpitas

Sanitary Sewer Collection System

(includes Element Development Plans & Schedules)

PREPARED BY:



Date Signed

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SSMP CHANGE LOG

Revision Date	SSMP Section	Approval Date	Description of Change/Revision Made	Initials

SSMP CHANGE LOG

Revision Date	SSMP Section	Approval Date	Description of Change/Revision Made	Initials



City of Milpitas
Att: Elaine Marshall, Deputy Public Works Director
Legally Responsible Official (LRO)
455 East Calaveras Boulevard
Milpitas, CA 95035

Dear Ms. Marshall,

We are pleased to present the new 2025 Sewer System Management Plan (SSMP) Update developed in partnership with Agency management. The 2025 Update meets and exceeds compliance with the Reissued WDR (State Water Board, Water Quality Order No. 2022-0103-DWQ, Attachment D-10 and Specifications 5.4). The 2025 SSMP has been completely revised to harmonize with industry standard guidelines and incorporates the latest SSMP Audit findings.

The 2025 SSMP is a declaration of what the Agency is doing to demonstrate full compliance with the Reissued WDR. Attachment A of the Reissued WDR (page A-4), states "A sewer system management plan is a living document which requires the Agency to Enrollee develops and implements to effectively manage its sanitary sewer system(s) in accordance with this General Order." This requires the Agency to periodically review and update the SSMP as necessary until its next required 6-year SSMP Update is completed.

We look forward to assisting the Agency wherever necessary to fully implementation its new 2025 SSMP Update.

Sincerely,

A handwritten signature in black ink that reads 'James Fischer'.

James Fischer, P.E.
Principal, Fischer Compliance LLC
Credentialed U.S. EPA NPDES Compliance Inspector

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Introduction

This Sewer System Management Plan (SSMP) or “Plan” has been prepared for the City of Milpitas (City) with technical assistance from Fischer Compliance LLC for meeting and exceeding compliance with the State Water Resources Control Board 2022 General Waste Discharge Requirements, [Order No. 2022-0103-DWQ](#) for Sanitary Sewer Systems (referred to throughout this document as the WDR). The City provided all details, information and institutional insights for preparation of the SSMP. The document has been developed to meet the size, scale, and complexity, serving as a “living document” used as a tool for managing and operating the City's sanitary sewer collection system. Additionally, the latest 2024 Sewer System Management Plan Guidance Manual published by the Bay Area Clean Water Agency (BACWA) was utilized as a model for development of the document to harmonize formatting/content and incorporate recommended suggested guidance wherever possible.

The City’s commitment to meeting or exceeding regulatory requirements, along with their proactive approach to operation and management of the collection system, has served them well, as evidenced by system performance relative to other agencies in the region and the state.

Figure 1 provides key Agency spill metrics, including data (8/1/2009 to 5/1/2025) comparing the City’s spill record with state and regional system data. The City consistently performs better than both statewide and regional spill rate indices and net spill volumes for all categories of spills from its sanitary sewer collection system. See also Appendix 1.1.



Collection System Spill Summary

Operational Indices: Milpitas City CS

Spill Rate Index (spills/100mi/yr)							
	Category 1			Category 2		Category 3	
	Main System	Laterals	Other	Main System	Other	Main System	Other
Milpitas City CS	0.03	0.0	0.0	0.17	0.0	0.45	0.0
State Municipal(Public) Average	1.47	2.27	0.43	0.54	0.43	2.81	0.52
Region Municipal Average	2.86	1.22	0.36	0.64	0.22	6.26	0.68

Net Volume Spills Index (gallons/1000 Capita/yr)							
	Category 1			Category 2		Category 3	
	Main System	Laterals	Other	Main System	Other	Main System	Other
Milpitas City CS	19.82	0.0	0.0	0.46	0.0	0.79	0.0
State Municipal(Public) Average	1496.3	23.72	3111.27	234.04	1950.64	28.18	7.7
Region Municipal Average	764.94	4.95	425.99	76.22	5383.03	58.13	13.99

Figure 1 - Collection System Operational Report – SWRCB Integrated Water Quality System (CIWQS)

SSMP Organization

This SSMP is organized into 11 core elements following Attachment D of the WDR, with inclusion of applicable Specifications requirements.

Each individual element in the SSMP includes the following technical contents.

1. Requirements – Provides the actual description of applicable requirements in the WDR.
2. Compliance – Describes the City's approach to complying with the WDR requirements.
3. Effectiveness – As measured by Key Performance Indicators (KPIs)
4. Implementation – Demonstrates how the City will ensure the Plan is being carried out as described.
5. Resilience – Demonstrates the resilience that is addressed in the SSMP and built-in to the City's collection system and procedures.
6. Appendix Inclusions – List the items included in the Appendix for each SSMP Element, if any.

Abbreviations and Acronyms

BMP	Best Management Practices
CCTV	Closed Circuit Television
CIP	Capital Improvement Program
CIPP	Cured in Place Pipe
CIWQS	California Integrated Water Quality System (State Water Board Online Spill Database)
CMMS	Computerized Maintenance Management System
FOG	Fats, Oils and Grease
FSE	Food Service Establishment
GCD	Grease Control Device
GIS	Geographic Information System
I & I	Inflow and Infiltration
LRO	Legally Responsible Official
RWF	San Jose-Santa Clara Regional Wastewater Facility
RWQCB	Regional Water Quality Control Board (San Francisco Bay Region)
SCADA	Supervisory Control and Data Acquisition
SERP	Spill Emergency Response Plan
SOP	Standard Operating Procedure
SSMP	Sewer System Management Plan
Spill	Sanitary Sewer Overflow
WDR	Sanitary Sewer Systems General Wastewater Discharge Requirements Order issued by the State Water Board (Order No. 2022-0103-DWQ)
SWRCB	State Water Resources Control Board
WDID	Waste Discharge ID Number (CIWQS)

Table 1 - Abbreviations and Acronyms

1. Goal and Introduction

REQUIREMENTS

[Att. D-1 \(pg. D-2\)](#)

“The goal of the Sewer System Management Plan (Plan) is to provide a plan and schedule to: (1) properly manage, operate, and maintain all parts of the Enrollee’s sanitary sewer system(s), (2) reduce and prevent spills, and (3) contain and mitigate spills that do occur.

The Plan must include a narrative Introduction section that discusses the following items (see below):”

1.1. Regulatory Context

WDR REQUIREMENTS

[Att. D-1.1 \(pg. D-2\)](#)

“The Plan Introduction section providing a general description of the local sewer system management program and discuss Plan implementation and updates.”

COMPLIANCE

The City is committed to fully implementing the WDR which includes addressing all requirements by integrating a wide range of programs specifically designed for ensuring the integrity and efficiency of the City’s sanitary sewer collection system. Moreover, the City is dedicated to maintaining its collection system in a systematic manner by implementing various work programs, with a focus on critical areas, to prevent spills, allowing for a comprehensive approach to maintenance.

Establishing internal core objectives allows City staff to focus on complying with the WDR and develop strategies and procedures to achieve successful overall management and maintenance of the wastewater collection system. Work programs conducted under the City’s Preventative Maintenance, Rehabilitation and Replacement and Capital Improvement and SSMP implementation Programs include CCTV inspections, pipe cleaning, lift station maintenance, root control, sewer main lining, sewer main and lateral pipe repair, smart manhole cover installation, inspection of connected FOG generating sources/source control and public outreach.

By prioritizing proactive measures and taking a comprehensive approach, the City is well-equipped with a proven track record of effectively operating its sanitary sewer collection system with the highest levels of service, complying with the WDR, and reducing/eliminating sewage spills.

EFFECTIVENESS

N/A

IMPLEMENTATION PLAN/SCHEDULE

N/A

1.2. SSMP Update Schedule

WDR REQUIREMENTS

[Att. D-1.2 \(pg. D-3\)](#)

“The Plan Introduction section must include a schedule for the Enrollee to update the Plan, including the schedule for conducting internal audits. The schedule must include milestones for incorporation of activities addressing prevention of sewer spills.”

COMPLIANCE

The City utilizes the State Water Board’s online lookup tool for ensuring all required due dates for updating its SSMP and completing its required SSMP Audits (see chart below).

The City’s most recent SSMP audit was completed for the period August 2, 2021 through August 2, 2024.

Sewer System Management Plan & Audit Required Due Dates

Transition from General Order 2006-0003-DWQ to Reissued General Order

Search by Waste Discharge Identification (WDID) Number

Enter your Waste Discharge Identification (WDID) number in the search field to retrieve the required Sewer System Management Plan (SSMP) Update and Audit due dates for your system.

Show Update/Audit Dates

Sewer System Management Plan & Subsequent Update Due Dates					
System Name	WDID Number	Original Plan Required Due Date	Required Plan Update Due Date	Required Plan Update Due Date	Required Plan Update Due Date*
Milpitas City CS	2SSO10156	8/2/2009	8/2/2014	8/2/2019	8/2/2025

Audit Due Dates								
System Name	WDID Number	Original Required Plan Audit Due Date	Required Plan Audit Due Date	Required Plan Audit Due Date	Required Plan Audit Due Date	Required Plan Audit Due Date	Required Plan Audit Due Date	End of Required 3-Year Audit Period**
Milpitas City CS	2SSO10156	8/2/2011	8/2/2013	8/2/2015	8/2/2017	8/2/2019	8/2/2021	8/2/2024

* Per Section 5.5 and Attachment E1, Section 3.11 of the General Order, Plan updates are due within six years after the required due date of the Enrollee's last Plan Update.

** Per Section 5.4 and Attachment E1, Section 3.10 of the General Order, the Audit Report is due within six months after the end of the required 3-year audit period.

Figure 2 - Sewer System Management Plan, Subsequent Update and Audit Due Dates

EFFECTIVENESS

The City utilizes the following Key Performance Indicators for measuring effectiveness of this Element:

- Are SSMP Audits and SSMP Updates being performed as scheduled?
- Has the Sewer System Management Plan been approved by the City Council on schedule (every six years)?
- Are specific internally established sewer program milestones being monitored?

IMPLEMENTATION PLAN/SCHEDULE

No.	Plan	Schedule	Responsible Party		
			Dir	Eng	Man
1.2.1	Prepare for next SSMP Audit	Begin 5/2/2027	X	X	X
1.2.2	Complete and Upload SSMP Audit	By 11/2/2027	X		X
1.2.3	Incorporate Audit Findings, update Change Log and Update SSMP	5/2/2025		X	
1.2.4	City Council Approval and LRO Certification of SSMP	By 5/2/2025	X		

1.3. Sewer System Asset Overview

WDR REQUIREMENTS

Att. D-1.3 (pg. D-3)

“The Plan Introduction section must provide a description of the Enrollee-owned assets and service area, including but not limited to:

- *Location, including county(ies).*
- *Service area boundary.*
- *Population and community served.*
- *System size, including total length in miles, length of gravity mainlines, length of pressurized (force) mains, and number of pump stations and siphons.*
- *Structures diverting stormwater to the sewer system.*
- *Data management systems.*
- *Sewer system ownership and operation responsibilities between Enrollee and private entities for upper and lower sewer laterals.*
- *Estimated number or percentage of residential, commercial, and industrial service connections; and*
- *Unique service boundary conditions and challenge(s).*
- *Additionally, the Plan Introduction section must provide reference to the Enrollee’s up-to-date map of its sanitary sewer system, as required in section 4.1 (Updated Map of Sanitary Sewer System) of this Attachment.”*

COMPLIANCE

The City of Milpitas is located in northeastern Santa Clara County between the Cities of San Jose and Fremont. See Figure 2. The collection system generally flows from east to west and south to north towards the San Francisco Bay. Most of the collection system flows by gravity to the Milpitas Main Pump Station then is pumped to the San Jose-Santa Clara Regional Wastewater Facility (RWF) through dual force mains. The Venus Way Lift Station pumps sewage from a small portion of the City in the Pines neighborhood that is at a lower elevation up to a higher elevation where it then flows by gravity to the Main Pump Station.

The City encompasses 14 square miles of residential, commercial, industrial, agricultural and recreational land uses, roughly oriented around the intersections of SR 237 with I-880 on the west and I-680 on the east approximately 45 miles southeast of San Francisco. The City provides wastewater collection services to a population of 81,067 and hosts a number of high-tech electronic research, development and manufacturing facilities typical of the Silicon Valley.

The City owns and operates a municipal sewer collection system consisting of 179 miles of gravity mains, with pipe diameters ranging from 4-inch to 66-inch, five (5) miles of force main, 14,779 sewer lateral connections totaling approximately 71 miles of lower laterals, two (2) sewer pump stations and twenty-four (24) siphons.

The City’s collection system does not include storm water diversion structures.

The City uses the Lucity CMMA to maintain asset data and manage workflow. This is discussed in more detail in Element 4.2 of the SSMP.

The City owns and operates the lower laterals. The private property owners the upper sewer laterals and are responsible for their operation, maintenance, and repair.

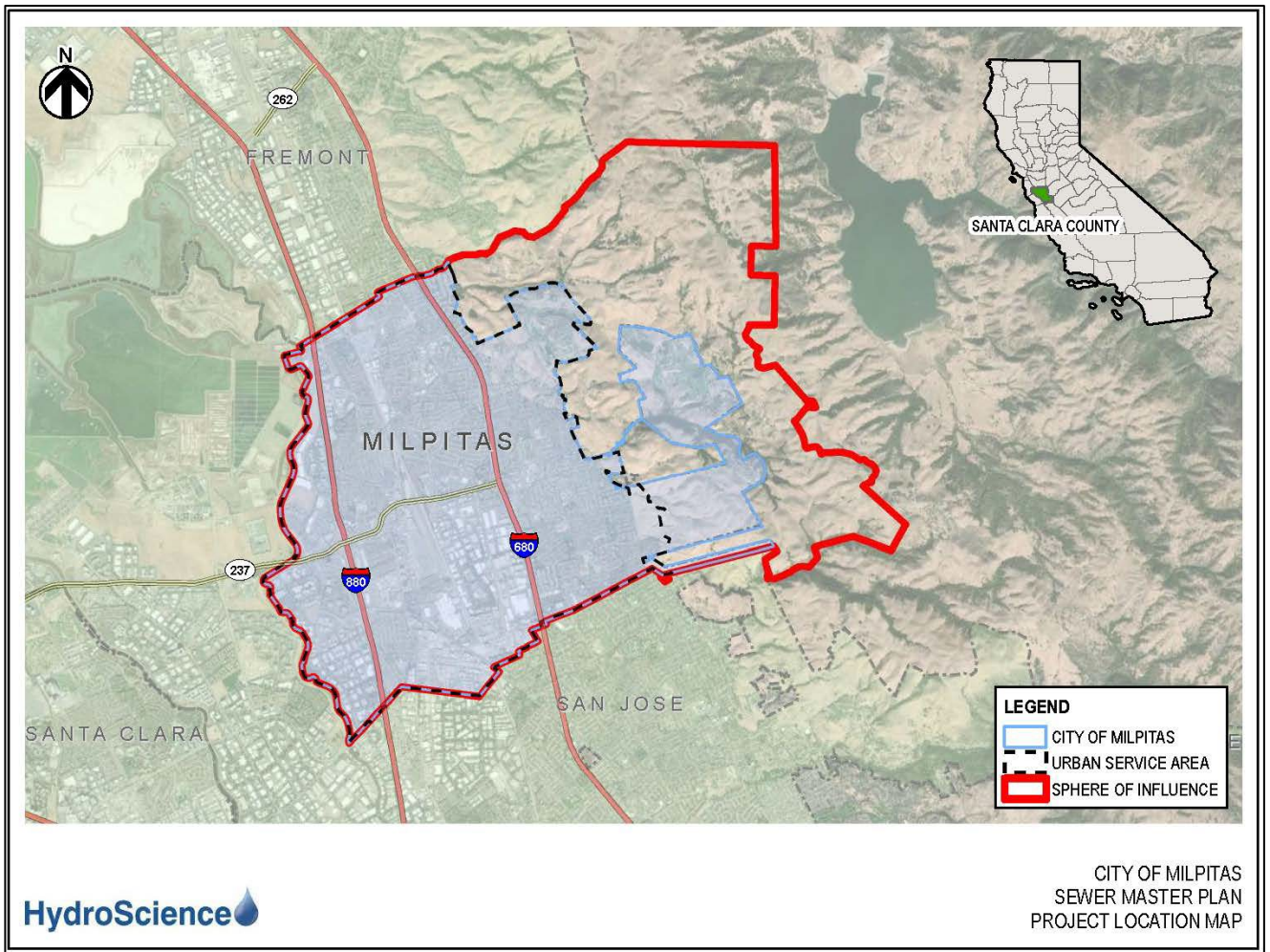


Figure 3 – City of Milpitas Vicinity Map and Service Area

Estimated customer connection classifications are presented below.

Use Type	Number of Connections
Residential	14,363
Commercial/Institutional	709
Industrial	290

Table 2 - City Sewer Connection Flow Classifications And Connections Data

Overall, the City has put itself in good position to maintain its collection system. There are few service area challenges. Some manholes cannot be accessed by heavy equipment, which requires remote set ups such as pulling jetter hose or CCTV cameras to manholes from the vehicle parked a distance away. During heavy rain events, access to some easement roads/manholes can sometimes be limited for short periods.

The City maintains up to date system maps. Refer to Section 4.1 Updated Map of Sanitary Sewer System for more detail.

EFFECTIVENESS

The City utilizes the following Key Performance Indicators for measuring effectiveness of this Element:

- Are asset statistics periodically reviewed and updated as necessary?
- Are omissions or errors addressed in a timely manner?
- Are system maps up to date?

IMPLEMENTATION PLAN/SCHEDULE

No.	Plan	Schedule	Responsible Party		
			Dir	Eng	Man
1.3.1	Review City-owned asset statistics and element description; update as necessary	At the beginning of the audit cycle and when significant changes have been made.		X	X
1.3.2	Update Maps	Within 30 Days of Correction Submittal of Completion of Development Project		X	

RESILIENCE

Resilience is addressed for Element 1 by:

- Adhering to an SOP for collecting and managing asset data.
- Redundancy: More than one member of staff is trained and able to retrieve and manage the data.
- Implementing a QA/QC process to help ensure information is accurate.
- Using Calendar Reminders to ensure compliance deadlines are met.

APPENDIX 1 INCLUSIONS:

- 1.1 Milpitas City 2007-2024 CIWQS Historical Collection System Operational Report

Specifications 5.2 – SSMP Development and Implementation

WDR REQUIREMENTS

[Spec. 5.2 \(pg. 18\)](#)

“To facilitate adequate local funding and management of its sanitary sewer system(s), the Agency shall develop and implement an updated Sewer System Management Plan. The scale and complexity of the Sewer System Management Plan, and specific elements of The SSMP, must match the size, scale, and complexity of the Enrollee’s sanitary sewer system(s). The Sewer System Management Plan must address, at minimum, the required Plan elements in Attachment D (Sewer System Management Plan – Required Elements) of this General Order. To be effective, the Sewer System Management Plan must include procedures for the management, operation, and maintenance of the sanitary sewer system(s). The procedures must: (1) incorporate the prioritization of system repairs and maintenance to proactively prevent spills, and (2) address the implementation of current standard industry practices through available equipment, technologies, and strategies.”

COMPLIANCE

The City's current Sewer System Management Plan (SSMP) has been updated to meet the requirements of Order WQ 2022-0103-DWQ and addresses the required Elements. The SSMP addresses management, operations and maintenance procedures specific to the City’s collection system. The City maintains a proactive O&M program to operate its system and identify defects, which are then prioritized for repair, replacement, rehabilitation, or placed on modified maintenance schedules. (See Elements 4 and 8 and Specifications 5.19 of this SSMP for more detail.)

The City keeps up with current industry standards, technology and best practices by reviewing industry periodicals, networking and attending industry conferences and workshops.

Specifications 5.7 – Allocation of Resources

WDR REQUIREMENTS

[Spec. 5.7 \(pg. 22\)](#)

“The Agency shall comply with the following requirements:

- *Establish and maintain a means to manage all necessary revenues and expenditures related to the sanitary sewer system; and*
- *Allocate the necessary resources to its sewer system management program for: (a) compliance with this General Order, (b) full implementation of its updated SSMP, (c) system operation, maintenance, and repair, and (d) spill responses.”*

COMPLIANCE

The City maintains various revenue sources to maintain financial stability, meet its operational needs and manage all necessary expenditures for its sewer system operation. The primary source of revenue is the annual Sewer Service Rate Charge, which is collected from customers and used for:

- City’s share of operation and maintenance of the San Jose-Santa Clara Regional Wastewater Facility
- Plant improvements, equipment replacement, and modification.
- Maintenance and operation of City wastewater collection and conveyance system
- Collection system maintenance equipment and construction
- General administrative services
- Extension of service of collection system
- General and unappropriated reserves

The annual Sewer Service Rate Charge is adopted by the City every five (5) years and, is allocated to fund sewer maintenance and upgrades to facilities serving existing connections.

The City also collects a sewer impact fee that funds the installation of facilities to areas not yet served and to upsize existing facilities to ensure adequate capacity.

The City’s sewer utility is a self-supporting enterprise. Revenues derived from sewer rates and other sources, including reserves, must be sufficient to cover all operating and capital expenditures each year. The City aims to balance its budgets each year. Fund reserves generated in surplus years are typically used to make up any revenue shortfalls in deficit years.

The City has evaluated several aspects of the sanitary sewer system’s fiscal needs. The [Sewer Master Plan](#) has identified pipe deficiencies and treatment capacity shortfalls that must be mitigated to meet build-out conditions. The Utility Depreciation Study (See [Financial Utility-Master-Plan 2003](#)) identified the age and materials of the collection system and established a long-term replacement schedule. The Financial Utility Master Plan incorporated the proposed Master Plan projects and replacement needs and developed a cash flow scenario for a 20-year period. The City has demonstrated its commitment to provide and operate a functional sewer collection system with sufficient capacity monitoring, measurement & program modifications.

The City’s rate structure conforms to the State Water Resources Control Board (SWRCB) revenue program guidelines that require each customer or class to pay sewer rates in proportion to the cost of service received. Milpitas customer rates are allocated based on estimated wastewater flows and strengths. Sewer rates are adopted by the City Council via ordinance. The sewer section derives funding from the sewer enterprise fund, which includes the user rate structure (Sewer Fund) and developer hookup fees (Sewer Treatment Plant) and Sewer Bond.

- **Sewer Infrastructure Fund:** Monies set aside to replace aging infrastructure for sewer related projects.
- **Sewer Fund:** Enterprise fund which receives revenue from sewer rates for sewer related improvements.
- **Sewer Treatment Fund:** Funded from fees collected from developers connecting to the Sewer System. Funds restricted for sewer related projects.
- **Sewer Bond:** Bond is a debt security issued to finance capital expenditures including the sewer system. Restricted use.

Expenses typically fall into four categories: City operations, City capital improvements, RWF operations, or RWF capital improvements. The Milpitas City Council has established target reserve levels for the Sewer Fund.

The City is adequately staffed with ten (10) full time employees of which four (4) are CWEA certified Grade I, two (2) are CWEA certified Grade II, three (3) are CWEA certified Grade III and one (1) is CWEA certified Grade IV collection system operators responsible for managing and maintaining the sewer collection system. The City owns and operates the necessary equipment to effectively maintain its collection system.

Provisions 6.1 - Enforcement Provisions

WDR REQUIREMENTS

[Provisions 6.1 \(pg. 27\)](#)

“The following enforcement provisions are based on existing federal and state regulations, laws and policies, including the federal Clean Water Act, the state Water Code and the State Water Board Enforcement Policy.”

COMPLIANCE

The City is aware of the consequences for noncompliance including associated penalties for violations. The City maintains a proactive stance with full implementation of its SSMP.

Noncompliance with requirements of this General Order or discharging sewage without enrolling in this General Order constitutes a violation of the Water Code and a potential violation of the Clean Water Act and is grounds for an enforcement action by the State Water Board or the applicable Regional Water Board. Failure to comply with the notification, monitoring, inspection, entry, reporting, and recordkeeping requirements may subject the Enrollee to administrative civil liabilities of up to \$10,000 a day per violation pursuant to Water Code section 13385; up to \$1,000 a day per violation pursuant to Water Code section 13268; or referral to the Attorney General for judicial civil enforcement. Discharging waste not in compliance with the requirements of this General Order or the Clean Water Act may subject the Enrollee to administrative civil liabilities up to \$10,000 a day per violation and additional liability up to \$10 per gallon of discharge not cleaned up after the first 1,000 gallons of discharge; up to \$5,000 a day per violation pursuant to Water Code section 13350 or up to \$20 per gallon of waste discharged; or referral to the Attorney General for judicial civil enforcement.

Provisions 6.3 Sewer System Management Plan Availability

WDR REQUIREMENTS

Provisions 6.3

“The Enrollee’s updated Sewer System Management Plan must be maintained for public inspection at the Enrollee’s offices and facilities and must be available to the public through CIWQS and/or on the Enrollee’s website, in accordance with section 3.8 (Sewer System Management Plan Reporting Requirements) of Attachment E1 (Notification, Monitoring, Reporting and Recordkeeping Requirements) of this General Order.”

COMPLIANCE

The City publishes its SSMP, available for public review, on its website and also maintains a paper copy in its offices which can be made available for inspection during regular business hours. The City’s adopted SSMP is also being made readily available to the Regional Water Quality Control Board (Region No. 2) representatives upon request and to the operators of any collection system or treatment facility downstream of the City’s sanitary sewer system.

2. Organization

WDR REQUIREMENTS

Att. D-2 (pg. D-3)

“The Plan must identify organizational staffing responsible and integral for implementing the local Sewer System Management Plan through an organization chart or similar narrative documentation that includes:

- The name of the Legally Responsible Official as required in section 5.1 (Designation of a Legally Responsible Official) of this General Order.*
- The position titles, telephone numbers, and email addresses for management, administrative, and maintenance positions responsible for implementing specific Sewer System Management Plan Elements.*
- Organizational lines of authority.*
- Chain of communication for reporting spills from receipt of complaint or other information, including the person responsible for reporting spills to the State and Regional Water Boards and other agencies, as applicable. (For example, county health officer, county environmental health agency, and State Office of Emergency Services.)”*

COMPLIANCE

The above requirements are addressed in order below:

The City’s Legally Responsible Officials (LRO) are listed below:

- Elaine Marshall, Deputy Public Works Director 408-586-2602
- Daniel McVey, Public Works Division Manager – Utilities 408-586-2618

Both meet the requirements set forth in Specifications 5.1 of the WDR (WQ-2022 0103-DWQ).

IMPLEMENTATION RESPONSIBILITIES

Sewer System Management Plan Elements	Responsible Position
1. SSMP Plan, Goal and Introduction	Deputy Public Works Director
1.1. Regulatory Context	Deputy Public Works Director
1.2. SSMP Update Schedule	Deputy Public Works Director
1.3. Sewer System Asset Overview	Deputy Public Works Director
2. Organization	Deputy Public Works Director
3. Legal Authority	Deputy Public Works Director
4. Operations and Maintenance Program	Public Works Manager for Utilities
4.1. Updated maps of Sanitary Sewer System	Public Works Manager for Utilities
4.2. Preventive Operation & Maintenance	Public Works Manager for Utilities
4.3. Training	Public Works Manager for Utilities
4.4. Equipment Inventory	Public Works Manager for Utilities
5. Design/Performance	Deputy Public Works Director
5.1. Updated Design Criteria & Construction Standards	Deputy Public Works Director
5.2. Procedures and Standards	Deputy Public Works Director
6. Spill Emergency Response Plan	Public Works Manager for Utilities
7. Sewer Pipe Blockage Program	Deputy Public Works Director
8. System Eval, Capacity Assurance, Capital Imp.	Deputy Public Works Director
8.1. System Evaluation and Condition Assessment	Deputy Public Works Director
8.2. Capacity Assessment and Design Criteria	Deputy Public Works Director
8.3. Prioritization of Corrective Action	Deputy Public Works Director
8.4. Capital Improvement Plan	Deputy Public Works Director
9. Monitoring, Measurement & Program Modifications	Deputy Public Works Director & Public Works Manager for Utilities
10. Internal Audits	Deputy Public Works Director
11. Communication Program	Deputy Public Works Director & Public Works Manager for Utilities

Table 3 - Implementation Responsibilities

RESPONSIBLE POSITION CONTACT INFORMATION

Responsible Person	Responsible Position	Phone	Email
Christian Di Renzo	Public Works Director	408.586.2602	Cdirenzo@milpitas.gov
Elaine Marshall	Deputy Public Works Director	408.586.2603	Emarshall@milpitas.gov
Daniel McVey	Public Works Manager – Utilities	408.586.2618	Dmcvey@milpitas.gov
Michael Silveira, P.E.	City Engineer	408.586.3303	Msilveira@milpitas.gov
	Public Works Division Manager – Utility Engineering		Vacant

Table 4 - Implementation Responsibilities City Contacts

2.1. Organizational Lines of Authority

Figure 4 below shows the City's organization chart and City staff who manage all sanitary sewer activities within the City, whether it be reporting spills, analyzing capacities of the sanitary sewer system, or maintaining sanitary sewer facilities.

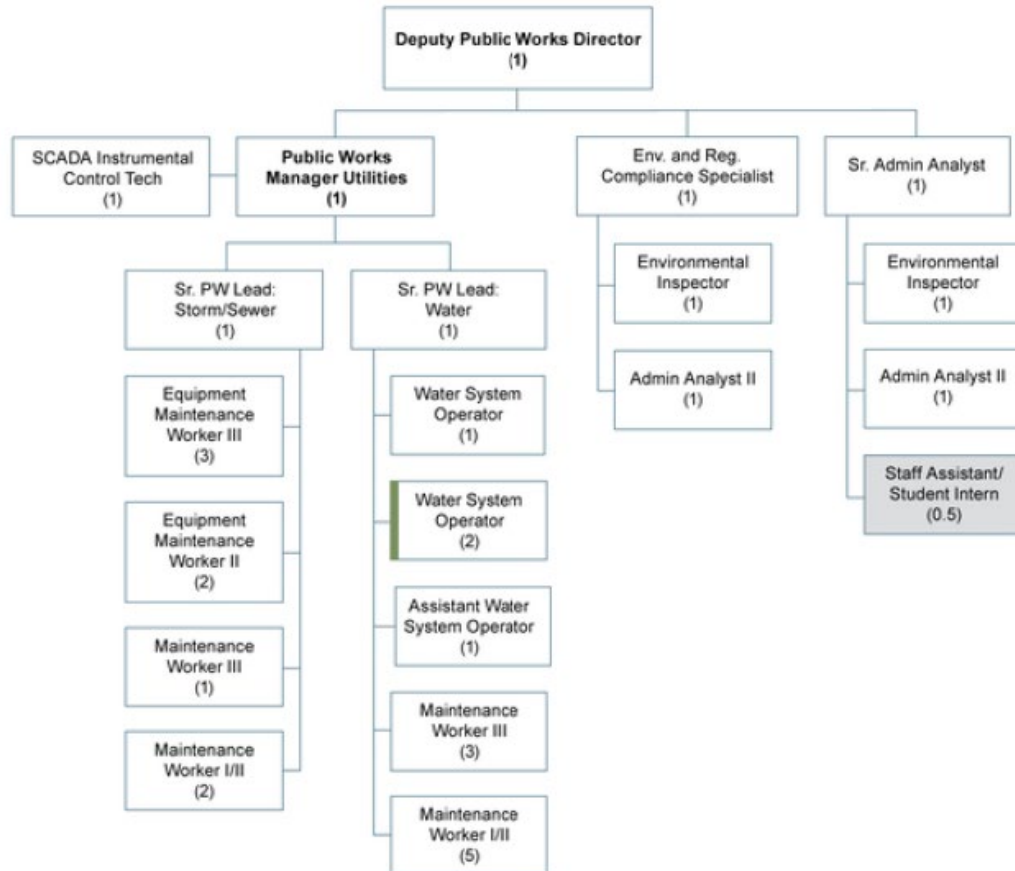


Figure 4 - Organizational Lines of Authority

2.2. Organizational Responsibilities

A description of responsibilities or roles of each position related to the City's sewer system management and SSMP implementation are as follows:

City Council

Approves operating budgets and capital improvement program, enters agreements on behalf of the City.

City Manager

City's Executive Officer. Oversees and coordinates work of all departments.

City Attorney

City's Legal Counsel. Advises on content of sewer ordinances, coordinates ordinance adoption, provides legal interpretations, and serves in enforcement actions.

Public Works Director

Establishes sewer system policy and plans strategy, leads and assigns duties of engineering staff, prepares budgets and serves as the spokesperson for spill related events. (See section 2.2: Chain of Communication: spill Reporting).

Deputy Public Works Director (Secondary LRO)

Oversees and prepares wastewater collection system planning documents, documents new and rehabilitated assets, proposes rate analysis reports and staff recommendations, and coordinates development and implementation of SSMP.

Public Works Manager for Utilities (Primary LRO)

Manages field operations and maintenance activities, provides relevant information to management, prepares and implements contingency plans, leads emergency response, investigates and reports spills, and trains field crews. (See section 2.2: Chain of Communication: Spill Reporting).

Public Works Maintenance Crew/Standby Crew

Undertakes preventive maintenance activities, mobilizes and responds to notification of stoppages and spills (mobilize sewer cleaning equipment, by-pass pumping equipment, and portable generators).

RWF

Provides pre-treatment program inspection and permitting to ensure compliance of the RWF operations with its NPDES discharge permit.

2.3. Chain of Communication for Reporting Spills

During Business hours calls are received by the City's Service Call Operator, who makes a Work Request and dispatches a designated person to respond. After Hours go to Police dispatch who contact the designated standby person. Lift station alarms are routed to the standby person. Alarm calls from remote level-sensing devices are sent to a pager and to designated personnel via text and email.

Response personnel follow the guidelines set forth in the City's spill response procedures, which are generally respond, assess, mitigate, resolve, estimate spill volume and spill start time, clean up, and document. Filed documentation is submitted to the Senior Lead of the Utility Department.

The Senior Lead ensures that all necessary information has been collected, verifies the submitted data and then forwards to the Public Works Manager – Utilities for submission and certification in CIWQS.

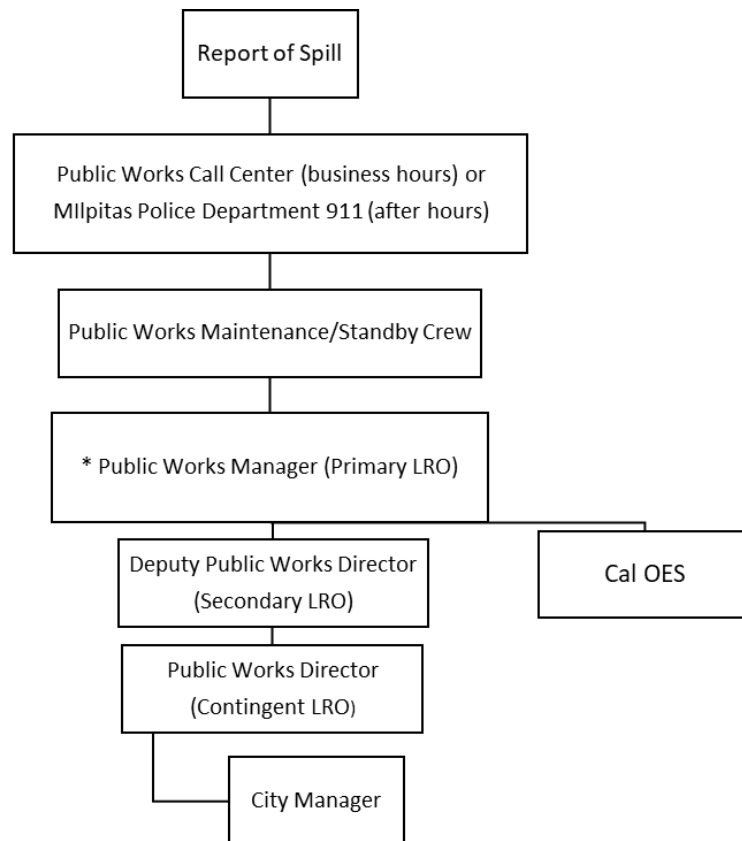


Figure 5 - Chain of Communication for Reporting Spills

SPILL INCIDENT COMMAND

In the event that command personnel are absent, the specific order of command is as follows:

1. Public Works Manager for Utilities
2. Deputy Public Works Director
3. Senior Lead
4. Equipment Maintenance Worker 3

EFFECTIVENESS

The City utilizes the following Key Performance Indicators for measuring effectiveness of this Element:

- Have there been any changes requiring updates to the Organizational Chart?
- Have there been instances when a service call for a spill was not properly routed to response personnel?
- Were all spill response activities documented and forwarded to the LRO?
- Have there been any changes in assigned responsibilities for implementing the Sewer System Management Plan?
- Is there a process in place to ensure all contact information remains up to date?

IMPLEMENTATION PLAN/SCHEDULE

No.	Plan	Schedule	Responsible Party		
			Dir	Eng	Man
2.1	Review names, contact information and position responsibilities. Update as necessary.	Semi-Annually		X	X
2.2	Review Chain of Communication outcomes for all spill responses	Each Spill Event		X	X
2.3	Review Organizational Chart for any changes. Update as necessary.	Semi-Annually		X	X

RESILIENCE

Resilience is addressed for Element 2 by:

- Ensuring that more than one person is capable and responsible for specific duties for Sewer System Management Plan implementation, e.g., back-up personnel.
- Designation of more than one LRO to help ensure full and continuous coverage of duties.
- Testing the phone notification system to ensure calls are received and routed to appropriate personnel.

APPENDIX 2 INCLUSIONS:

- 2.1 Utility Maintenance Standard Operating Procedures

3. Legal Authority

WDR REQUIREMENTS

Att. D-3 (pg. D-4)

“The Plan must include copies or an electronic link to the Enrollee’s current sewer system use ordinances, service agreements and/or other legally binding procedures to demonstrate the Enrollee possesses the necessary legal authority to:

- *Prevent illicit discharges into its sanitary sewer system from inflow and infiltration (I&I); unauthorized stormwater; chemical dumping; unauthorized debris; roots; fats, oils, and grease; and trash, including rags and other debris that may cause blockages.*
- *Collaborate with storm sewer agencies to coordinate emergency spill responses, ensure access to storm sewer systems during spill events, and prevent unintentional cross connections of sanitary sewer infrastructure to storm sewer infrastructure.*
- *Require that sewer system components and connections be properly designed and constructed.*
- *Ensure access for maintenance, inspection, and/or repairs for portions of the service lateral owned and/or operated by the Enrollee.*
- *Enforce any violation of its sewer ordinances, service agreements, or other legally binding procedures; and*
- *Obtain easement accessibility agreements for locations requiring sewer system operations and maintenance, as applicable.”*

COMPLIANCE

The above items are addressed in order below. [Article V](#)

Illicit Discharges

The City’s Municipal Code Title VIII, Chapter 2, [Article II](#), Section 2.15 and [Article V](#), Chapter 2, Sections 5.11 through 5.28 and Section 5.10 address prohibited discharges to the City’s sanitary sewers.

Collaboration And Coordination With Storm Drain Agencies

The City owns and operates most of the storm drains within its boundaries and has a de facto legal authority to ensure access to these storm drains in the event of a wastewater spill. The City has a maintenance agreement with Cal-Trans for that allows for access and entry to the Cal-Trans storm drains within the City’s service area.

Proper Design

The City’s Municipal Code, Title VIII, Chapter 2, [Article XI - Design Standards](#), 11.01 & Title VIII, Chapter 2, Article II – General Provisions, Section 2.08 - Construction include the rules and regulations of the City with respect to the construction of sanitary sewerage facilities.

Access to Laterals

The City’s municipal Code Title VIII, chapter 2, article XIII ensures access to laterals for maintenance, inspection and repairs. have the authority to access the lateral for inspections and right of entry authority for necessary City activities. See [Ordinance-100](#), Section 7.

Enforce Violations

The City Municipal Code, [Title VIII, Chapter 2 Article V, Section VIII-2-5.03](#) provides the City the legal authority to enforce violations of the Sanitary Code and other ordinances, rules or regulations of the City.

Easement Accessibility

All City sewer facilities are located within a public right of way or public service utility. The City requires that any newly constructed Sewer facility be located within a public utility easement or dedicated sewer easement.

EFFECTIVENESS

The City utilizes the following Key Performance Indicators for measuring effectiveness of this Element:

- Are the City ordinances and standards adequate for fulfilling the Sewer System Management Plan legal requirements?
- Does the City have a process in place for periodic review and evaluation of ordinances?
- Have there been instances when the code or ordinance did not address a need or circumstance?

IMPLEMENTATION PLAN/SCHEDULE

No.	Plan	Schedule	Responsible Party		
			Dir	Eng	Man
3.1	Review Ordinance to confirm all documents provide necessary required legal authority.	Once per 6-year SSMP Update Cycle	X	X	
3.2	Confer with storm drain owners to ensure current practices and contact information are up to date.	Annually		X	
3.3	Monitor and Document occasions when ordinance(s) failed to address issues as intended.	Continuously	X	X	X

RESILIENCE

Resilience is addressed for Element 3 by:

- Keeping abreast of industry trends and local ordinances that may affect operations.

APPENDIX 3 INCLUSIONS:

- None

4. Operation and Maintenance Program

The Plan must include the items listed below that are appropriate and applicable to the Enrollee's system.

4.1. Updated Map of Sewer System

WDR REQUIREMENTS

Att. D-4 (pg. D-4)

"An up-to-date map(s) of the sanitary sewer system, and procedures for maintaining and providing State and Regional Water Board staff access to the map(s). The map(s) must show gravity line segments and manholes, pumping facilities, pressure pipes and valves, and applicable stormwater conveyance facilities within the sewer system service area boundaries."

COMPLIANCE

The sanitary sewer system service area lies entirely within the City of Milpitas. The City's sewer system that includes gravity and pressure pipes, valves, manholes, pump stations, siphons and storm drain facilities.

The City maintains hardcopies of up-to-date sewer maps and atlases for its sewer and stormwater system. The City utilizes a Geographical Information System (GIS) to map the sanitary sewer system. Should a map error or omission be discovered, staff can redline the map with the correction using tablets and forward the proposed correction to a supervisor for review and verification. It is then submitted to the GIS team for implementation.

Record drawings are submitted at the completion of new construction projects and forwarded to the GIS team to update the system maps including any new assets.

Upon request, the City will provide State and Regional Water Board staff with a link to current system maps.

EFFECTIVENESS

The City utilizes the following Key Performance Indicators for measuring effectiveness of this Element:

- Were all map updates completed in a timely manner?
- Are all staff trained in the procedure for providing map update information?
- Are newly installed sewer assets incorporated into the system maps?
- Are there terrain features or assets that should be incorporated in future map updates (e.g. exposed pipe, siphons, ARVs, surface water, etc.)

IMPLEMENTATION PLAN/SCHEDULE

No	Plan	Schedule	Responsible Party		
			Dir	Eng	Man
4.1.1	Review map update procedures with all affected staff.	Annually		X	X
4.1.2	Review/ensure all newly installed facilities have been updated and included in the system maps	Annually		X	X

4.2. Preventive Operation and Maintenance Activities

WDR REQUIREMENTS

Att. D-4 (pgs. D-4/D-5)

"A scheduling system and a data collection system for preventive operation and maintenance activities conducted by staff and contractors. The scheduling system must include:

- *Inspection and maintenance activities.*
- *Higher-frequency inspections and maintenance of known problem areas, including areas with tree root problems.*
- *Regular visual and closed-circuit television (CCTV) inspections of manholes and sewer pipes.*

The data collection system must document data from system inspection and maintenance activities, including system areas/components prone to root-intrusion potentially resulting in system backup and/or failure."

COMPLIANCE

The purpose of a work order system is to program and track all required inspection and maintenance activities within the collection system to help proactively prevent blockages/operational problems and spills. The City utilizes the Lucity CMMS to provide a complete, accurate, and up-to-date inventory of sewer system assets. Lucity's work order system allows staff to put certain activities on a preventive schedule within the CMMS system which creates work orders on a prescribed interval. Work orders for other activities are generated by staff on an as-needed basis.

In addition, the CMMS is used to plan and schedule higher-frequency inspection and maintenance activities such as Hot Spot cleaning and root control activities.

The City's CMMS maintains historical data for all maintenance activities and provides a basis for critical analysis and data-driven planning and decision-making today and into the future. This allows for prioritizing and planning routine activities such as CCTV inspections, pipe cleaning and pump station maintenance activities.

EFFECTIVENESS

The City utilizes the following Key Performance Indicators for measuring effectiveness of this Element:

- Is the City maintenance, operations, engineering work orders periodically audited for accuracy and completeness?
- Does the City monitor "open," "overdue," or "not yet completed" work orders to ensure completion of tasks?
- Are inspection and maintenance activities reducing the number and volume of spills?
- Is maintenance work being completed as scheduled?

IMPLEMENTATION PLAN/SCHEDULE

No.	Plan	Schedule	Responsible Party		
			Dir	Eng	Man
4.2.1	Monitor “Past Due” work orders to ensure critical work is being completed.	Quarterly			X
4.2.2	Review scheduled PMs to ensure the prescribed schedule remains appropriate.	Annually			X

4.3. Training

WDR REQUIREMENTS

Att. D-4 (pg. D-5)

In-house and external training provided on a regular basis for sanitary sewer system operations and maintenance staff and contractors. The training must cover:

- *The requirements of this General Order.*
- *The Enrollee's Spill Emergency Response Plan procedures and practice drills.*
- *Skilled estimation of spill volume for field operators; and*
- *Electronic CIWQS reporting procedures for staff submitting data.*

COMPLIANCE

The City invests significant resources to staff training. No issues have occurred that are attributable to a lack of sufficient training. All training and certification requirements for proper operation & maintenance, timely and effective emergency response, and safe practices are met and documented. For contractors' staff, training requirements are spelled out in the contracts.

The City's training program covers several areas involving or associated with wastewater collection systems and serves to develop and maintain highly qualified, knowledgeable, and capable staff. This training is provided through a variety of modes (self-study, seminars, conferences, in-house on-the-job training, etc.) and begins from the first day on the job and continues regularly thereafter. Sanitary Division personnel receive training both in-house and through CWEA. The City's utility maintenance crew members attend sanitary sewer maintenance training on a regular basis. This training includes topics such as equipment operation and repair, spill volume identification, and SERP and SSMP review.

Staff involved in responding to customer service calls, including sewage spills, will receive annual training on the City's Spill Emergency Response Plan. This training is part classroom and part hands-on exercises and drills for responding to spill events and includes containment, restoring flow, spill volume estimation, spill volume recovered estimation, and spill start time estimation, clean up and completing the spill event data collection forms for entry into CIWQS.

Staff designated as Data Submitters are trained on the City's WDR compliant procedures for reporting spills from receipt of call to draft report submittals and certification.

The City has developed spill response procedures that Contract Service personnel who perform work for the City are required to:

- Immediately notify the City of any sewage spill they encounter.
- Make attempts to contain the spill
- Cordon off the area to keep the public safe
- Remain onsite until the City staff arrives and relieves them.

This language is included in service agreements and discussed during pre-job meetings.

EFFECTIVENESS

The City utilizes the following Key Performance Indicators for measuring effectiveness of this Element:

- Has all training been completed as scheduled?
- Have records of training and attendance been documented and maintained?
- Have all staff demonstrated ability and knowledge after each training event?
- Have contractors received, at a minimum, direction for reporting and responding to spills.

IMPLEMENTATION PLAN/SCHEDULE

No.	Plan	Schedule	Responsible Party		
			Dir	Eng	Sup
4.3.1	Review training documentation to ensure all staff have received required training	Quarterly		X	X
4.3.2	Review agreements with contractors and/or Pre-Job meeting minutes to ensure contract personnel have received instruction for responding to sewage spills	Each Contract		X	X

4.4. Equipment Inventory

WDR REQUIREMENTS

[Att. D-4 \(pg. D-5\)](#)

“An inventory of sewer system equipment, including the identification of critical replacement and spare parts.”

COMPLIANCE

The City maintains a host of equipment for both routine inspection, maintenance and for contingency or emergency operations to minimize equipment/facility downtime in the event of an unplanned failure. Typical response items are maintained in the City’s Emergency Response Trailer.

Critical replacement parts are identified, for both the gravity system and for lift stations, and an inventory is maintained. Examples of inventory items are pumps, motors, pipes and vehicles. All lift stations have redundancy, including bypass manifolds on force mains that allow for bypassing the lift station for as long as needed to rectify a problem.

The City can obtain equipment and material from the vendors, contractors, and other agencies in the event of a large-scale failure.

EFFECTIVENESS

The City utilizes the following Key Performance Indicators for measuring effectiveness of this Element:

- Have inventory lists been audited as scheduled?
- Have any inventory deficiencies or omissions been discovered and rectified?
- Has the City experienced any equipment failure that inhibited a spill response?

IMPLEMENTATION PLAN/SCHEDULE

No.	Plan	Schedule	Responsible Party		
			Dir	Eng	Man
4.4.1	Audit inventory lists to ensure stock is adequate	Annually		X	X
4.4.2	Check with vendors to ensure critical parts lead times are as expected.	Annually		X	X
4.2.3	Ensure contracts with emergency support services are current	Annually			X

RESILIENCE

Resilience is addressed for Element 4 by:

- Developing an SOP for updating maps when errors are discovered.
- Developing and using forms (paper or electronic) for data collection to help ensure all pertinent information is consistently collected.
- Periodically evaluating inspection cycle intervals to help ensure they are optimized.
- Requiring staff to demonstrate ability and/or knowledge for all training activities.
- Monitoring equipment and critical spare parts usage for and trends.
- Performing periodic audits of the Vehicle and Equipment Inventory List.

APPENDIX 4 INCLUSIONS:

- 4.1. Vehicles and Equipment List
- 4.2. Training Plans/Schedules

Specifications 5.19 - Operations and Maintenance

WDR REQUIREMENTS

[Spec. 5.19 \(pg. 27\)](#)

"To prevent discharges to the environment, the Enrollee shall maintain in good working order, and operate as designed, any facility or treatment and control system designed to contain sewage and convey it to a treatment plant."

COMPLIANCE

The City has a very effective preventive maintenance program that maintains the integrity of the sewer system and ensures continuous and safe conveyance of wastewater, resulting in a reduced frequency, number, and volume of sanitary sewer spills. The City's preventive maintenance program has evolved into a very proactive program that is designed to locate, identify, and address problems that may exist in the collection system prior to the occurrence of a failure in the system.

The City's preventive maintenance activities include the following:

- Condition assessment of gravity mains utilizing CCTV equipment.
- Regular inspections of pump stations.
- Service lateral inspections upon request of property owner.
- Scheduled weekly cleaning for high problem areas or areas with frequent stoppages. Other areas, with more moderate frequency problems, receive cleaning on a monthly or 6-month schedule. And low frequency areas, the remainder of the City receive sewer line cleaning on a 36-month basis.
- Weekly cleaning of one problem siphon and quarterly cleaning of all other siphons.
- Proactively repair or replace problem areas with structural deficiencies in the City's CIP (see Element 8.3 for additional discussion).
- Root control in areas that are known to have recurring SSOs or premature structural damage due to root intrusion. Root foaming is performed by the newly equipped hydro-vac truck.
- Investigate and resolve customer complaints upon notification, 24 hours a day.
- Periodic cleaning of force mains to maintain pump station efficiency and prevent backups.
- Keep maintenance activity records to support appropriate analysis and reporting.
- Pipe performance monitoring using SmartCover® level monitors.
- The City is currently in the process of updating all of its standard details and specifications. This update is expected to be completed by the end of 2026. Manholes will continue to be inspected by CCTV crews during the course of their daily duties.

5. Design and Performance Provisions

5.1. Updated Design Criteria/Construction Standards/Specifications

WDR REQUIREMENTS

Att. D-1.1 (pg. D-5)

“Updated design criteria, and construction standards and specifications, for the construction, installation, repair, and rehabilitation of existing and proposed system infrastructure components, including but not limited to pipelines, pump stations, and other system appurtenances. If existing design criteria and construction standards are deficient to address the necessary component-specific hydraulic capacity as specified in section 8 (System Evaluation, Capacity Assurance and Capital Improvements) of this Attachment, the procedures must include component-specific evaluation of the design criteria.”

COMPLIANCE

The City has standards for design installation, rehabilitation and repair, inspection, and testing of new and rehabilitated facilities in the following documents.

- [Standard Specifications for Sanitary Sewers](#) provide design and construction standards for the installation of sewer facilities and the repair or rehabilitation of existing facilities.
- [Standard Details & Specifications](#), Sanitary Sewer (Series 600) provides detail drawings Lateral, cleanouts, and connections to the City gravity main.

EFFECTIVENESS

The City utilizes the following Key Performance Indicators for measuring effectiveness of this Element:

- Is plan checking QA/QC processes helping to ensure adherence to the standards?

IMPLEMENTATION PLAN/SCHEDULE

No.	Plan	Schedule	Responsible Party		
			Dir	Eng	Man
5.1.1	Ensure all project plans are approved in accordance with the City's Standard Specifications and Details.	Each Project		X	
5.1.2	Verify design standards and hydraulic model previously completed are adequate and consistent with current standards of practice.	2025		X	

5.2. Procedures and Standards

WDR REQUIREMENTS

Att. D-1.1 (pg. D-5)

“Procedures, and standards for the inspection and testing of newly constructed, newly installed, repaired, and rehabilitated system pipelines, pumps, and other equipment and appurtenances.”

COMPLIANCE

The City has standards inspection and testing of new and rehabilitated facilities in the following document.

Standard Specifications for Sanitary Sewers, S3.11, provides standards for the inspection and testing of newly installed sewer facilities and the repair or rehabilitation of existing facilities. S3.11.

“Testing of Sanitary Sewer Lines: All newly constructed sewer mains and laterals adjacent thereto shall be tested for leakage as described in the Engineering Guidelines for sewers. The Contractor shall furnish all materials, equipment, tools and labor necessary to make leakage tests and to perform any work incidental thereto.

Leakage test shall be performed on the entire sanitary sewer installed, with the length of each test section limited to the pipe segment between adjacent manholes.

The Contractor shall follow the detailed specifications and shall conform with the intent thereof to secure the highest quality of workmanship in the laying of all sewer lines under the contract. All jointing of pipe shall be subject to rigorous inspection by the City Engineer or his representative.

When a sewer is constructed as part of the improvements of a street or road testing of the lines shall be done at such time that the subbase has been compacted and accepted by the City Engineer.

The Low Pressure Air Test shall be the accepted method used to determine watertight integrity of all sanitary sewers. The Hydrostatic Leakage Test method will only be used when specifically authorized by the City Engineer.

In addition to the Low Pressure Air Test, ABS sewer lines shall also be tested for deflection by passing a rigid mandrel through them.

The Low Pressure Air Test shall be done in the presence of the City’s Inspector and in accordance with the following procedure:

(1) Plug and securely brace the ends of each reach of pipeline to be tested. 250 XXI. A. Standard Specifications for Sanitary Sewers

(2) Pressurize scaled line until internal air pressure reaches 4.0 pounds per square inch gauge. When prevailing water is above the sewer line being tested, increase all pressures used in this test by 0.43 psi for each foot the water is above the flow line of the pipe.

(3) Allow at least two minutes for the air pressure to stabilize, adding additional air as required to maintain 4.0 psig.

(4) The Inspector shall observe the pressure gauge attached to the pipeline and when the pressure decreases to 3.5 psig, a timing period shall be started. The timing period shall be stopped when the pressure has decreased to 2.5 psig or until the portion of line being tested is found to be “Acceptable.”

(5) *The portion of line being tested shall be termed "Acceptable" if the time required in minutes for the pressure to decrease from 3.5 psig to 2.5 psig is not less than the time shown for the given pipe diameters in the following table:*

<u>Pipe Diam. In Inches</u>	<u>Minutes</u>
4	2.0
6	3.0
8	4.0
10	5.0
12	6.0
15	7.5
18	8.5
21	10.0
24	11.5
27	13.0
30	14.5
33	16.0
36	17.5
39	19.0
42	21.5

(6) *If adjoining laterals are tested concurrently with the sanitary sewer main, one-half of the above listed respective time for the largest lateral tested shall be added to the respective required time listed for the sanitary sewer main.*

(7) *If the line fails to meet the above requirements, the source of the leak shall be located and corrected to the satisfaction of the Inspector. After the leak or leaks are corrected and the trench is rebackfilled and compacted, the section of the line shall then be retested to compliance.*

Because of the inherent danger involved in air testing, extreme care shall be exercised in placing and bracing the pipe plugs, and no one shall be allowed in the manhole during testing. Caution shall also be taken to avoid over-pressurizing and damaging an otherwise acceptable line.

When Hydrostatic Leakage Test, in lieu of the air test, is authorized by the City Engineer, it shall be done in the presence of the City's Inspector and in accordance with the following procedure:

Each section of the sewer main to be tested shall be sealed by inserting stoppers in the lower end of the sewer segment, the inlet pipe of the upper manhole and any side sewers. The pipe and upstream manhole shall be filled with water to a point not less than four (4) feet above the invert of the pipe or prevailing ground water elevation, whichever is higher. The line shall be tested for at least two (2) hours, maintaining the head specified above by measured additions of water. The sum of the additions of water added shall be the amount of leakage for the test period.

When the amount of leakage, in a section, exceeds the allowable, the Contractor shall locate the source of the leak or leaks and correct such leaks to the satisfaction of the inspector. After the leak or leaks are corrected and the trench backfilled and compacted, the section of the line shall then be retested to compliance.

DESIGN AND PERFORMANCE PROVISIONS

The maximum leakage allowed shall be 200 gallons per inch of pipe diameter per mile per 24 hours (0.0263 gallons per minute per inch of pipe diameter per 1000 feet of pipe).

PVC and ABS pipe shall be tested for deflection in the presence of the City's Inspector and in accordance with the following:

- 1) Immediately after flushing, a solid mandrel undersized 5% shall be pulled through all lines, excluding laterals.*
- 2) Any section of pipe through which the mandrel cannot be pulled will be considered defective and shall be placed by the Contractor at his expense. The replaced section of line shall be rebackfilled and compacted, this work meeting City specifications. The section shall then be retested to compliance."*

EFFECTIVENESS

The City utilizes the following Key Performance Indicators for measuring effectiveness of this Element:

- Were any design or installation deficiencies found during warranty inspections?
- Are deviations from standard procedures and/or specs, testing, etc., justified and documented?
- Does the City stay abreast of industry design standards and technical advances in the industry?

IMPLEMENTATION PLAN/SCHEDULE

No.	Plan	Schedule	Responsible Party		
			Dir	Eng	Man
5.2.1	Verify inspection procedures are adequate and consistent with current standards of practice.	2017 (10-year cycle)		X	X
5.2.2	Verify design standards and hydraulic model previously completed are adequate and consistent with current standards of practice.	2017 (10-year cycle)		X	X

RESILIENCE

Resilience is addressed for Element 5 by:

- Staying abreast of industry trends and standards.
- Performing warranty inspections of newly installed or repaired assets to evaluate design and installation practices.
- Evaluating as-built changes for trends and areas for design and performance improvements.

APPENDIX 5 INCLUSIONS:

- Appendix 5.1. Milpitas City Standard Specifications for Sanitary Sewers
- Appendix 5.2. Milpitas City Standard Drawings for Sanitary Sewer Construction

6. Spill Emergency Response Plan

WDR REQUIREMENTS

Att. D-1.1 (pg. D-6)

“The Plan must include an up-to-date Spill Emergency Response Plan to ensure prompt detection and response to spills to reduce spill volumes and collect information for prevention of future spills. The Spill Emergency Response Plan must include procedures to:

- *Notify primary responders, appropriate local officials, and appropriate regulatory agencies of a spill in a timely manner;*
- *Notify other potentially affected entities (for example, health agencies, water suppliers, etc.) of spills that potentially affect public health or reach waters of the State;*
- *Comply with the notification, monitoring and reporting requirements of this General Order, State law and regulations, and applicable Regional Water Board Orders;*
- *Ensure that appropriate staff and contractors implement the Spill Emergency Response Plan and are appropriately trained;*
- *Address emergency system operations, traffic control and other necessary response activities;*
- *Contain a spill and prevent/minimize discharge to waters of the State or any drainage conveyance system;*
- *Minimize and remediate public health impacts and adverse impacts on beneficial uses of waters of the State;*
- *Remove sewage from the drainage conveyance system;*
- *Clean the spill area and drainage conveyance system in a manner that does not inadvertently impact beneficial uses in the receiving waters;*
- *Implement technologies, practices, equipment, and interagency coordination to expedite spill containment and recovery;*
- *Implement pre-planned coordination and collaboration with storm drain agencies and other utility agencies/departments prior, during, and after a spill event;*
- *Conduct post-spill assessments of spill response activities;*
- *Document and report spill events as required in this General Order; and*
- *Annually, review and assess effectiveness of the Spill Emergency Response Plan, and update the Plan as needed.”*

COMPLIANCE

The City’s Spill Emergency Response Plan (SERP) is a stand-alone document that contains all the key elements necessary for an appropriate Spill response: notification procedures, emergency incident response, impact mitigation, and reporting. The current plan, prepared by Fischer Compliance, LLC, meets the requirements of the State Water Resources Control Board’s reissued Waste Discharge Requirements (Order WQ-2022-0103-DWQ), which became effective on June 5, 2023. Initial training has been provided to affected staff and refresher training is conducted annually. A copy of the SERP is available on the City’s offices, during businesses hours.

EFFECTIVENESS

The City utilizes the following Key Performance Indicators for measuring effectiveness of this Element:

- Have staff spill response efforts helped to prevent the discharge of sewage to surface waters?
- Do post-spill assessments indicate staff are following the procedures outlined in the SERP?
- Is SERP training effective and trainees demonstrating adequate knowledge and abilities?

IMPLEMENTATION PLAN/SCHEDULE

No.	Plan	Schedule	Responsible Party		
			Dir	Eng	Man
6.1	Perform SERP training including practice drills.	Annually			X
6.2	Review Post Spill Assessments to ensure adherence and to indemnify any trends that should be addressed	Annually			X

RESILIENCE

Resilience is addressed for Element 6 by:

- Multiple staff are trained to respond to spill events.
- Post-spill assessments are conducted to evaluate staff adherence to the SERP and to identify areas for improvement.
- Data collection forms direct staff to collect all the required data to be submitted to CIWQS and are designed as a guide to a proper spill event response.
- The City employees several different spill volume estimation methods to account for different circumstances.

APPENDIX 6 INCLUSIONS:

- 6.1. Spill Emergency Response Plan (SERP)

7. Sewer Pipe Blockage Program

WDR REQUIREMENTS

Att. D-7 (pg. D-7)

“The Sewer System Management Plan must include procedures for the evaluation of the Enrollee’s service area to determine whether a sewer pipe blockage control program is needed to control fats, oils, grease, rags and debris. If the Enrollee determines that a program is not needed, the Enrollee shall provide justification in its Plan for why a program is not needed. The procedures must include, at minimum:

- *An implementation plan and schedule for a public education and outreach program that promotes proper disposal of pipe-blocking substances;*
- *A plan and schedule for the disposal of pipe-blocking substances generated within the sanitary sewer system service area. This may include a list of acceptable disposal facilities and/or additional facilities needed to adequately dispose of substances generated within a sanitary sewer system service area;*
- *The legal authority to prohibit discharges to the system and identify measures to prevent spills and blockages.*
- *Requirements to install grease removal devices (such as traps or interceptors), design standards for the removal devices, maintenance requirements, best management practices requirements, recordkeeping and reporting requirements;*
- *Authority to inspect grease producing facilities, enforcement authorities, and whether the Enrollee has sufficient staff to inspect and enforce the fats, oils, and grease ordinance;*
- *An identification of sanitary sewer system sections subject to fats, oils, and grease blockages and establishment of a cleaning schedule for each section; and*
- *Implementation of source control measures for all sources of fats, oils, and grease reaching the sanitary sewer system for each section identified above.”*

COMPLIANCE

The requirements listed above are addressed in order below:

Public Outreach

The City periodically provides outreach to the community through a variety of methods, including educational information via the [City's website](#) and [Social Media](#). Regional efforts result in articles in the area newspapers and radio spots to promote proper disposal of FOG. The City provides outreach to private sewer systems on proper operation and maintenance to prevent spills.

The City’s Department of Public Works extends outreach to the City’s restaurants, the largest contributors of FOG. This includes Grease Management Best Management Practices such as: Grease Trap Maintenance, Grease Interceptor Maintenance, Maintenance Documentation, Power-Operated Grease Removal Devices, Chemicals, Enzymes and Bacteria, Vapor/Ventilation Hood Cleaning, and a poster Managing Fats, Oils, & Grease, “It’s Easier Than You Think”. Additionally, outreach material is available at the Building Department to plumbers and contractors to assist in the prevention of spills.

FOG Disposal

Fats, oils, and grease from non-residential sites can be disposed of:

- Hauled by tallow companies;
- Hauled by other licensed companies (possible component for bio-diesel fuel);
- RWF is investigating the conversion of an existing facility to accept FOG. This may be a possible future option.

This debris is taken to Green Waste Zanker Resource Recovery Facility.

Prohibited Discharges

The Milpitas Municipal Code, Title VIII, Chapter 2 governs dischargers' use of grease traps and regulates the discharge of grease and other pipe-blocking substances to the sanitary sewer.

- [Section 5.16](#) prohibits grease, oils, and fats from discharging into the sanitary sewer.
- [Section 5.17](#) prohibits solid or viscous matter from discharging to the sanitary sewer.
- [Section 5.27](#) prohibits the garbage and other solid matter from discharging to the sanitary sewer.

Grease Control Devices Required

Building Department staff determines the requirements for grease removal devices (GRD). The size and type of GRD required is determined based upon the facility's potential for discharging grease in the wastewater. The Milpitas Municipal Code, Title VIII, Chapter 2 governs the use of grease removal devices. The City Building Department requires food service facilities to obtain approval for the grease interceptor size prior to issuance of building permits.

- [Section 5.29](#) provides the authority to require grease removal devices.

Authority to Inspect

The Milpitas Municipal Code, Title VIII, Chapter 2, governs right of access for investigative purposes.

- [Section 5.48](#) provides the authority for duly authorized employees to have right of access for inspection purposes.

The FOG Program staff inspect all restaurants and other food service facilities. Their initial inspection includes determining if:

- The facility generates grease
- There is a Grease Removal Device (GRD) in place
- GRD cleaning records exist and are up to date
- Best Management Practices (BMPs) are being implemented

Sanitary Sewer System FOG Blockages

The Public Works Maintenance Division follows a preventative maintenance schedule for areas of the sewer systems that have experienced problems with FOG or other causes of blockages. During CCTV inspection, instances of large grease buildup in various locations throughout the wastewater collection system have been identified. Locations identified as having grease buildup are cleaned to prevent blockages from moving further downstream. Preventative maintenance consists of jetting sewers that accumulate sediment or grease on a weekly and quarterly basis. Between frequent flushing of the lines in targeted areas and the FOG Inspectors conducting inspections, including follow up visits, when necessary, the City implements effective source control measures to minimize blockages, and subsequently reduce the quantity of spills as is expressed in our spill history.

Implementation of Source Control Measures

Staff may discuss Best Management Practices (BMPs) to restaurant representatives during the plan check, including kitchen practices to minimize the discharge of grease into the sewer system, maintenance tips for grease traps and interceptors, and record keeping requirements. The City Building Inspectors and FOG Program Inspectors verify the installation and connections of the GRD.

The plan review process also involves a GRD certification. This certification involves the restaurant representative signing an acknowledgement of GRD requirements. Some of the requirements acknowledged in the certification are the minimum acceptable cleaning frequency for the type of GRD being required, an onsite maintenance schedule, cleaning instructions, and cleaning records and receipts.

Facilities generating grease are re-inspected periodically (every one to three years), depending on the number of areas of concern observed during the inspection. BMPs are distributed to restaurant operators during the inspections, as appropriate, including the kitchen practices to minimize the discharge of grease into the sewer system, maintenance tips for grease trap and interceptors, and record keeping requirements. Additionally, County Health conducts regular inspections of food facilities, which are helpful to ensure continuing compliance with Program requirements.

To assist businesses to comply, the FOG Inspectors provide various brochures and booklets such as “Good Practices to Protect Our Creeks and Bay – Guidelines for Restaurants, Grocery Stores, Cafeterias, Bakeries and Delicatessens,” posters on “Good Cleaning Practices”. Some of these items are available in multiple languages for those individuals where English is not the primary language. The FOG Program staff believe that education is the key to compliance and works with the businesses toward this end. If a higher level of enforcement is necessary, the Milpitas Municipal Code authorizes the City to terminate or revoke permits, impose civil penalties, issue citations, and take action by the City Attorney. Enforcement actions are taken against any restaurant that does not clean their GRD at the minimum set frequency (monthly for grease traps and quarterly for grease interceptors) or keep 3 years of cleaning records. The Milpitas Municipal Code, Title VIII, Chapter 2, [Section 5.03](#) and [Section 5.50](#) provide enforcement authority.

EFFECTIVENESS

The City utilizes the following Key Performance Indicators for measuring effectiveness of this Element:

- Have there been any blockages/spills from any identified problem area?
- Is the City receiving feedback on public outreach efforts?
- Is the debris and other sewage solids collected during cleaning activities being disposed of appropriately?
- Have there been spills due to excessive fats, oil, grease, roots, or non-dispersible wipes discovered in the sewer system during the audit period?
- Are there repeat offenders among FSEs?
- Are enforcement trends decreasing?
- Are Source Control and Collection staff included in the plan check process?

IMPLEMENTATION PLAN/SCHEDULE

No	Plan	Schedule	Responsible Party		
			Dir	Eng	Man
7.1	Review/evaluate enforcement and inspection findings and implement changes as necessary.	Annually		X	X
7.2	Review spill rates and causes and make changes to maintenance programs, as necessary.	Annually		X	X

RESILIENCE

Resilience is addressed for Element 7 by:

- Inspection of select assets directly downstream of grease producing businesses to ensure source control is effective.
- Residential FOG outreach and education program.
- Performance of regular assessments of system assets to monitor performance.
- QA/QA process for evaluating pipe cleaning effectiveness.
- Daily disposal of pipe blocking materials retrieved during maintenance activities.

APPENDIX 7 INCLUSIONS

- 7.1 Sewer Operation and Maintenance Ordinance

8. System Evaluation, Capacity Assurance, Capital Improvements

WDR REQUIREMENTS

[Att. D-8 \(pgs. D-7/D-8\)](#)

"The Plan must include procedures and activities for:

- *Routine evaluation and assessment of system conditions.*
- *Capacity assessment and design criteria.*
- *Prioritization of corrective actions; and*
- *A capital improvement plan."*

8.1. System Evaluation and Condition Assessment

WDR REQUIREMENTS

[Att. D-8 \(pgs. D-7/D-8\)](#)

"The Agency SSMP must include procedures to:

- *Evaluate the sanitary sewer system assets utilizing the best practices and technologies available.*
- *Identify and justify the amount (percentage) of its system for its condition to be assessed each year.*
- *Prioritize the condition assessment of system areas that:*
- *Hold a high level of environmental consequences if vulnerable to collapse, failure, blockage, capacity issues, or other system deficiencies.*
- *Are located in or within the vicinity of surface waters, steep terrain, high groundwater elevations, and environmentally sensitive areas.*
- *Are within the vicinity of a receiving water with a bacterial-related impairment on the most current Clean Water Act section 303(d) List.*
- *Assess the system conditions using visual observations, video surveillance and/or other comparable system inspection methods.*
- *Utilize observations/evidence of system conditions that may contribute to exiting of sewage from the system which can reasonably be expected to discharge into a water of the State.*
- *Maintain documents and recordkeeping of system evaluation and condition assessment inspections and activities; and*
- *Identify system assets vulnerable to direct and indirect impacts of climate change, including but not limited to: (a) sea level rise, (b) flooding and/or erosion due to increased storm volumes, frequency, and/or intensity; (c) wildfires; and (4) increased power disruptions."*

COMPLIANCE

The above requirements are addressed in order below:

Evaluate the Sewer System

The assessment of a collection system involves every component of the City's collection system, including pipelines, manholes, lower laterals and pump stations. It is of key importance to regularly perform condition assessments to initially establish a condition baseline and have the ability to monitor condition changes over time. CCTV inspections of gravity mains are performed continuously, manholes are visually inspected, employing a top-down method, flows are monitored in various portions of the system using level sensing equipment (Smart Covers), pump stations are visually inspected regularly.

The City also utilizes GIS and Lucity CMMS to maintain an up-to-date inventory of location, age, size, condition, and other details of system components (i.e., pipe, manholes, pump stations). This inventory is maintained up-to-date and allows the City to evaluate collection system assets on an on-going basis.

Justify Condition Assessment Intervals

The City endeavors to inspect the gravity mains on a 5-year interval and clean gravity mains on a 3-year interval, which means each line will be cleaned at least once between CCTV inspections. In addition, the City currently has only a small backlog of repairs, which indicates problems are being found before pipe performance is significantly impacted. Known problem areas are on higher frequency maintenance intervals, or those with a higher risk factor are being monitored by SmartCover® level sensing devices. The City's gravity main spill rate is low. These efforts help ensure pipes are performing as intended and puts the City in position to properly manage the collection system and maintain a low spill rate. The City continues to evaluate system performance to optimize maintenance practices and inspection intervals, with the goal of reducing the likelihood of a spill and determining the optimal inspection interval(s).

Currently, the City takes a reactive approach to the maintenance of private sewer laterals, responding to issues such as blockages or overflows as they arise. Recognizing the importance of proactive asset management and the role of lateral maintenance in preventing sanitary sewer spills, the City is actively developing a formal proactive maintenance plan. This plan will evaluate best practices, prioritize risk-based inspection and cleaning schedules, and identify the necessary staffing, equipment, and funding required for effective implementation.

The proactive maintenance strategy will align with regulatory expectations related to the reduction of infiltration and inflow (I&I), the mitigation of SSO risks, and the overall improvement of system reliability and performance. This effort supports the City's commitment to protecting public health and the environment, in accordance with state and federal regulatory standards.

It is anticipated that the evaluation and development of the proactive lateral maintenance program will be completed by the end of 2026. Once finalized, the City will begin phased implementation, with updates to its Sewer System Management Plan (SSMP) and operational procedures to reflect the new approach.

Pump stations are routinely inspected, and findings are documented. This enables City staff to monitor trends and evaluate performance and monitor expected lifecycle status.

Assess the System Conditions

The City's inspection activities include the following:

- Routine inspections of the collection system facilities, including siphons, frequently clogged locations, and pump stations.
- Inspections based on customer complaints and/or spills.
- Periodic flow monitoring for capacity analysis.

SYSTEM EVALUATION, CAPACITY ASSURANCE, CAPITAL IMPROVEMENTS

- Condition assessments based on pipe age.
- Regular pump station inspections
- Maintenance of records to support appropriate analysis and reporting.
- CCTV on program basis to conduct asset management assessment and rating/ranking pipes according to PACP and investigate complaints.
- Focus on risk management, including higher risk areas in close proximity to waterways, flows, and impact to public health and the environment.

Exiting of Sewage

The City is not aware of any exiting of sewage from the collection system and continuously inspects and evaluates for defects such as cracks, separated joints, and infiltration. Significant findings will be addressed in a timely manner.

Documents and Recordkeeping

Inspection and assessment activities are documented in the City's CMMS. All collected data is used for the purpose of documenting maintenance and inspection efforts, evaluating system performance, and making maintenance and corrective action decisions today and into the future.

Climate Change Impacts

At present, the City has not identified any direct impacts from climate change on its sanitary sewer collection system. The system continues to operate effectively under current environmental and weather conditions. However, the City recognizes the increasing importance of assessing and planning for potential future impacts associated with climate change, such as more frequent and intense storm events, sea level rise, increased groundwater infiltration, and prolonged drought conditions that could affect system performance, operation, and maintenance.

To ensure continued regulatory compliance and infrastructure resilience, the City is committed to evaluating potential climate change impacts on its collection system on a recurring basis. Specifically, the City will assess climate-related risks and vulnerabilities at least once every three years as part of its Sewer System Management Plan (SSMP) Audit process. This assessment will include a review of recent weather patterns, projected climate models, and local or regional data to determine whether updates to operational practices, maintenance strategies, or capital improvement planning are warranted.

If and when climate change impacts become evident or anticipated, the City will incorporate appropriate adaptive measures into its SSMP, emergency response planning, and long-term asset management strategy to mitigate risks and protect public health and environmental quality.

EFFECTIVENESS

The City utilizes the following Key Performance Indicators for measuring effectiveness of this Element:

- Has the City maintained its schedule for and is data being reviewed in a timely manner?
 - CCTV Gravity Mains
 - Laterals
 - Manholes
 - Pump Stations
- Are inspection efforts discovering deficiencies in a timely manner?
- Are maintenance and inspection activities being properly documented?

IMPLEMENTATION PLAN/SCHEDULE

No.	Plan	Schedule	Responsible Party		
			Dir	Eng	Man
8.1.1	Review/evaluate enforcement and inspection findings and implement changes as necessary.	Annually		X	X
8.1.2	Review spill rates and causes and make changes to maintenance programs, as necessary.	Annually		X	X
8.1.3	Hold meeting to discuss any issues that may result from climate changes	Annually	X	X	X

8.2. Capacity Assessment and Design Criteria

WDR REQUIREMENTS

Att. D-8 (pgs. D-7/D-8)

“The Plan must include procedures to identify system components that are experiencing or contributing to spills caused by hydraulic deficiency and/or limited capacity, including procedures to identify the appropriate hydraulic capacity of key system elements for:

- *Dry-weather peak flow conditions that cause or contributes to spill events;*
- *The appropriate design storm(s) or wet weather events that causes or contributes to spill events.*
- *The capacity of key system components; and*
- *Identify the major sources that contribute to the peak flows associated with sewer spills.*

The capacity assessment must consider:

- *Data from existing system condition assessments, system inspections, system audits, spill history, and other available information.*
- *Capacity of flood-prone systems subject to increased infiltration and inflow, under normal local and regional storm conditions.*
- *Capacity of systems subject to increased infiltration and inflow due to larger and/or higher-intensity storm events as a result of climate change.*
- *Increases of erosive forces in canyons and streams near underground and above-ground system components due to larger and/or higher-intensity storm events;*
- *Capacity of major system elements to accommodate dry weather peak flow conditions, and updated design storm and wet weather events; and*
- *Necessary redundancy in pumping and storage capacities.”*

COMPLIANCE

Capacity assessment evaluates if adequate capacity exists in all portions of the collection system and that downstream portions that will receive wastewater from new connections can handle additional flow.

Industry standard practice is to update or develop a new Sewer Master Plan every ten years. The [2020 Sewer Master Plan](#) Update incorporates a sound methodology to provide wastewater volume estimates based on current (2020) and future (2040) planning horizons.

The 2020 Sewer Master Plan identifies improvements to the sanitary sewer system resulting from identified capacity deficiencies based upon land use, including the [Metro Specific Plan](#), [Gateway-Main Street Specific Plan](#), and Opportunity Areas. There are several “Opportunity Areas” identified throughout the City as areas of potential growth and/or redevelopment.

The methodology starts with land use zoning for each parcel and develops average base wastewater generation flows for each type of zoning. Wet-weather monitoring provided data for groundwater infiltration and rainfall-dependent infiltration/inflow estimates. The total wastewater discharge is calculated to be the sum of the base wastewater flow multiplied by a peaking factor, plus groundwater infiltration, plus rainfall-dependent infiltration/inflow. In addition, multiple scenarios were developed using assumed land use changes over time.

Design criteria have been established in the City’s 2020 Sewer Master Plan to determine estimated wastewater volume. These criteria include base wastewater flow generation factors, peak factors, groundwater infiltration, and rainfall dependent inflow.

SYSTEM EVALUATION, CAPACITY ASSURANCE, CAPITAL IMPROVEMENTS

There were no major capacity deficiencies identified as part of this analysis. There were six pipeline segments with a recorded surcharge state of “2” indicating that they are under capacity. Of these six segments, five of them have freeboard values greater than five feet, so they do not fulfill the criteria for a deficiency and thus are not considered hydraulically deficient. There were no additional capacity deficiencies identified under future conditions that were not seen under existing conditions.

EFFECTIVENESS

The City utilizes the following Key Performance Indicators for measuring effectiveness of this Element:

- Number of capacity-related spills or surcharge condition during the audit period?
- Has the system responded to rain events as indicated by the hydraulic model?
- Has there been any changes to zoning designations (residential, commercial, industrial)?

IMPLEMENTATION PLAN/SCHEDULE

No	Plan	Schedule	Responsible Party		
			Dir	Eng	Man
8.2.1	Monitor/Evaluate significant rain events to see if they exceed the design storm in the hydraulic model.	Each significant rain event		X	X
8.2.2	Identify and monitor flood-prone areas susceptible to erosion from rain events	After each significant rain event		X	X
8.2.3	Monitor flows in each basin and update the hydraulic model	Per Engineering Department schedule		X	X

8.3. Prioritization of Corrective Action

WDR REQUIREMENTS

Att. D-8 (pgs. D-7/D-8)

“The findings of the condition assessments and capacity assessments must be used to prioritize corrective actions. Prioritization must consider the severity of the consequences of potential spills.”

COMPLIANCE

In 2020 the City completed a Sewer Utility Asset Renewal and Replacement Study (Brown and Caldwell, August 2020) as part of the [2020 Sewer Master Plan](#) to assess the current condition of the City’s wastewater collection system. This study was conducted to assess the current condition of the City’s wastewater collection system. This includes CCTV inspection results, an assessment of the relative risk of failure of all pipe segments in the City, as well as lift station inspection and evaluation results. The purpose of this study is to provide the City with a set of priorities for asset renewal and replacement.

Assessment of the relative risk of failure of all pipe segments in the City, as well as lift stations was performed, and a Risk Exposure Score was developed for all gravity main pipes. The City utilizes this assessment to identify and prioritize sewer system improvements to address existing capacity issues and build capacity for future growth

The City utilizes the capacity and condition assessments to prioritize sewer system maintenance and capital improvements with areas at highest risk of discharge to waters of the State in case of blockage or failure prioritized for higher frequency maintenance, corrective repairs, and capacity improvement.

EFFECTIVENESS

The City utilizes the following Key Performance Indicators for measuring effectiveness of this Element:

- Has the City adhered to its system evaluation/condition assessment schedule?
- Has the City adhered to its prioritization/corrective procedures for sewer repair and capacity improvement projects?
- Have projects been completed before deficiencies caused failures?

IMPLEMENTATION PLAN/SCHEDULE

No.	Plan	Schedule	Responsible Party		
			Dir	Eng	Man
8.3.1	Utilize all available data for prioritizing corrective actions considering severity and consequences of potential spills.	Each CIP Update		X	X
8.3.2	Maintain documents and recordkeeping of system evaluation and condition assessment inspections and activities.	Continuously		X	X

8.4. Capital Improvement Plan

WDR REQUIREMENTS

Att. D-8 (pgs. D-7/D-8)

The capital improvement plan must include the following items:

- *Project schedules include completion dates for all portions of the capital improvement program.*
- *Internal and external project funding sources for each project; and*
- *Joint coordination between operation and maintenance staff, and engineering staff/consultants during planning, design, and construction of capital improvement projects; and Interagency coordination with other impacted utility agencies.*

COMPLIANCE

The City's [CIP 2025-2029](#) is a comprehensive five-year plan of capital improvement projects for the City of Milpitas. Capital improvement projects are purchases or construction of capital assets including streets, park developments or upgrades, the acquisition of land, major construction of public facilities, and major repair/rehabilitation of City infrastructure and facilities. Only funding for current year's projects is appropriated by City Council on an annual basis.

Funding is projected for subsequent years for planning purposes. The CIP is reviewed annually to allow for necessary adjustments. Sewer system capital projects are generated using a variety of methods and studies (refer to page 379 of the CIP). Projected schedule, funding, and funding sources for each project can be found on page 380 of the CIP.

The City maintains a strong collaborative approach between its Operations and Engineering divisions to ensure the effective planning, design, and maintenance of the sanitary sewer collection system. Weekly coordination meetings are held between operations staff and engineering personnel to discuss system performance, ongoing maintenance activities, project updates, and any emerging issues that may affect infrastructure needs or priorities.

Operations staff are actively involved in all Capital Improvement Program (CIP) planning and design meetings. Their firsthand experience with the day-to-day performance of the collection system provides critical insights into asset condition, operational challenges, and maintenance trends. Engineering staff value and incorporate this input to ensure that CIP projects are both practical and sustainable, and that they effectively address the needs observed in the field.

Furthermore, all new development and redevelopment projects that connect to the City's collection system are reviewed by collections/operations staff prior to final approval. This step ensures that proposed connections, alignments, and infrastructure components are compatible with existing system capacity and operation, and that long-term maintenance considerations are addressed early in the design process.

This coordinated, multidisciplinary approach helps ensure that the City's sewer infrastructure investments are informed by operational experience, responsive to system needs, and compliant with applicable regulatory requirements, including those outlined in the Sewer System Management Plan (SSMP) and associated Waste Discharge Requirements (WDRs).

EFFECTIVENESS

The City utilizes the following Key Performance Indicators for measuring effectiveness of this Element:

- Has the City's capital improvement plan schedule been adhered to?

IMPLEMENTATION PLAN/SCHEDULE

No.	Plan	Schedule	Responsible Party		
			Dir	Eng	Man
8.4.1	Hold regular coordination meetings, with all parties, to help keep the projects on track and resolve issues that may arise in a timely manner.	Annually		X	X
8.4.2	For schedules that are not kept, justify and document the reason.	Each Delayed Project			X

RESILIENCE

Resilience is addressed for Element 7 by:

- Is there an annual review of the Capital Improvement Plan by all appropriate individuals including both Engineering and Operations?

APPENDIX 8 INCLUSIONS

- 8.1. Capital Improvement Plan

9. Monitoring, Measurement, and Program Modifications

WDR REQUIREMENTS

Att. D-9 (pg. D-9)

“The Agency SSMP must include an Adaptive Management section that addresses Plan implementation effectiveness and the steps for necessary Plan improvement, including:

- *Maintaining relevant information, including audit findings, to establish and prioritize appropriate SSMP activities.*
- *Monitoring the implementation and measuring the effectiveness of each element.*
- *Assessing the success of the preventive operation and maintenance activities.*
- *Updating SSMP procedures and activities, as appropriate, based on results of monitoring and performance evaluations; and*
- *Identifying and illustrating spill trends, including spill frequency, locations, and estimated volumes.”*

COMPLIANCE

The above requirements are addressed in order below:

- The City maintains accurate and relevant inspection and maintenance records for the collection system. Much of the documentation today is maintained electronically, which allows for ease of access and analysis. The City relies on this information to make sound decisions and prioritize activities when dealing with the routine and the unexpected.
- Monitoring of the District’s SSMP focuses on each element in terms of its implementation and effectiveness. The SSMP has been designed to include key performance indicators (KPIs) for each element, which are used to measure effectiveness. In addition, implementation responsibilities are included for each element to help ensure the SSMP is being implemented as intended.
- The City assesses the success of maintenance and operation activities by ensuring activities are being performed as expected, by monitoring actual outcomes compared to intended outcomes, as well as monitoring spill trends. As an example, gravity main cleaning crews evaluate, rate and document debris collected from the cleaning process, and if there are questions about the quality of the cleaning, push cameras are used to evaluate the effectiveness after the cleaning. This information is used to help determine optimal maintenance intervals and can be a trigger to perform targeted outreach to help prevent illicit discharges from connected buildings and educate the public.
- The City is committed to continuous improvement and monitors and evaluates performance of work programs and SSMP elements to ensure intended outcomes are achieved while looking for areas for improvement. Although the SWRCB requires that the SSMP be updated every six years, the SSMP is considered as a dynamic document and may require updating on a more frequent basis. Routine changes to administrative information, notwithstanding, minor changes will likely be required to address improvements identified through the SSMP Audit or through modifications required as conditions change.
- The City monitors spill trends, at a minimum every three years during required audits, utilizing the CMMS database, inspection records, condition assessment information, and CIWQS data. These resources are helpful in planning and programming work, and adjusting as needed, enabling the City to be adaptive and capitalize on lessons learned.

EFFECTIVENESS

The City utilizes the following Key Performance Indicators for measuring effectiveness of this Element:

- Are SSMP Elements being periodically evaluated for effectiveness?
- Are work activities and spill events being documented?
- Has a plan and schedule been established to address audit findings/deficiencies from the last audit?
- Is Trend Analysis being performed on spill causes?
- Have work programs been assessed and updated as necessary?

IMPLEMENTATION PLAN/SCHEDULE

No.	Plan	Schedule	Responsible Party		
			Dir	Eng	Man
9.1	Assess work programs to ensure outcomes are as intended	Annually		X	X
9.2	Ensure updates to work programs and the SSMP based on assessments.	As Needed		X	X
9.3	Monitor and evaluate spill trends. Document efforts.	Annually		X	X

RESILIENCE

Resilience is addressed for Element 9 by:

- Development of key performance indicators to measure effectiveness of the Sewer System Management Plan.
- Performing periodic reviews of the Sewer System Management Plan to help ensure the plan is being properly implemented.
- Developing and adhering to a timeline to correct deficiencies found during the audit process.
- Periodically evaluating work programs to help ensure effectiveness.

APPENDIX 9 INCLUSIONS:

- None

10. Internal Audits

WDR REQUIREMENTS

Att. D-10 (pg. D-10)

"The Agency SSMP shall include internal audit procedures, appropriate to the size and performance of the system, for the Enrollee to comply with section 5.4 (Sewer System Management Plan Audits) of this General Order."

COMPLIANCE

The City completed its last audit in August 2024 and will complete audits every three (3) years moving forward. The objective of the audit is to evaluate compliance, implementation and effectiveness of the SSMP.

Additionally, the SSMP includes a description of how the City will comply with the requirements of each Element. The audit review includes an evaluation to determine if compliance has been met.

Implementation is evaluated by determining if the City is executing the SSMP as stated.

Effectiveness is evaluated by using key performance indicators, which have been developed specifically for each element.

An additional evaluation is performed to comply with Specifications 5.6 addressing resilience.

Resilience indicators have been developed for each element, and they serve to demonstrate how resilience is built into the SSMP and inspection, maintenance and spill response activities (see Appendix 12).

Any deficiencies discovered through the audit process are noted and a plan and schedule to implement corrective measures are established.

EFFECTIVENESS

The City utilizes the following Key Performance Indicators for measuring effectiveness of this Element:

- Have audits been performed as required?
- Have the audits assessed compliance, implementation, and effectiveness?
- Have deficiencies been identified?
- Has a plan and schedule to rectify the deficiencies been established?

IMPLEMENTATION PLAN/SCHEDULE

No.	Plan	Schedule	Responsible Party		
			Dir	Eng	Man
10.1	Schedule audits in advance of due dates to ensure adequate time to complete. City has 6 months to complete the audit from the end of the audit period.	Begin end of audit period		X	X
10.2	Ensure a plan and schedule is developed to address deficiencies.	Once the Audit is completed		X	X

RESILIENCE

Resilience is addressed for Element 10 by:

- Periodically evaluate key performance indicators during the audit period to assess effectiveness and make corrections, if necessary, prior to the audit.
- Evaluate previous audit to ensure deficiencies have been rectified.
- Calendar the audit due dates and complete the audit on time.

APPENDIX 10 INCLUSIONS:

- 10.1. 2021-2024 SSMP Audit Report

11. Communication Program

WDR REQUIREMENTS

Att. D-11 (pg. D-10)

“The Plan must include procedures for the Enrollee to communicate with:

The public for:

- *Spills and discharges resulting in closures of public areas, or that enter a source of drinking water, and*
- *The development, implementation, and update of its Plan, including opportunities for public input to Plan implementation and updates.*

Owners/operators of systems that connect into the Enrollee’s system, including satellite systems, for:

- *System operation, maintenance, and capital improvement-related activities.”*

COMPLIANCE

Spills Resulting in Closures of Public Areas

When the City experiences a spill, it is standard procedure to secure the affected area and keep the public away. This is generally done using barricades, cones and caution tape. Should the City experience a spill that may require closure of public areas, signs are immediately placed indicating the issue and providing contact information. Staff will remain on site to provide an additional safety factor until appropriate authorities respond and direct otherwise. In all cases, the City will follow the advice of higher authorities, such as the State Water Resource Control Board and other regulatory authorities.

The City’s Public Information Officer will generally be involved and take the lead and send out information through various channels, including social media, news release and website postings.

Opportunity for Public Input

There are opportunities for stakeholders and the public to participate and provide input into the development and update of the City SSMP. The SSMP is available for review on the City website and at City offices, by appointment.

The City Council must approve the updated SSMP every six years during a regular City Council meeting. The agenda for these meetings are noticed to the public prior to the City Council meeting and public comment opportunities are provided for each action item on the agenda.

Satellite Systems

The City does not have public sewer systems connecting to its collection system.

Operation and Maintenance Activities

As part of the City’s commitment to maintaining a high level of service and minimizing disruption to the community, residents and business owners are notified in advance of planned operation and maintenance activities that may result in significant temporary impacts. These impacts may include traffic congestion, road closures or detours, restricted access to properties, construction-related noise, or other disruptions.

Notifications are typically provided through a combination of methods, including door hangers, mailed notices, City website updates, social media posts, and, when appropriate, direct outreach by City staff or

contractors. The information provided includes the nature and purpose of the work, expected dates and times, potential impacts, and contact information for City staff in case questions or concerns arise.

The City prioritizes clear, timely, and accessible communication to ensure the public is well informed and can plan accordingly. Efforts are made to provide notification at least 48–72 hours in advance of scheduled work, with updates issued as needed if timelines change.

This approach supports compliance with regulatory requirements related to public communication, customer service, and environmental stewardship. It also helps foster positive community relations and public understanding of the importance of ongoing maintenance and infrastructure investment to protect public health and the environment.

EFFECTIVENESS

The City utilizes the following Key Performance Indicators for measuring effectiveness of this Element:

- Does the City place all Sewer System Management Plan action items on the agenda for regular City Council meetings?
- Does the City have signage, or other means, readily available to notify the public of environmental or public risk factors related to a sewage spill?
- Does the City perform outreach to residential customers?

IMPLEMENTATION PLAN/SCHEDULE

No.	Plan	Schedule	Responsible Party		
			Dir	Eng	Man
11.1	Ensure the City Council approves the SSMP per schedule	Every 6 years		X	X
11.2	Ensure the SSMP is posted on the City Website and the link functions properly.	Annually		X	X
11.3	Ensure Sewage Spill Warning signs are readily available to communicate with the public when necessary	Annually			X

RESILIENCE

Resilience is addressed for Element 11 by:

- Use the Sewer System Management Plan as a tool to communicate to the public how the City is managing the system.
- Maintain a consistent presence in the service area by attending community events or issuing periodic newsletters or other communications to the public.
- Make it clear and easy for the public to contact the City.

APPENDIX 11 INCLUSIONS

- None

LIST OF APPENDICIES

APPENDIX 1

- 1.1 Milpitas City 2007-2024 CIWQS Historical Collection System Operational Report

APPENDIX 2

- 2.1 Utility Maintenance Standard Operating Procedures

APPENDIX 3

- None

APPENDIX 4

- 4.1. Vehicles and Equipment List
- 4.2. Training Plans/Schedules

APPENDIX 5

- Appendix 5.1. Milpitas City Standard Specifications for Sanitary Sewers
- Appendix 5.2. Milpitas City Standard Drawings for Sanitary Sewer Construction

APPENDIX 6

- 6.1. Spill Emergency Response Plan (SERP)

APPENDIX 7

- 7.1 Sewer Operation and Maintenance Ordinance

APPENDIX 8

- 8.1. Capital Improvement Plan

APPENDIX 9

- None

APPENDIX 10

- 10.1. 2021-2024 SSMP Audit Report

APPENDIX 11

- None

APPENDIX 12

- 12.1. SSMP Effectiveness Assessment Worksheet



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Adopt a Resolution Accepting Metropolitan Transportation Commission's Transit-Oriented Communities Planning and Implementation Projects Grants (Staff Contact: Jay Lee, Planning Director, 408-586-3077)
Category:	Consent Calendar-Community Development
Meeting Date:	6/17/2025
Recommendation:	Adopt a resolution accepting Metropolitan Transportation Commission Transit-Oriented Communities Planning and Implementation Projects Grant in the amount of \$400,000 as a condition to receive regional discretionary funds to support increased allowable floor area ratio for the implementation of a parking and transportation demand management policy for Transit-Oriented Communities areas.

BACKGROUND:

On [June 3, 2025](#), staff brought a resolution to the City Council for adoption on this same item. The City Council had concerns regarding the overall Metropolitan Transportation Commission (MTC) Transit-Oriented Communities (TOC) Policy (Policy) and directed staff to amend the resolution language to remove certain statements regarding the City's overall commitment to the TOC Policy and clarify the grant's purpose. Additionally, the City Council directed staff to obtain in writing from MTC the limitations of the proposed resolution. Since that time, staff has coordinated the attached resolution with MTC that is responsive to the concerns expressed by the City Council at the June 3 Council meeting, and staff also received a written confirmation from MTC on the resolution's purpose. The email reads:

The resolution is the City Council's affirmation of their intent to adopt TOC compliant parking and transportation demand management policy for the three stations and a TOC overlay district for the BART Station Area as proposed in the grant application. Not the full suite of policies necessary to be TOC compliant.

As a demonstration of that commitment, we require the work developed by the consultant under city staff direction go before the council for consideration. The council retains local control and can choose not to adopt the policies developed. Because there are implications to the city not being TOC compliant, it is expected that staff and the council are motivated to work with their consultant to develop policies that work for the city. (MTC Email, June 11, 2025)

Background of MTC TOC Policy and Efforts

The MTC TOC Policy aims to promote higher-density, mixed-use development near major transit stations to support regional goals for housing, equity, and sustainability. The Policy encourages jurisdictions to increase housing production, particularly affordable housing, enhance access to jobs and transit, reduce reliance on cars through improved walking, biking, and transit connections, and adopt policies that protect vulnerable communities from displacement. Alignment with the TOC Policy is tied to eligibility for MTC transportation funding programs, such as the One Bay Area Grant (OBAG), making it a key framework for aligning land use planning with regional transportation investments.

The TOC Policy applies to locations within a half-mile of existing and planned stops and stations serviced by one of the following:

- BART, Caltrain, SMART, Capitol Corridor and ACE Stations
- Muni and VTA light-rail stations
- Muni and AC Transit bus rapid transit stops
- Ferry terminals

Geographic areas subject to the TOC Policy are also categorized by tier according to the level of transit service at the fixed-guideway station within a half-mile.

- Tier 1: Rail stations serving regional centers
- Tier 2: Stop/station served by two or more BART lines or BART and Caltrain
- Tier 3: Stop/station served by one BART line, Caltrain, light rail transit, or bus rapid transit
- Tier 4: Commuter rail (SMART, ACE, Capitol Corridor, Valley Link) stations, Caltrain stations south of Tamien, or ferry terminals

The City has three TOC station areas: Milpitas BART station (Tier 2), Great Mall Light Rail Station (Tier 3), and Alder Light Rail Station (Tier 3).

On September 30, 2024, MTC invited Bay Area public agencies to submit projects for local planning and policy development to advance MTC'S TOC Policy. In November 2024, City staff submitted three applications for grant funding for three projects: 1) prepare a TOC-Overlay to increase allowable floor area ratio (FAR), 2) develop housing policy amendments, and 3) develop a parking and transportation demand management policy for the City TOC areas.

On February 14, 2025, the MTC Planning Committee awarded the City two TOC Planning grants totaling \$400,000 to 1) prepare a TOC-Overlay to increase allowable FAR (\$100,000 award) and 2) develop a parking and transportation demand management policy for the City TOC areas (\$300,000). To accept this funding, the City must adopt a resolution in support of the accepting the grants. The commitments made in the resolution are focused solely on the work associated with increased commercial/office floor area ratio in the BART Station, and parking and transportation policies and strategies in three areas discussed in this memorandum. Adopting this City Council resolution does not incorporate, nor commit the City, to the entire TOC policy.

ANALYSIS:

Following a robust, multi-year planning process, the City of Milpitas adopted the Milpitas Metro Specific Plan (Metro Plan) on February 7, 2023. The Metro Plan is an update to the Transit Area Specific Plan (TASP), adopted in 2008, and builds upon the original vision and strategy for transforming older industrial areas around the new Milpitas Transit Center into new high-density, mixed-use neighborhoods with direct access to transit. One of the key strategies is to establish an employment-focused Innovation District to accommodate and facilitate approximately 3 million square feet of new office, research and development, and advanced manufacturing development.

Staff analyzed the City's existing density (residential and office) standards, affordable housing policies, parking management policies, and transportation access policies vis-à-vis the MTC TOC Policy. Since the Metro Plan was recently updated, the BART station area was partially in alignment with MTC TOC Policy for residential and office densities. Staff proposed modifying the Metro Plan to incorporate a TOC overlay, which would permit greater commercial and office uses in alignment with the MTC TOC Policy. Staff subsequently submitted an application and successfully received a \$100,000 MTC TOC grant for this initiative, as detailed in this agenda report.

The scope of work does not propose changes to the allowed land uses or increase the residential density in the Milpitas BART Station TOC area. The currently allowed residential density near the BART Station through the Metro Specific Plan already aligns with the TOC policy. Furthermore, the scope of work does not propose to implement a TOC overlay for the areas around the Great Mall Light Rail Station and Alder Light Rail Station. In other words, this project would only increase the allowed density (i.e., floor area ratio) for commercial/office uses around the BART Station. Having this overlay in place will improve the feasibility and consequently the likelihood of commercial redevelopment, bring more jobs to Milpitas, and have a positive fiscal impact on the City.

Staff also applied for the \$300,000 technical assistance grant to review the City's existing parking policies and conditions to determine an approach for achieving parking maximums within its three TOC areas. The purpose of MTC TOC Policy Parking Management requirements is to reduce automobile trips and prioritize the limited land area near transit for other shared transportation modes and active transportation. The proposed work will overlap with the City's current comprehensive zoning update (CZO), which has an anticipated adoption date of

Fall 2025, as well as the Gateway-Main Street Specific Plan update that is slated for adoption in Fall 2025. While both long-range efforts will include parking reductions, they do not wholly comply with the TOC policy. This project will review and potentially adopt TOC-area-specific parking standards. In lieu of reducing parking requirements, the City can implement transportation demand management (TDM) strategies to reduce parking demand and impacts from future developments within the three TOC station areas.

POLICY ALTERNATIVE(S):

Alternative 1: Do not express support for the City's commitment to taking steps towards alignment with MTC's TOC Policy.

Pros: None.

Cons: Failure to adopt a resolution expressing support for the City's commitment to taking steps towards alignment with MTC's TOC Policy could result in the City not receiving funding from MTC to pursue TOC Policy projects.

Reason for Not Recommending: Without documentation of local support for the City commitment to taking these steps, the City would potentially miss out on the opportunity to receive \$400,000 in grant funding from MTC. If the City does not take any steps towards alignment with MTC TOC Policy, the City would be less competitive for future grant opportunities, specifically MTC's One Bay Area Grant (OBAG) program. OBAG supports many of the City's transportation projects.

FISCAL IMPACT:

If the City is awarded funding from MTC through the TOC Policy Grant Program, the cost to prepare the TOC-overlay and parking and transportation demand management policy would be covered entirely by grant funding in the amounts of \$100,000 and \$300,000 respectively, for a total of \$400,000. If the City does not receive funding from MTC, the City would not pursue these projects until funding is available.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

Neither the submission of a grant application nor receiving a grant award constitutes a project, in accordance with Section 15378 of the CEQA Guidelines, as such actions are a fiscal activity of the City government that does not involve any commitment to a specific project that may result in a potentially significant physical impact on the environment.

ATTACHMENT(S):

(a) Resolution

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MILPITAS
COMMITTING TO ACCEPT FUNDING FROM THE METROPOLITAN
TRANSPORTATION COMMISSION (MTC) TO PREPARE A TRANSIT
ORIENTED COMMUNITIES (TOC) OVERLAY TO INCREASE ALLOWABLE
FAR AND A PARKING AND TRANSPORTATION DEMAND MANAGEMENT
POLICY FOR THE CITY'S TOC AREAS**

WHEREAS, the City of Milpitas, California (the “City”) is a municipal corporation, duly organized under the constitution and laws of the State of California; and

WHEREAS, the Metropolitan Transportation Commission (MTC) is the designated recipient for state and federal funding from the Federal Transit Administration (FTA) and Federal Highway Administration (FHWA) for transit operations, active transportation, climate initiatives, and other transportation priorities for the nine-county San Francisco Bay Area region; and

WHEREAS, on May 18, 2021 the Mayor and City Council for the City of Milpitas adopted a Legislative Advocacy Policy to establish clear guidelines for advancing City goals and positions through legislative review and advocacy at the regional, state and federal levels of government; and

WHEREAS, the City’s adopted Legislative Advocacy Policy contains nine (9) Legislative Guiding Principles; and

WHEREAS, the City’s Legislative Guiding Principle Number 1 reads as follows: **Protect Local Control:** The City values its ability and authority to exercise local control, enable excellent public services and protect and enhance the quality of life for Milpitas residents and businesses. The City supports efforts to streamline regulations that benefit the administration of the City and opposes efforts that erode the City’s authority to control its own affairs; and

WHEREAS, the MTC adopted [Resolution 4530](#), the [TOC Policy](#); and

WHEREAS, in 2023 MTC identified the Milpitas Bart Station as Tier 2 TOC, Great Mall Light Rail Station and Alder Light Rail Station as Tier 3 TOC in the City of Milpitas; and

WHEREAS, MTC conditions the allocation of regional discretionary funding for fixed-guideway transit extension projects on compliance with the TOC Policy; and

WHEREAS, MTC anticipates that future regional funding, such as the One Bay Area Grant (OBAG) program, will consider compliance with the TOC Policy as part of the prioritization and project selection process starting with OBAG 4, expected in 2026; and

WHEREAS, the TOC Policy establishes different compliance expectations for existing and planned station areas based on the level of transit service; and

WHEREAS, the TOC Policy identifies four TOC Policy areas (density, housing affordability, parking, and access/circulation); and

WHEREAS, the City of Milpitas' Metro Plan, Housing Element, and zoning ordinance and map already identify where new housing development is allowed; and

WHEREAS, the City of Milpitas' zoning ordinance and map already establish zoning districts with allowed land uses for Milpitas' TOC areas, which include sites zoned only for nonresidential development; and

WHEREAS, on September 30, 2024 the MTC announced a Call for Projects for Transit Oriented Communities (TOC) Planning and Implementation Grants, and informed local jurisdictions of a November 22, 2024 deadline for submittals of Applications, as well as grant application guidance and requirements including compliance with the Transit Oriented Communities Policy; and

WHEREAS, the City of Milpitas submitted grant applications to MTC for \$100,000 to prepare a TOC-Overlay in the BART Station area; and \$300,000 for parking and transportation demand management policy development in the BART Station area, Great Mall Light Rail Station area, and Alder Light Rail Station area; in response to the MTC's Call for TOC Planning and Implementation Projects; and

WHEREAS, the City of Milpitas accepted a grant award from MTC for \$100,000 to prepare a TOC-Overlay in the BART Station area; and \$300,000 for parking and transportation demand management policy development in the BART Station area, Great Mall Light Rail Station area, and Alder Light Rail Station area; in response to the MTC's Call for TOC Planning and Implementation Projects; and

WHEREAS, the City of Milpitas commits to completing the work to develop the associated TOC-Overlay in the BART Station area and parking and transportation demand management policy development in the BART Station area, Great Mall Light Rail Station area, and Alder Light Rail Station area work scopes following MTC's grant awards by applying for these funds; and

WHEREAS, the City of Milpitas intends to bring forward for the City Council's consideration for adoption the relevant plans, policies or zoning updates emerging from the work completed through the TOC-Overlay in the BART Station Area grant to comply with the TOC Policy's density requirements; and

WHEREAS, the agreement with MTC to accept the current \$400,000 grant does not require the City to adopt the policies nor does the agreement require the City to adopt any statements of compliance or support for the overall MTC TOC Policy; and

WHEREAS, the City of Milpitas intends to bring forward for the City Council's consideration for adoption the relevant plans, policies or zoning updates emerging from the work completed through the parking and transportation demand management policy development grant to comply with the TOC Policy's parking requirements; and

NOW, THEREFORE, the City Council of the City of Milpitas hereby finds, determines, and resolves as follows:

SECTION 1. RECITALS

The City Council has duly considered the full record before it, which may include but is not limited to such things as the City staff report, testimony by staff and the public, and other materials and evidence submitted or provided to the City Council. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.

SECTION 2. CITY COUNCIL APPROVAL

The City Council hereby expresses its support for the City's commitment to prepring a TOC-Overlay to increase allowable FAR and a parking and transportation demand management policy for the City's TOC areas. These proposals will be brought forward for the City Council for review.

PASSED AND ADOPTED this _____ day of _____, 2025, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Suzanne Guzzetta, City Clerk

Carmen Montano, Mayor

APPROVED AS TO FORM:

Christopher Creech, Acting City Attorney



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Receive an Update on the Milpitas SMART Program and Consider Approving Bridge Funding (Staff Contact: Jay Lee, Planning Director, 408-586-3077)
Category:	Community Development
Meeting Date:	6/17/2025
Recommendation:	(1) Receive a staff update on the Milpitas SMART Program; (2) Approve bridge funds to continue SMART services until the Santa Clara Valley Transportation Authority announces 2016 Measure B grant awards in fall 2025; (3) Appropriate \$300,000 from the Contingency Reserve Fund or another City resource to support the bridge funding; and (4) Authorize the City Manager, or designee, to negotiate and execute amendments and agreements necessary to effectuate this bridge funding.

BACKGROUND:

In November 2016, Santa Clara County voters approved Measure B, a 30-year half-cent sales tax for transit improvements. The Santa Clara Valley Transportation Authority (VTA) launched the Innovative Transit Service Models Program for grant funding. City of Milpitas staff partnered with RideCo to apply for a grant to develop Milpitas SMART, a 12-month pilot program for first/last-mile transit solutions. On March 4, 2022, the VTA Board approved the program and awarded Milpitas a grant of \$1,084,732. On [April 5, 2022](#), the City Council concurrently authorized a funding agreement with VTA and a subscription and services agreement with RideCo to provide SMART transit services for \$1,355,916.

Milpitas SMART began on September 12, 2022, but ridership was low. In response to community feedback, the service model shifted from hub-and-spoke to point-to-point in February 2023. The City Council approved amendments to its respective agreements with VTA and RideCo on [August 8, 2023](#), and accepted \$1,600,000 in State funding on [September 5, 2023](#). On June 11, 2024, the subscription agreement with RideCo was amended to reflect the State funding, followed by further amendments to update various aspects of the program related to the service provider and operational requirements on September 3, 2024.

Since Milpitas SMART launched in September 2022, updates have included allowing rides between virtual stops (i.e., unmarked stops where users can enter and exit vehicles), changing service providers, extending service hours, and converting to hybrid vehicles. These efforts, along with collaborative outreach with VTA, have significantly increased ridership.

In 2024, monthly ridership ranged from 3,242 to 4,258 passengers, peaking at 7,807 in March 2025 during a VTA workers' strike. The average monthly ridership for 2025, excluding March, is 5,282 – a 33% increase from 2024 and a 180% increase from 2023. Notably, SMART serves a significant portion of Milpitas disadvantaged and transit-dependent populations. In April 2025, 75% of SMART rides (4,025 out of 5,366) were used by disadvantaged and transit-dependent populations, including youth, seniors, low-income individuals, and disabled persons.

On December 16, 2024, VTA announced the 2016 Measure B Innovative Transit Service Models Competitive Grant Program Cycle 2 call-for-projects. On [February 4, 2025](#), the City Council adopted a resolution expressing support for the City 2016 Measure B grant application to VTA to continue operating Milpitas SMART. On February 24, 2025, the City submitted its 2016 Measure B grant application to VTA. The City is

seeking approximately \$2,004,605 from VTA to extend SMART operations for an additional 18 months after existing funds are exhausted in August 2025.

The City grant application for the 2016 Measure B Innovative Transit Service Models aims to enhance SMART service and competitiveness according to VTA scoring criteria. If funding is secured, SMART will incorporate multimodal trip planning into its mobile app, enabling users to view various transit options, including those from VTA and other agencies. This feature would improve connections to destinations both within Milpitas and beyond, positioning SMART as a viable first/last-mile solution. Additionally, the City plans to add autonomous vehicles (AVs) to the fleet to increase service capacity and reduce operational costs. These AVs, powered by Artificial Intelligence (AI) for navigation, will effectively serve high-demand areas and decrease wait times, while also minimizing long-term expenses by eliminating the need for human drivers. Last, staff would enhance outreach efforts targeting local employers and businesses, and collaborate with the Milpitas Unified School District (MUSD) to develop strategies for improving services for students to boost ridership. To optimize the grant application score, the City proposed a 20% local match (\$400,921), contemplated to be achieved through a combination of cash and in-kind contributions from staff.

ANALYSIS:

SMART is currently funded through August 2025. The VTA is expected to award its 2016 Measure B grant application by September 2025, with VTA committee review in August and subsequent Board of Directors action in September approving the recommended grants. If the City does not secure the VTA grant, it will need to either fund operations through other City resources or discontinue the program.

Staff is recommending the City Council approve the allocation of bridge funds to continue SMART services until the VTA announces the 2016 Measure B grant awards, as this will ensure service continuity for our transit-dependent population in the short-term. Once VTA announces the 2016 Measure B grant awards, staff will return to the City Council with an update as well as proposing next steps for City Council deliberation. These proposed next steps are likely to be:

- (a) if the City receives the VTA grant, the City Council accepting the grant, appropriating the necessary 20% match to continue SMART service for an additional 18 months, and using the retroactive grant funds to reimburse any bridge funds used; or
- (b) if the City does not receive the VTA grant, the City Council approving the use of a one-time funding resource to fund SMART services for a City Council-determined time frame while staff pursues alternative ongoing funding; or
- (c) discontinuing SMART.

POLICY ALTERNATIVES:

1. Do not approve bridge funding for SMART services

Pros: Committing additional City funds will likely pressure the City's existing structural deficit if the VTA grant is not secured, and consequently divert resources from other essential services. The dependency on future funding creates uncertainty about the long-term viability of SMART, and investing interim funds may not yield a favorable return if ridership does not increase significantly. Additionally, public perception may be affected if the community views the funding as short-term without a clear, sustainable plan to maintain SMART services.

Cons: Providing the bridge funding would ensure service continuity and support Milpitas transit-dependent populations such as students, seniors, and low-income residents. This funding can help increase ridership by allowing for ongoing outreach efforts and improvements based on user feedback. Furthermore, maintaining SMART can strengthen the City's position with the VTA or other grantors, potentially enhancing the likelihood of receiving future grant funds.

Recommendation: Staff recommends the City Council approve the allocation of bridge funds to continue SMART services until the VTA announces the 2016 Measure B grant awards, as this will ensure service continuity for our transit-dependent population.

FISCAL IMPACT:

The monthly fiscal impact of extending SMART services is approximately \$100,000 which is the net of approximately \$105,000 in SMART operating expenses less an approximate \$5,000 of SMART fare revenues. The net funding gap for the three months is approximately \$300,000, which is recommended to be bridged with the Contingency Reserve Fund or another City resource.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The action has no potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment and is not a project pursuant to Pub. Resources Code, § 21065 and Cal. Code Regs., tit. 14, § 15378. Even if a project, the action is exempt from further CEQA review pursuant to Cal. Code Regs., tit. 14, § 15061(b)(3) as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The action is a fiscal activity of the City government that does not involve any new commitment to any specific project which may result in a potentially significant physical impact on the environment and is not a project pursuant to Cal. Code of Regs., tit. 14, § 15378. To the extent environmental analysis was required for the underlying program being funded, the present action does not expand or otherwise change the program in ways that modify or otherwise change CEQA determinations previously made by the City Council.

ATTACHMENT(S):

None.



CITY OF MILPITAS AGENDA REPORT (AR)

Item Title:	Approve Conceptual Design for Metro Tango Subdistrict Park(Staff Contact: Christian Di Renzo, Public Works, 408-586-2602; and Michael Silveira, City Engineer, 408-586-3303)
Category:	Community Services and Sustainable Infrastructure
Meeting Date:	6/17/2025
Recommendation:	Approve Conceptual Design for Metro Tango Subdistrict Park, Project No. 2023.

BACKGROUND:

The Metro Tango Subdistrict Park, Project No. 2023 (Tango Park Project) is in the adopted 2025-2029 Capital Improvement Program and listed as a project in Basic Infrastructure Program of the Milpitas Metro Specific Plan (Metro Plan), formerly known as the Transit Area Specific Plan (TASP). The Tango Park Project provides for the design and construction of a new 4-acre neighborhood park spanning two city-owned parcels at 1831 Tarob Court (Tango Park Site 1) and 1700 Sango Court (Tango Park Site 2).

Within the Tango Subdistrict, the Metro Plan focuses on providing recreation public open space such as the Tango Park Project and safe and convenient pedestrian and bicycle connectivity between residential neighborhoods, schools, parks, the Great Mall, and Transit Centers by building a street network that includes the extensions of South Milpitas Boulevard and Sango Court. To achieve the core circulation and open space elements, the street network must be completed ahead of the Tango Park Project. For the past several years, the City has partnered with developers of 355 Sango Court (Sango Court Apartments) and 1905 Tarob Court (Parkside West II Residential Development) to complete the Sango Court road extension to Tarob Court, while staff have been managing the South Milpitas Boulevard Road Extension, CIP No. 2016, to extend over Penitencia Creek and through the Tango Park Site 1 to connect to the Sango Court road extension. Both road extensions are anticipated to be completed by 2027.

The Project (Attachment A) is comprised of two parcels that are offset from one another and separated by the Sango Court road extension. Tango Park Site 1 is located to the east of Sango Court Apartments and Tango Park Site 2 is an expansion of the Augustus Rathbone Park, an existing 0.75-acre park located between Expedition Lane and Jubilee Drive. To ensure the Project is integrated with both road extensions, the City engaged a landscape architect consultant, Callander Associates Landscape Architecture, Inc. (CALA), to provide planning services that includes design development, community outreach and California Environmental Quality Act (CEQA) clearance. The City Council approved a design service agreement with CALA in the amount of \$420,237 on [March 19, 2024](#). CALA completed community outreach and is ready to present the preferred conceptual design to City Council for approval to start the CEQA process.

ANALYSIS:

CEQA is a California law that requires state and local government agencies to evaluate and disclose the potential environmental impacts of a proposed project. It aims to prevent or minimize environmental impacts, promote public participation, and ensure transparency in government decision-making. The first step of a CEQA environmental analysis is the development of a preferred conceptual design where the community provides input and is reviewed and approved by the governing body of an agency. The following is a summary of the completed community engagement efforts and the preferred conceptual design for the Tango Park Project.

Community Engagement

Two community workshops were completed to actively engage the community in the design process of the Tango Park Project. Each workshop included an in-person and virtual meeting to maximize accessibility and participation. The workshops were promoted via social media posts across all City platforms, postcard mailers were sent to all residents within a quarter-mile radius, and flyers were distributed at key City facilities such as City Hall, the Milpitas Sports Center, Senior Center and Community Center, and Mabel Mattos Elementary School. All outreach materials were translated into Chinese, Vietnamese, and Spanish.

The first set of community workshops were held on September 10, 2024 (in-person) and September 19, 2024 (virtual) where 26 total participants provided feedback on desired amenities for the park. To further broaden community input, the City and CALA launched online surveys and received 99 additional responses. Based on community input, CALA developed three conceptual designs. These designs were presented during the second set of community workshops held on January 15, 2025 (in-person) and January 22, 2025 (virtual) where 10 participants and 95 additional online survey respondents provided feedback on their preferred conceptual design. The City also set up a booth at the City Lunar New Year event on January 25, 2025, to reach residents who could not attend the community workshops, and to encourage participation in the online surveys.

Based on the community feedback received through workshops and surveys, the preferred conceptual design (Attachment a) was presented to the Parks, Recreation & Cultural Resources Commission (PRCRC) on [May 5, 2025](#). The PRCRC recommended the preferred conceptual design be presented to the City Council for approval. Although pickleball was not ranked as a top priority in the community surveys and feedback, staff was asked to explore the feasibility of incorporating pickleball court(s) into the final design.

Preferred Conceptual Design

The preferred conceptual design implements a multi-use space for all ages. The proposed amenities reflect the community priorities including Bankshot basketball, community garden, dog play area, fitness stations, landscaping areas, on-street parking, restrooms, safety lighting, seating areas, shaded group picnic areas, sports court (tennis) with lighting, tot and youth play areas and walking pathways. In addition, the most popular park theme chosen by the community was a creek theme, inspired by the adjacent Penitencia Creek. This theme may be expressed through creek-inspired motifs such as wave-like forms, creek-bed materials such as boulders and rocks, and play structures designed with shapes and colors that reflect local creek flora and fauna.

Based on PRCRC's request, staff conducted a preliminary review and analysis of feasibility of including pickleball at the new park site, however, at the [May 20, 2025](#) City Council meeting, City Council directed staff to explore and study indoor and outdoor pickleball facility opportunities throughout the City. Staff proposes to include this park site as part of the study and will recommend the priority sport for the planned sport courts based on the results of this study.

Next Step

Upon City Council approval of the preferred conceptual design, CALA will start the CEQA clearance process which is anticipated to be completed between 6 to 9 months. In Winter/Spring of 2026, staff will return to City Council to conduct a public hearing and adopt the CEQA determination. The development of construction documents will commence thereafter and is expected to be completed by the Winter of 2027. The construction is anticipated to begin in Spring/Summer of 2027, contingent on the construction schedule of the Sango Court and South Milpitas Boulevard extension projects.

POLICY ALTERNATIVES:

Alternative 1: Deny the approval of the preferred conceptual design for Tango Park Project.

Pros: None

Cons: Not approving the preferred conceptual design will delay the start of the CEQA clearance which will prolong the schedule of the design and construction of the Project.

Reason for not recommending: Staff has appropriately scheduled and allocated resources for the Project through 2028. Not approving the preferred conceptual design will prolong the schedule and delay the

completion of the Project which may increase the Project budget. Moreover, a non-approval may require additional community outreach for any major changes directed by City Council.

FISCAL IMPACT:

There is no fiscal impact associated with the approval of the preferred conceptual design as there is sufficient funding for this task. The Tango Park Project's budget is estimated at \$11.1 million where City Council has appropriated \$1.1 million from TASP Impact Fees to date. As of June 1, 2025, there is a total of \$49,576,284 in the TASP Impact Fee fund balance where \$19,648,118 is designated for the category of Park and Community Facilities (DB#21-36). There is sufficient funding in the TASP Impact Fees to meet the funding needs of the Tango Park Project.

When staff returns to City Council for adoption of the CEQA determination, staff will bring forward an amendment to CALA design agreement for the development of construction documents and construction support which is estimated at \$500,000. As part of the adopted 2026-2030 Capital Improvement Program, City Council appropriated this amount into the Tango Park Project. The estimated construction budget of \$10 million is anticipated to be appropriated in fiscal year 2026-27 as part of the respective Capital Improvement Program.

This Project is anticipated to affect the Department of Public Works' operating budget and staffing needs in future years. As the scope of this Project is further defined through the design process, operating impacts will be reviewed, and adjustments may be brought forward in future operating budget appropriation requests.

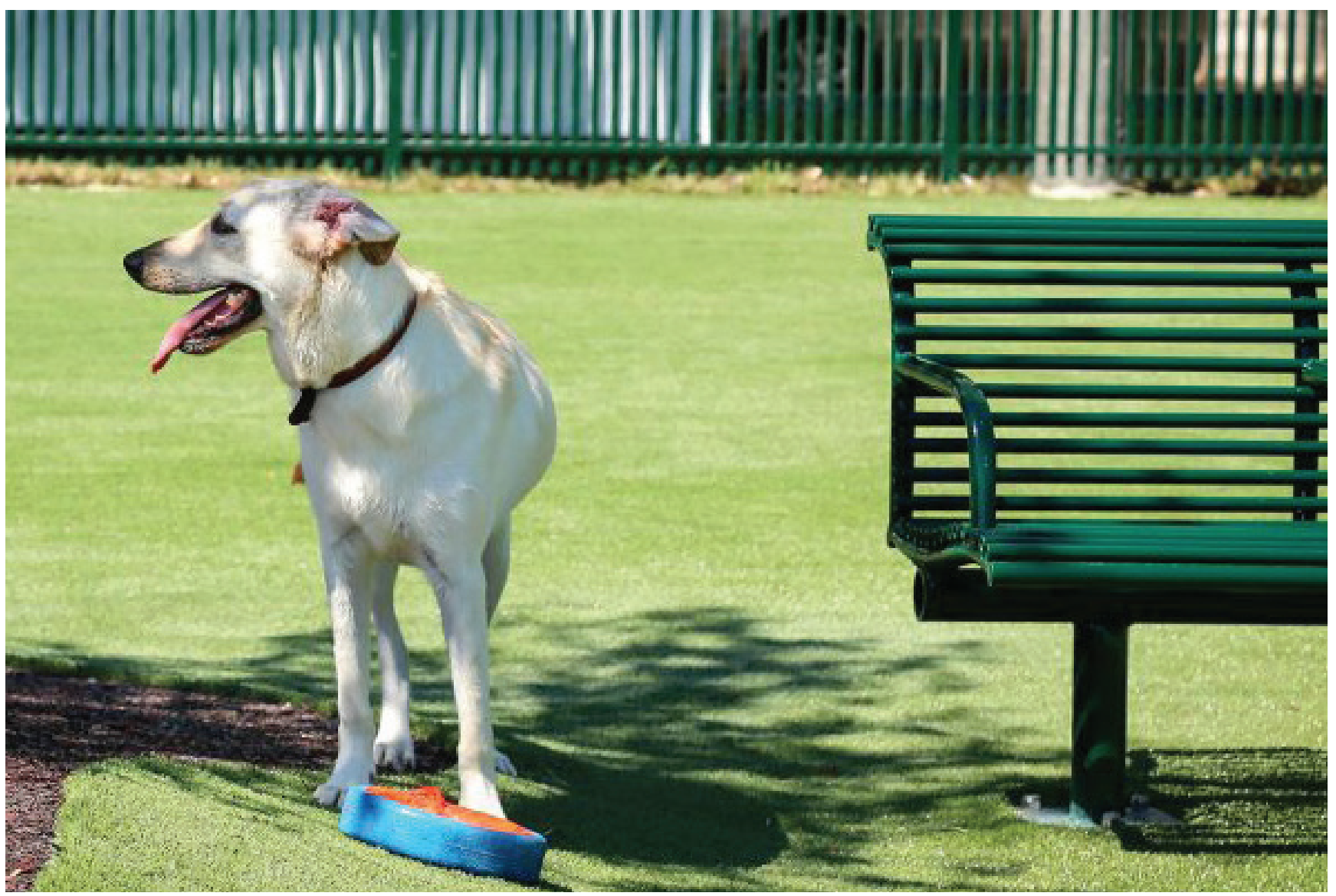
CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

As part of the CALA Design Services Agreement, an initial environmental assessment report will be conducted following the approval of the preferred conceptual design. The assessment will focus on relevant environmental statutes and regulations, which may include, but are not limited to, the following: CEQA, state and federal Endangered Species Acts, Clean Air Act, Clean Water Act, California Fish and Game code, cultural and archaeological statutes, and noise ordinances. Following the initial environmental assessment report, the Consultant will prepare the necessary CEQA documentation including findings and determination and conduct public noticing requirements per CEQA Guideline Section 15072. CEQA findings and determination will be presented to the City Council for approval prior to the start of the design phase of the Project.

ATTACHMENTS:

(a) Tango Park Conceptual Design

ATTACHMENT A



Dog Park



Community Garden



Tennis Court (with Court Lighting)



Play Area



PREFERRED PLAN

TANGO PARK (TEMPORARY NAME)

Milpitas, California